

<p>Kennis word hiermee gegee ingevolge Artikel 29(2) van die Plaaslike Regering: Munisipale Strukture Wet, 1998 (Wet 117 van 1998), soos gewysig, dat 'n Raadsvergadering van die Munisipaliteit Witzenberg gehou sal word op Woensdag, 30 Maart 2022 om 10:00 in die Stadsaal, Voortrekkerstraat, Ceres.</p>	<p>Notice is hereby given in terms of Section 29(2) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), as amended, that a Council meeting of the Witzenberg Municipality will be held on Wednesday, 30 March 2022 at 10:00 in the Town Hall, Voortrekker Street, Ceres.</p>
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Raadslede en Amptenare / Councillors and officials		
Alderman K Adams	Councillor JJ Cloete	Councillor S de Bruin
Councillor GJ Franse	Councillor JP Fredericks	Councillor AL Gili
Councillor LA Hardnek	Councillor P Heradien	Alderman BC Klaasen
Councillor FE Klazen	Councillor GG Laban	Councillor JS Mouton (Speaker)
Councillor MJ Ndaba	Councillor N Nogcinisa	Councillor N Phatsoane
Councillor EM Sidego	Alderman HJ Smit (Executive Mayor)	Councillor D Swart
Councillor IL Swartz	Alderman JJ Visagie	Councillor K Yisa
Councillor J Zalie		
Municipal Manager	Director: Finance	Director: Technical Services
Director: Corporate Services	Deputy Director: Finance	Manager: Projects and Performance
Manager: Administration	IDP Manager	Manager: Legal Services
Chief Administrative Officer	Committee Clerk	



COUNCILLOR JS MOUTON
SPEAKER

23 March 2022

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- 1. OPENING AND WELCOME**

- 2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION**
 - 2.1 Consideration of application for leave of absence, if any (3/1/2/1)**

 - 2.2 Confidentiality and Conflict of Interest Declaration (3/2/1)**

The Confidentiality and Conflict of Interest Declaration is attached as **annexure 2.2.**

- 3. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED**
 - 3.1 Gratitude, Congratulations and Commiseration (11/4/3)**

Council's congratulations are conveyed to the following Councillors on their birthdays:

✚	Councillor MJ Ndaba	3 March
✚	Councillor G Laban	19 March
✚	Councillor S de Bruin	30 March
✚	Councillor N Nogcinisa	6 April

NOTED

- 3.2 Matters raised by the Speaker (09/1/1)**

- 3.3 Matters raised by the Executive Mayor (09/1/1)**

- 3.4 Matters raised by the Municipal Manager**



4. MINUTES

**4.1 Corrections to the minutes
(3/1/2/3)**

**4.2 Approval of minutes
(3/1/2/3)**

The minutes of the Council meeting, held on 23 February 2022, are attached as **annexure 4.2**.

RECOMMENDED

That the minutes of the Council meeting, held on 23 February 2022, be approved and signed by the Speaker.

AANBEVEEL

Dat die notule van die Raadsvergadering, gehou op 23 Februarie 2022, goedgekeur en deur die Speaker onderteken word.

5. MOTIONS AND NOTICE OF SUGGESTIONS

None

NOTED



6. INTERVIEWS WITH DELEGATIONS

None.

NOTED

7. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS

**7.1 Minutes: Committee meetings
(03/3/2)**

The minutes of the following meetings are attached:

- (a) Executive Mayoral Committee meeting, held on 6 October 2021:
Annexure 7.1(a).
- (b) Executive Mayoral Committee meeting, held on 24 January 2022:
Annexure 7.1(b).

RECOMMENDED

that notice be taken of the minutes of the Executive Mayoral Committee meetings and same be accepted.

AANBEVEEL

dat kennis geneem word van die notules van die Uitvoerende Burgemeesterskomitee vergaderings en genoemde aanvaar word.



8. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS

8.1 Direktooraat Finansies / Directorate Finance

8.1.1 Finance: Draft Budget 2022/2023, Draft Amended IDP 2022 to 2023 and Draft Top Layer SDBIP: 2022/2023 (5/1/1/21; 2/2/1 & 5/1/5/15)

The following memorandum, dated 23 March 2022, was received from the Director: Finance:

1. Purpose

The purpose of this report is to table the 2022/2023 Draft Budget, Draft Amendment of the IDP 2022/2023 and Draft Top Layer SDBIP 2022/2023 to the Executive Mayor and Council.

2. Legal framework

Section 16 - 18 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:

'Annual budgets

- 
16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
 - (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
 - (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.'

'Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format –
 - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) appropriating expenditure for the budget year under the different votes of the municipality;
 - (c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;

Agenda: Raadsvergadering 30 Maart 2022
Agenda: Council meeting 30 March 2022

- (d) setting out –
 - (i) estimated revenue and expenditure by vote for the current year; and
 - (ii) actual revenue and expenditure by vote for the financial year preceding the current year; and
 - (e) a statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.
- (2) An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.
- (3) When an annual budget is tabled in terms of Section 16 (2), it must be accompanied by the following documents:
- (a) draft resolutions –
 - (i) approving the budget of the municipality;
 - (ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year;
 - (iii) approving the budgets for the relevant financial year of each municipal entity under the sole or shared control of the municipality; and
 - (iv) approving any other matter that may be prescribed;
 - (b) measurable performance objectives for each vote in the budget, taking into account the municipality's integrated development plan;
 - (c) a projection of cash flow for the budget year by revenue source, broken down per month;
 - (d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act;
 - (e) any proposed amendments to the budget-related policies of the municipality;
 - (f) particulars of the municipality's investments;
 - (g) any prescribed budget information on municipal entities under the sole or shared control of the municipality;
 - (h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;
 - (i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;
 - (j) particulars of any proposed allocations or grants by the municipality to –
 - (i) other municipalities;
 - (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;
 - (iii) any other organs of state;



- (iv) any organisations or bodies referred to in Section 67(1);
- (k) the proposed cost to the municipality for the budget year of the salary, allowances and benefits of –
 - (i) each political office-bearer of the municipality;
 - (ii) councillors of the municipality; and
 - (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality at a remuneration package at least equal to that of a senior manager;
- (l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of –
 - (i) each member of the entity's board of directors; and
 - (ii) the chief executive officer and each senior manager of the entity; and
- (m) any other supporting documentation as may be prescribed.'

'Funding of expenditures

- 18. (1) An annual budget may only be funded from –
 - (a) realistically anticipated revenues to be collected;
 - (b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - (c) borrowed funds, but only for the capital budget referred to in section 17 (2).
- (2) Revenue projections in the budget must be realistic, taking into account –
 - (a) projected revenue for the current year based on collection levels to date; and
 - (b) actual revenue collected in previous financial years.'

The following documents are attached:



- (a) Draft Top Layer SDBIP for 2022/2023: **Annexure 8.1.1(a)**.
- (b) Draft Amendment of IDP 2022/2023: **Annexure 8.1.1(b)**.
- (c) Draft Budget: 2022/2023 – 2024/2025: **Annexure 8.1.1(c)**.
- (d) Draft Budget Related Policies: 2022/2023: **Annexure 8.1.1(d)**.
- (e) Draft Budget Schedules: 2022/2023 – 2024/2025 (will be tabled at Council meeting).

RECOMMENDED

- (a) *that Council takes notice of the Draft Budget, the Draft Amendments to the IDP 2022/2023 and the Draft Top Layer SDBIP of the Witzenberg Municipality for the financial year 2022/2023 and the indicative budget for the two years 2023/2024 and 2024/2025 that have been tabled by the Executive Mayor in Council.*
- (b) *that the documents be advertised and made available at all libraries and municipal offices of Council.*
- (c) *that the public meetings, if any, be conducted in accordance with the guidelines of the National State of Disaster (COVID-19).*
- (d) *that an executive summary in the form of a pamphlet be distributed to households within the Witzenberg municipal area.*

8.1.2 Performance, Risk and Audit Committee: 2nd Bi-Annual Report on Performance Management: 2020/2021 (5/14/4)

The Second Bi-Annual Report of the Performance, Risk and Audit Committee on Performance Management for 2020/2021, dated October 2021, is attached as **annexure 8.1.2**.

RECOMMENDED

that notice be taken of the Second Bi-Annual Report of the Performance, Risk and Audit Committee on Performance Management for 2020/2021.

8.1.3 Quarterly Budget Statement [Section 52(d)] Report: 4th Quarter of 2020/2021 (1 April 2021 to 30 June 2021) (9/1/2/2)

The following items refer:

- (a) Item 7.1.3 of the Executive Mayoral Committee meeting, held on 27 July 2021.
- (b) Item 8.1.4 of the Council meeting, held on 28 July and continued on 25 August 2021.
- (c) Item 8.2 of the Performance, Risk and Audit Committee meeting, held on 21 January 2022.

Memorandum from Director: Finance, dated 20 July 2021:

"Purpose

The purpose of this memorandum is to submit the Quarterly Budget Statement to Council for information.

Background

The Quarterly Budget Statement [Section 52(d)] Report for the 4th quarter of 2020/2021 is attached as **annexure 8.1.3**.

Extract from the minutes of the Executive Mayoral Committee, held on 27 July 2021:

"The Executive Mayor noted the excessive expense with regard to overtime and enquired as to the measurements that were put in place to reduce the overtime amount.

The Executive Mayor shared his concerns of delayed reactions to emergencies, thus resulting in overtime being claimed. Specific mention reference made to a pipe burst at Albert Crescent reported the morning of 26 July 2021, but only attended to after 16:30.

It is therefore requested that the matter be addressed and that the cost implication relating to the pipe burst on 26 July 2021 be reported to the Executive Mayoral Committee by the Chief Financial Officer.

Furthermore, it is requested that the Section Finance relook and correct the description noted "Performance bonus" for other municipal staff as contained in the quarterly report for March 2021."

The Executive Mayoral Committee resolved on 27 July 2021:

- (a) That the Chief Financial Officer tables a breakdown to the Executive Mayoral Committee of overtime for each department for further action.
- (b) That the cost implication related to the overtime worked to repair the pipe burst at Albert Crescent, Ceres be reported by the Chief Financial Officer.
- (c) That the Executive Mayoral Committee recommends to Council:
 - (i) that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the period 1 April 2021 to 30 June 2021.
 - (ii) that the report be referred to the Municipal Public Accounts Committee and the Performance, Risk and Audit Committee for their recommendations to Council.



Council unanimously resolved on 25 August 2021:

- (a) that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021.
- (b) that the report be referred to the Municipal Public Accounts Committee and the Performance, Risk and Audit Committee for their recommendations to Council.

The Performance, Risk and Audit Committee resolved on 21 January 2022:

- (a) that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021.
- (b) That the Performance, Risk and Audit Committee recommends to Council:

that the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021, after consideration, be accepted.

RECOMMENDED

That the Performance, Risk and Audit Committee recommends to Council:

that the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021, after consideration, be accepted.

**8.1.4 Proposed amendments to Supply Chain Management Policy
(8/1/P & 5/1/1/20)**

The following documents are attached:

- (a) Memorandum from Director: Finance, dated 16 March 2022:
Annexure 8.1.4(a).
- (b) Supply Chain Management Policy (reviewed 26 May 2021):
Annexure 8.1.4(b).

RECOMMENDED

that the proposed amendments to the Supply Chain Management Policy be approved with immediate application.



8.2 Direktoraat Tegniese Dienste / Directorate Technical Services

8.2.1 Partnership agreement between Essen (Belgium) and Witzenberg Municipality (South Africa) on solid waste management (10/2/3)

Memorandum from Director: Technical Services, dated 17 March 2022:

1. Purpose

To inform Council on the latest developments regarding the federal programme, which was funded by the federal government of Belgium.

2. Background

On 15 April 2017 the partnership agreement was signed between Essen, Witzenberg and the VVSG. This agreement was in place from 2017 and came to an end in December 2021. See agreement attached as **annexure 8.2.1(a)**.

At the end of 2021 an application was submitted by VVSG for a follow-up five year programme on solid waste, which was unfortunately not approved by the Federal Government of Belgium.

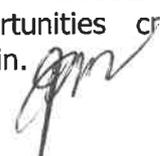
However, Essen Municipality is working together with the VVSG (Flemish Local Government Association) to apply for an alternative shorter version of the submitted programme.

A letter from Essen Municipality, dated 1 March 2022, explaining the above is attached as **annexure 8.2.1(b)**.

3. Discussion

A draft of the shortened solid waste programme, to be submitted to VVSG, aims to give attention to the following sustainable development goals:

- Result 1
 Technical staff and politicians of local authorities and SALGA have strengthened capacity in waste management.
- Result 2
 The municipality's infrastructure and equipment are better adapted to a separation at source system.
- Result 4
 Local actors involved in waste sector are strengthened to benefit from economic opportunities created within the waste management value chain.



At the meeting held on 16 March 2002 between the Mayoral Committees of Witzenberg and Essen it was highlighted that 2022 marks the twentieth anniversary of the twinning agreement between Witzenberg Municipality and Essen Municipality. It is suggested that a working committee be established to brainstorm on how we can celebrate our long-lasting relationship."

RECOMMENDED

- (a) *that notice be taken that the partnership agreement between Essen, Witzenberg and the VVSG, on solid waste management came to an end during December 2021.*
- (b) *that notice be taken that Witzenberg Municipality and Essen Municipality are working together with VVSG (Flemish Local Government Association) to apply for an alternative shorter version of the submitted programme for solid waste.*
- (c) *That a working committee be established to brainstorm on how we can celebrate our long-lasting relationship with Essen, comprising of the following designations:*
 - (i) *Portfolio Councillor of Technical Services*
 - (ii) *Portfolio Councillor of Local Economic Development*
 - (iii) *Director: Technical Services*
 - (iv) *Municipal Manager*



8.3 Direkoraat Gemeenskapsdienste / Directorate Community Services

**8.3.1 Housing: Witzenberg Municipality: Housing Administration Policy/
Behuising: Munisipaliteit Witzenberg: Behuisingsadministrasie
Beleid
(17/4/P)**

The Housing Administration Policy for Witzenberg Municipality, received from the Municipal Manager, dated 18 February 2020, is attached as **annexure 8.3.1**.

RECOMMENDED

that the Housing Administration Policy for Witzenberg Municipality be approved and adopted.

AANBEVEEL

dat die Behuisingsadministrasie Beleid vir Munisipaliteit Witzenberg goedgekeur en aanvaar word.

**8.3.2 Housing: Demolition of vandalised houses: The Island Holiday
Resort, Ceres
Behuising: Sloping van gevandaliseerde huise: Die Eiland
Vakansieoord, Ceres
(17/4/1/1/R)**

A memorandum from the Manager: Housing, dated 14 March 2022, is attached as **annexure 8.3.2**.

RECOMMENDED

- 
- (a) *that the recyclable material be recycled by the maintenance team of the Department of Housing.*
 - (b) *that the ticket office at the entrance of The Island Resort be demolished.*
 - (c) *that the two (2) vacant semi-detached houses not be demolished, but rather be made available to the neighbours for restoration at own cost and subsequent occupation.*
 - (d) *that the five (5) vacant houses be demolished internally with the assistance of a digger loader from the Directorate: Technical Services and temporary workers.*

AANBEVEEL

- (a) *Dat alle herwinbare materiaal deur die Departement Behuising se instandhoudingspan herwin word.*
- (b) *Dat die kaartjieskantoor by die ingang van die Eiland Vakansieoord gesloop word.*
- (c) *Dat die twee (2) vakante skakelwonings nie gesloop word nie, maar aan die bure beskikbaar gestel word om op eie koste te herstel en te bewoon.*
- (d) *Dat die vyf (5) vakante wonings intern gesloop word met die hulp van 'n laaigraaf van Direkoraat Tegnieise Dienste en tydelike werkers.*



8.4 Direkoraat Korporatiewe Dienste / Directorate Corporate Services

**8.4.1 Council's representatives on outside bodies
Raad se verteenwoordigers op buite-organisasies
(3/1/1/5)**

A list of outside bodies for which Council must appoint representatives, is attached as **annexure 8.4.1**.

Council unanimously resolved on 23 February 2022 that the matter in respect of Council's representatives on outside bodies be held in abeyance until the next meeting and that all political parties submit their members' names for the respective bodies.

RECOMMENDED

that Council's representatives on outside bodies be appointed.

9. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA

10. FORMAL AND STATUTORY MATTERS

**10.1 Feedback on matters of outside bodies
(3/R)**

11. QUESTIONS and/or MATTERS RAISED by COUNCILLORS

**11.1 Progress report on restoration of Nduli Library and upgrade of Polocrosse Hall, Nduli, Ceres
(17/6/2) & 17/8/2)**

A letter from Councillor A Gili, dated 14 March 2022, is attached as **annexure 11.1**.

RECOMMENDED

For consideration.



11.2 Various questions to Executive Mayor

A letter from Councillor A Gili, dated 23 March 2022, is attached as **annexure 11.2**.

RECOMMENDED

For consideration.

11.3 Letter of complaint on Public Participation Process in drafting of Council's Reviewed IDP and Budget 2022/2023 (5/1/1/21; 2/2/1)

A letter from Councillor J Zalie, dated 15 March 2022, is attached as **annexure 11.3**.

RECOMMENDED

For consideration.

11.4 Complaint against Witzenberg Municipality: Non-compliance of Private Security Industry Regulation Act (56 of 2001)

A letter from Mr Jimmy van Wyk that was emailed to the Speaker is attached as **annexure 11.4**.

RECOMMENDED

For consideration.



12. ADJOURNMENT



CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION

**Council meeting, held in the Town Hall, Voortrekker Street, Ceres on Wednesday,
30 March 2022**

I, the undersigned, hereby declare:

- That as a Councillor and a participant of this meeting, I shall maintain strict confidentiality in respect of any information of a confidential nature to which I may become privy at meetings of the Witzenberg Council and shall only disclose such information as may become necessary or required for the proper performance of my duties and functions.
- That as a Councillor and a participant of this meeting, I shall declare any conflict of interest that may arise at every meeting and remove myself from any proceedings, in relation to that matter, giving rise to that conflict.

COUNCILLORS

Surname	Initials	Signature
Adams	K	
Cloete	JJ	
De Bruin	S	
Franse	GJ	
Fredericks	JP	
Gili	AL	
Hardnek	LA	
Heradien	P	
Klaasen	BC	

Surname	Initials	Signature
Klazen	FE	
Laban	GG	
Mouton	JS	
Ndaba	MJ	
Nogcinisa	N	
Phatsoane	N	
Sidego	EM	
Smit	HJ	
Swart	D	
Swartz	IL	
Visagie	JJ	
Yisa	K	
Zalie	J	

**MINUTES OF THE COUNCIL MEETING OF WITZENBERG MUNICIPALITY,
HELD IN THE TOWN HALL, VOORTREKKER STREET, CERES ON WEDNESDAY,
23 FEBRUARY 2022 AT 10:00**

PRESENT

Councillors

Councillor JS Mouton (Speaker) (ANC)
Alderman HJ Smit (Executive Mayor) (DA)
Councillor FE Klazen (Deputy Executive Mayor) (GOOD)
Alderman K Adams (DA)
Councillor S de Bruin (DA)
Councillor GJ Franse (DA)
Alderman BC Klaasen (DA)
Councillor EM Sidego (DA)
Councillor D Swart (DA)
Alderman JJ Visagie (DA)
Councillor AL Gili (ANC)
Councillor MJ Ndaba (ANC)
Councillor N Nogcinisa (ANC)
Councillor N Phatsoane (ANC)
Councillor K Yisa (ANC)
Councillor J Zalie (ANC)
Councillor J Cloete (PA)
Councillor JP Fredericks (FFP)
Councillor LA Hardnek (Witzenberg Party)
Councillor P Heradien (ICOSA)
Councillor GG Laban (Witzenberg Aksie)
Councillor IL Swartz (EFF)

Officials

Mr D Nasson (Municipal Manager)
Mr HJ Kritzinger (Director: Finance)
Mr J Barnard (Director: Technical Services)
Mr M Mpeluzi (Director: Corporate Services)
Mr A Hofmeester (Manager: IDP)
Mr CG Wessels (Manager: Administration)
Ms R Hendricks (Manager: Communication and Marketing)
Ms M Arendse-Smith (Chief Administrative Officer)
Mr C Titus (Committee Clerk)
Ms MJ Prins (Word Processor Operator)
Mr R Rhode (ICT Administrator)
Mr J Pieterse (Senior ICT Officer)

1. OPENING AND WELCOME

The Speaker welcomed everyone after which she requested Councillor GJ Franse to open the meeting with a prayer.

The Speaker requested Council to stand for a moment of silence in honour of the relative of Councillor N Phatsoane who had drowned at the Pine Forest Resort as well as all loved ones who had passed on.

NOTED

2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION

2.1 Consideration of application for leave of absence, if any (3/1/2/1)

None

NOTED

2.2 Confidentiality and Conflict of Interest Declaration (3/2/1)

The Confidentiality and Conflict of Interest Declaration was duly signed by all Councillors.

NOTED

3. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED

3.1 Gratitude, Congratulations and Commiseration (11/4/3)

Council's congratulations were conveyed by Alderman K Adams to the following Councillors and spouses on their birthdays:

❖	Ms N Ndaba	3 February
❖	Councillor E Sidego	16 February
❖	Mr M Hardnek	18 February
❖	Alderman H Smit	25 February

NOTED

3.2 Matters raised by the Speaker
(09/1/1)

- (a) The Speaker informed Council that the serial killer of three (3) women in Wolseley had been found guilty. She thanked Councillor J Zalie for attending to the media.
- (b) The Speaker informed Council in respect of the bad situation at Ceres Secondary School, Ceres where overcrowded classes and a lack of adequate classrooms are experienced.

NOTED

3.3 Matters raised by the Executive Mayor
(09/1/1)

The Executive Mayor, Alderman HJ Smit, conveyed condolences on behalf of Council to the family of the child who had drowned in the swimming pool at the Pine Forest Resort, Ceres.

NOTED

3.4 Matters raised by the Municipal Manager

- (a) The Municipal Manager informed Council that a police inquest is undertaken to determine what has happened that a child drowned at the Pine Forest Resort. The municipality is also busy with an independent investigation.
- (b) The Municipal Manager informed Council that the Western Cape Government is still busy with a procurement process to make available the legislation libraries to all Councillors. It will be distributed as soon as received.

NOTED

4. MINUTES

4.1 Corrections to the minutes (3/1/2/3)

- (a) Minutes of Special Council meeting 15 December 2021

Item 6.3.2: Appointment of Section 80 Committees by Council

The name of Councillor AL Gili has been omitted as a committee member for the Committee for Technical Services.

The table to be changed to read:

Name of committee	Chairperson	Committee members
Committee for Housing Matters	Councillor EM Sidego	Councillor S de Bruin Councillor MJ Ndaba Councillor IL Swartz
Committee for Technical Services	Councillor K Robyn	Councillor D Swart Councillor GJ Franse Councillor AL Gili
Committee for Corporate and Financial Services	Councillor FE Klazen	Councillor J Zalie Councillor JJ Cloete Councillor P Heradien Councillor C Lottering
Committee for Community Development	Councillor JP Fredericks	Councillor K Yisa Alderman K Adams Councillor LA Hardnek
Committee for Local Economic Development and Tourism	Alderman JJ Visagie	Councillor GG Laban Councillor N Nogcinisa Councillor N Phatsoane

- (b) Minutes of Special Council meeting 7 February 2022

Item 3.1: Motion: Request for urgent meeting to table a motion of no confidence and to request the removal of the Speaker from office

Paragraph 5: Last sentence

That the sentence which reads "The motion cannot carry" be removed.

NOTED

4.2 Approval of minutes
(3/1/2/3)

The following minutes are attached:

- (a) Special Council meeting, held on 15 December 2021: **Annexure 4.2(a)**.
- (b) Council meeting, held on 26 January 2022: **Annexure 4.2(b)**.
- (c) Special Council meeting, held on 7 February 2022: **Annexure 4.2(c)**.

UNANIMOUSLY RESOLVED

That the following minutes be approved and signed by the Speaker:

- (i) Special Council meeting, held on 15 December 2021 (as amended).*
- (ii) Council meeting, held on 26 January 2022.*
- (iii) Special Council meeting, held on 7 February 2022 (as amended).*

EENPARIG BESLUIT

Dat die volgende notules goedgekeur en deur die Speaker onderteken word:

- (i) Spesiale Raadsvergadering, gehou op 15 Desember 2021 (soos gewysig).*
- (ii) Raadsvergadering, gehou op 26 Januarie 2022.*
- (iii) Spesiale Raadsvergadering, gehou op 7 Februarie 2022 (soos gewysig).*

5. MOTIONS AND NOTICE OF SUGGESTIONS

5.1 Motion: Compilation of Council: Mayoral Committee (3/1/1/4)

A letter from Councillor P Heradien (ICOSA), dated 7 December 2021, is attached as **annexure 5.1**.

Council unanimously resolved on 26 January 2022 that the matter in respect of the motion "Compilation of Council: Mayoral Committee" be held in abeyance and the applicable letter be translated to English.

Councillor P Heradien mentioned that the purpose of the motion was to investigate whether the Executive Mayor has appointed an MPAC Chairperson with a remuneration.

Alderman BC Klaasen proposed and Alderman JJ Visagie seconded that the motion be removed from the agenda.

Councillor P Heradien proposed and Councillor N Nogcinisa seconded that the motion stays on the agenda.

The Speaker informed Council that she had investigated the matter of receiving a remuneration and confirmed that Councillor LA Hardnek did not receive any remuneration.

The Speaker brought the matter to a vote and the outcomes were:

In favour of removal of motion:	12 votes
In favour that motion stays on agenda:	8 votes
Number of votes abstained	<u>1 vote</u>
Total	21 votes

Council resolved by majority of votes that the motion in respect of the compilation of Council be removed from the agenda.

RESOLVED

that the motion in respect of the compilation of Council: Mayoral Committee be removed from the agenda.

BESLUIT

dat die mosie rakende die samestelling van die Raad: Burgemeesterskomitee van die agenda verwyder word.

5.2 Motion: Request for urgent meeting to table a motion of no confidence and to request the removal of the Speaker from office (3/2/2)

The following documents are attached:

- (a) Motion from the DA coalition, dated 26 January 2022:
Annexure 5.2(a).
- (b) Letter from Councillor IL Swartz, dated 6 February 2022:
Annexure 5.2(b).

The Speaker informed Council that the matter in respect of a request for an urgent meeting to table a motion of no confidence and to request the removal of the Speaker from office be moved to item 9 on the agenda.

Alderman BC Klaasen responded that the matter must be dealt with since it is not an urgent matter. The Speaker also signed the agenda off and thus accepted the compilation of the items.

Councillor MJ Ndaba, on behalf of the ANC component, requested a caucus break from 10:55 until 11:12. Councillor Ndaba informed Council after the break that the ANC had accepted the moving of the item as indicated.

Alderman BC Klaasen, on behalf of the DA coalition, requested a caucus break from 11:13 until 11:19. Alderman Klaasen informed Council after the break that the Speaker is not complying with the Rules of Order for meetings. The Speaker breached her oath of office by misleading Council by indicating that she did not sign off the agenda. The DA coalition put thus on record that they do not have confidence in the Speaker and that the actions of the Speaker bring the office of Speaker at Witzenberg Municipality in disrepute. The Speaker indicated that the Municipal Manager had signed off the agenda, but it is clearly the Speaker self who had signed off the agenda. As such Council was misled.

The Speaker mentioned that she indeed signed off the agenda and did not deny it.

After enquires from Councillor GG Laban as well as Secretariat the Speaker mentioned that she made a ruling that the motion has been removed from the agenda.

NOTED

**5.3 Election of a Speaker
(03/1/1/4)**

The Speaker made a ruling that the matter Election of a Speaker be removed from the agenda.

NOTED

**5.4 Motion: Removal of Executive Mayor of Witzenberg municipal Council
(3/2/2)**

A letter from Councillor MJ Ndaba, dated 15 February 2022, is attached as **annexure 5.4**.

The Speaker read a letter/motion received from Councillor MJ Ndaba on behalf of the ANC component regarding the removal of the Executive Mayor.

Alderman JJ Visagie proposed and Councillor D Swart seconded that the motion be removed from the agenda, because the DA coalition has full confidence in the Executive Mayor.

Councillor MJ Ndaba proposed and Councillor AL Gili seconded that the motion not be removed from the agenda.

The ANC component requested a caucus break from 11:42 until 11:48 and requested the Speaker after the break to bring the matter to vote. The outcomes of the voting were:

Votes in favour that matter stays on agenda:	9
Votes in favour that matter be removed	12
Votes abstained from voting	<u>1</u>
Total	22 votes

The Speaker ruled that the matter be removed from the agenda.

RESOLVED

that the matter in respect of the Motion: Removal of Executive Mayor of Witzenberg municipal Council be removed from the agenda.

BESLUIT

dat die aangeleentheid rakende die Mosie: Verwydering van Uitvoerende Burgemeester van Witzenberg munisipale Raad van die agenda verwyder word.

**5.5 Election of Executive Mayor
(03/1/1/4)**

This matter was removed from the agenda.

NOTED

**5.6 Motion: Removal of Deputy Executive Mayor of Witzenberg municipal Council
(3/2/2)**

A letter from Councillor MJ Ndaba, dated 15 February 2022, is attached as **annexure 5.6**.

Councillor D Swart proposed and Alderman BC Klaasen seconded that the motion be removed from the agenda.

Councillor AL Gili proposed and Councillor MJ Ndaba seconded that the motion stays on the agenda.

The Speaker brought the matter to a vote and the outcomes were:

Votes in favour to remove item:	12
Votes in favour that item stays on agenda:	9
Votes abstained from voting	<u>1</u>
Total	22 votes

RESOLVED

that the matter in respect of the Motion: Removal of Deputy Executive Mayor of Witzenberg municipal Council be removed from the agenda.

BESLUIT

dat die aangeleentheid rakende die Mosie: Verwydering van Uitvoerende Onderburgemeester van die Witzenberg munisipale Raad van die agenda verwyder word.

**5.7 Election of Deputy Executive Mayor
(03/1/1/4)**

This matter was removed from the agenda.

NOTED

6. INTERVIEWS WITH DELEGATIONS

None.

NOTED

7. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS

**7.1 Minutes: Committee meetings
(03/3/2)**

The minutes of the following meetings are attached:

- (a) Executive Mayoral Committee meeting, held on 27 July 2021:
Annexure 7.1(a).
- (b) Performance, Risk and Audit Committee meeting, held on 30 July 2021:
Annexure 7.1(b).
- (c) Special Performance, Risk and Audit Committee meeting, held on 20 August 2021: **Annexure 7.1(c).**

UNANIMOUSLY RESOLVED

that notice be taken of the minutes of the Committee meetings and same be accepted.

EENPARIG BESLUIT

dat kennis geneem word van die notules van die Komiteevergaderings en genoemde aanvaar word.

8. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS

8.1 Direkoraat Finansies / Directorate Finance

8.1.1 Proposed revisions to Service Delivery and Budget Implementation Plan 2021/2022 as per Section 54(1)(C) of Municipal Finance Management Act (5/1/5/14)

A memorandum from the Manager: Projects and Performance, dated 1 February 2022, is attached as **annexure 8.1.1**.

UNANIMOUSLY RESOLVED

that notice be taken of the proposed revisions to the 2021/2022 Service Delivery and Budget Implementation Plan as per Section 54(1)(C) of the Municipal Finance Management Act and, after consideration, same be approved and accepted.

EENPARIG BESLUIT

dat kennis geneem word van die voorgestelde hersiening van die 2021/2022 Dienslewering- en Begrotingsimplementeringsplan ingevolge Artikel 54(1)(C) van die Wet op Munisipale Finansiële Bestuur en genoemde, na oorweging, goedgekeur en aanvaar word.

8.1.2 Finance: Adjustment budget 2021/2022 to 2023/2024 (5/1/1/20)

The following documents are attached:

- (a) Memorandum from Director: Finance, dated 16 February 2022: **Annexure 8.1.2(a)**.
- (b) Adjustment budget 2021/2022 to 2023/2024: **Annexure 8.1.2(b)**.

UNANIMOUSLY RESOLVED

that the adjustment budget of Witzenberg Municipality for the financial year 2021/2022 as set out in the budget documents be approved:

- (i) *Table B1: Budget summary;*
- (ii) *Table B2: Adjustments Budget Financial Performance (by standard classification);*
- (iii) *Table B3: Budgeted Financial performance (Revenue and Expenditure) by vote;*

- (iv) *Table B4: Adjustments Budget Financial Performance (revenue by source); and*
- (v) *Table B5: Budgeted Capital Expenditure by Vote, standard classification and funding.*

8.2 Direkoraat Tegniese Dienste / Directorate Technical Services

8.2.1 Spatial Development Framework: Ceres Priority Focus Area 1 / Ruimtelike Ontwikkelingsraamwerk: Ceres Prioriteitsfokusarea 1 (15/04/P)

The following documents are attached:

- (a) Memorandum from the Senior Manager: Town Planning and Building Control, dated 10 March 2021: **Annexure 8.2.1(a)**.
- (b) Draft of the plan for Spatial Development Framework: Ceres Priority Focus Area 1, dated 1 December 2020: **Annexure 8.2.1(b)**.

UNANIMOUSLY RESOLVED

that the matter in respect of the Spatial Development Framework: Ceres Priority Focus Area 1 be held in abeyance for clarification reasons until the next meeting.

EENPARIG BESLUIT

dat die aangeleentheid aangaande die Ruimtelike Ontwikkelingsraamwerk: Ceres Prioriteitsfokusarea 1 oorstaan vir uitklaring tot die volgende vergadering.

8.2.2 Small Scale Embedded Generation (SSEG) Policy: Methodology, allowable limit and motivation of renewable tariff (16/3/P)

The following documents are attached:

- (a) Memorandum from Senior Manager: Electro-Technical Services, dated 30 November 2021: **Annexure 8.2.2(a)**.
- (b) Review and Strategic Input report: **Annexure 8.2.2(b)**.

UNANIMOUSLY RESOLVED

That the matter "Small Scale Embedded Generation (SSEG) Policy: Methodology, allowable limit and motivation of renewable tariff" be held in abeyance and be workshopped by Council.

8.3 Direkoraat Gemeenskapsdienste / Directorate Community Services

8.3.1 Presentation: Vredebes Incremental Housing Voorlegging: Vredebes Inkrementele Behuising (17/04/1/1/1)

Ms Karen Siebrits from Messrs ASLA made a presentation in respect of incremental housing, which is attached as **annexure 8.3.1(a)**.

Messrs Devco and ASLA, represented by Mr Pierre Blaauw and Ms Karen Siebrits, made a presentation in respect of the Vredebes Incremental Housing, attached as **annexure 8.3.1(b)**.

UNANIMOUSLY RESOLVED

that the matter in respect of the Vredebes Incremental Housing be held in abeyance until the next meeting.

EENPARIG BESLUIT

dat die aangeleentheid aangaande die Vredebes Inkrementele Behuising oorstaan tot 'n volgende vergadering.

8.3.2 Housing: Witzenberg Municipality: Housing Administration Policy/ Behuising: Munisipaliteit Witzenberg: Behuisingsadministrasie Beleid (17/4/P)

The Housing Administration Policy for Witzenberg Municipality, received from the Municipal Manager, dated 18 February 2020, is attached as **annexure 8.3.2**.

UNANIMOUSLY RESOLVED

that the matter in respect of the Housing Administration Policy be held in abeyance until the next meeting.

EENPARIG BESLUIT

dat die aangeleentheid aangaande die Behuisingsadministrasiebeleid tot die volgende vergadering oorstaan.

8.4 Direkoraat Korporatiewe Dienste / Directorate Corporate Services

8.4.1 Appointment of Section 79 Committees by Council Aanstelling van Artikel 79 Komitees deur die Raad (03/3/1/1)

UNANIMOUSLY RESOLVED

- (a) *that a Municipal Public Accounts Committee (MPAC) be established.*
- (b) *that the Municipal Public Accounts Committee consists of the following members:*
 - (i) *Councillor LA Hardnek (WP): Chairperson*
 - (ii) *Councillor GJ Franse (DA)*
 - (iii) *Councillor J Cloete (PA)*
 - (iv) *Councillor IL Swartz (EFF)*
 - (v) *Councillor K Yisa (ANC)*

EENPARIG BESLUIT

- (a) *dat 'n Munisipale Publieke Rekeninge Komitee gestig word.*
- (b) *dat die Munisipale Publieke Rekeninge Komitee uit die volgende lede bestaan:*
 - (i) *Raadslid LA Hardnek (WP): Voorsitter*
 - (ii) *Raadslid GJ Franse (DA)*
 - (iii) *Raadslid J Cloete (PA)*
 - (iv) *Raadslid IL Swartz (EFF)*
 - (v) *Raadslid K Yisa (ANC)*

8.4.2 Council's representatives on outside bodies / Raad se verteenwoordigers op buite-organisasies (3/1/1/5)

A list of outside bodies for which Council must appoint representatives, is attached as **annexure 8.4.2**.

UNANIMOUSLY RESOLVED

that the matter in respect of Council's representatives on outside bodies be held in abeyance until the next meeting and that all political parties submit their members' names for the respective bodies.

EENPARIG BESLUIT

dat die aangeleentheid aangaande die Raad se verteenwoordigers op buite-organisasies tot die volgende vergadering oorstaan en dat alle politieke partye hul lede se name vir die onderskeie liggame indien.

8.4.3 Proposed establishment of Ward Committees: 2022 until 2027 / Voorgestelde stigting van Wykskomitees: 2022 tot 2027 (3/3/1/5)

A report from the Manager: Integrated Development Planning, dated 25 November 2021, is attached as **annexure 8.4.3**.

UNANIMOUSLY RESOLVED

- (a) that the Municipal Manager informs the MEC for Local Government that the establishment of Ward Committees for Witzenberg Municipality will run late.*
- (b) that the Office of the Speaker will determine the date by when Ward Committees must be established and communicates same with the Ward Councillors.*

BESLUIT

- (a) dat die Munisipale Bestuurder die LUR vir Plaaslike Regering in kennis stel dat die stigting van Wykskomitees vir Munisipaliteit Witzenberg laat sal wees.*
- (b) dat die Kantoor van die Speaker die datum waarop Wykskomitees gestig moet wees, vasstel en dienooreenkomstig aan Wyksraadslede meedeel.*

8.4.4 Proposed Council meeting program: January until June 2022
Voorgestelde Raadsvergaderingsprogram: Januarie tot Junie 2022
(3/1/2/3)

The Council meeting program and meeting schedule for January until June 2022 is attached as **annexure 8.4.4(a)**. The Western Cape Government meetings calendar for 2022 is attached as **annexure 8.4.4(b)**.

UNANIMOUSLY RESOLVED

that the proposed Council meeting program for January until June 2022 be approved.

EENPARIG BESLUIT

dat die voorgestelde vergaderingsprogram van die Raad vir Januarie tot Junie 2022 goedgekeur word.

8.4.5 Rules of order for conducting of meetings
Ordereëls vir die hou van vergaderings
(1/3/1/25)

The By-law on the Rules of Order regulating the conduct of meetings of the Witzenberg Municipality is attached as **annexure 8.4.5**.

UNANIMOUSLY RESOLVED

that the matter in respect of the Rules of order for the conducting of meetings be held in abeyance and be workshopped by Council.

EENPARIG BESLUIT

dat die aangeleentheid aangaande die Ordereëls vir die hou van vergaderings tot die volgende vergadering oorstaan en op 'n werkwinkel deur die Raad bespreek word.

9. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA / DRINGENDE SAKE NA AFSENDING VAN DIE AGENDA

9.1 SALGA National Conference: 2 until 4 March 2022
SALGA Nasionale Konferensie: 2 tot 4 Maart 2022
(12/1/1/11)

A circular from SALGA, dated 14 February 2022, is attached as **annexure 9.1**.

UNANIMOUSLY RESOLVED

that Councillor JS Mouton, Alderman HJ Smit and Councillor FE Klazen be mandated to represent Witzenberg Municipality at the SALGA National Conference from 2 until 4 March 2022.

EENPARIG BESLUIT

dat raadslid JS Mouton, raadsheer HJ Smit en raadslid FE Klazen gemagtig word om Munisipaliteit Witzenberg vanaf 2 tot 4 Maart 2022 op die SALGA Nasionale Konferensie te verteenwoordig.

10. FORMAL AND STATUTORY MATTERS
FORMELE EN STATUTÊRE AANGELEENTHEDE

10.1 Feedback on matters of outside bodies
Terugvoering oor aangeleentehede van buite-organisasies
(3/R)

None

NOTED

11. QUESTIONS and/or MATTERS RAISED by COUNCILLORS

None

NOTED

12. ADJOURNMENT / VERDAGING

The meeting adjourned at 13:36.
Die vergadering verdaag om 13:36.

Approved on _____ with / without amendments.

COUNCILLOR JS MOUTON
SPEAKER

MJ Prins

MINUTES OF THE EXECUTIVE MAYORAL COMMITTEE MEETING OF WITZENBERG MUNICIPALITY, HELD IN THE TOWN HALL, VOORTREKKER STREET, CERES ON WEDNESDAY, 6 OCTOBER 2021 AT 09:00

PRESENT

Executive Mayoral Committee

Alderman BC Klaasen (Executive Mayor)
Alderman K Adams (Deputy Executive Mayor)
Councillor EM Sidego
Alderman HJ Smit

Officials

Mr D Nasson (Municipal Manager)
Mr HJ Kritzinger (Director: Finance)
Mr J Barnard (Director: Technical Services)
Mr M Mpeluzi (Director: Corporate Services)
Mr A Hofmeester (IDP Manager)
Mr CG Wessels (Manager: Administration)
Mr C Titus (Committee Clerk)

1. OPENING AND WELCOME / OPENING EN VERWELKOMING

The Executive Mayor welcomed everyone present after which he requested Councillor E Sidego to open the meeting with a prayer.

NOTED

2. CONSIDERATION OF APPLICATION FOR LEAVE OF ABSENCE, IF ANY OORWEGING VAN AANSOEK OM VERLOF TOT AFWESIGHEID, INDIEN ENIGE (3/1/2/1)

- (a) Applications for leave of absence from the meeting were received from Alderman JJ Visagie and Councillor TE Abrahams.
- (b) Apologies for absence from the meeting were received from the Deputy Director: Finance, the Head: Internal Audit and the Word Processor Operator.

RESOLVED

- (a) *that the applications for leave of absence from the meeting, received from Alderman JJ Visagie and Councillor TE Abrahams, be approved and accepted.*
- (b) *that notice be taken of the apologies for absence from the meeting, received from the Deputy Director: Finance, the Head: Internal Audit and the Word Processor Operator, and same be approved.*

BESLUIT

- (a) *dat die aansoeke om verlof tot afwesigheid van die vergadering, ontvang vanaf raadsheer JJ Visagie en raadslid TE Abrahams, goedgekeur en aanvaar word.*
- (b) *dat kennis geneem word van die verskonings vir afwesigheid van die vergadering, ontvang vanaf die Adjunk-Direkteur: Finansies, die Hoof: Interne Oudit en die Woordverwerkeroperateur, en genoemde goedgekeur word.*

3. MINUTES / NOTULES

**3.1 Corrections to the minutes
(3/1/2/3)**

None

NOTED

**3.2 Approval of minutes / Goedkeuring van notules
(3/1/2/3)**

The minutes of the Executive Mayoral Committee meeting, held on 27 July 2021, are attached as **annexure 3.2**.

RESOLVED

that the minutes of the Executive Mayoral Committee meeting, held on 27 July 2021, be approved and signed by the Executive Mayor.

BESLUIT

dat die notule van die Uitvoerende Burgemeesterskomitee vergadering, gehou op 27 Julie 2021, goedgekeur en deur die Uitvoerende Burgemeester onderteken word.

**3.3 Outstanding matters / Uitstaande sake
(3/3/2)**

Number	File ref.	Heading, item no. and date	Directorate	Action	Progress	Target date
3.3.1	17/16/1	7.3.1 of 22-02-2021 Request from Witzenberg	Community Services	That the matter be held in abeyance pending		

Notule: Uitvoerende Burgemeesterskomitee vergadering: 6 Oktober 2021
Minutes: Executive Mayoral Committee meeting: 6 October 2021

		Abuse Crisis Centre to utilise Haven Night Shelter as safe house for gender based violence victims		further investigation on other land and funding opportunities. The applicant applied for funding at Paardekraal East Wind Energy, but outcomes are still awaited.		
3.3.2	16/3/4/1	7.2.4 of 28-07-2021 Amazing Pies expansion & purchase of erf 8339, Ceres (Adjacent to Vilko)	Technical Services	That Senior Manager: Electro-Technical Services obtains further information i.r.o. extension and purchase in order for Mayco to make informed decision.		
3.3.3	5/1/1/20	9.1 of 28-07-2021 Finance: Approval of electricity tariffs by NERSA	Finance	That approval of electricity tariffs by NERSA be held in abeyance to obtain further information.		

RESOLVED

that notice be taken of the outstanding matters.

BESLUIT

dat kennis geneem word van die uitstaande sake.

**4. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED BY EXECUTIVE MAYOR
MEDEDELINGS, AANKONDIGINGS OF SAKE DEUR UITVOERENDE BURGEMEESTER GEOPPER
(9/1/1)**

The Executive Mayor expressed his gratitude towards the Executive Mayoral Committee, Municipal Manager and the Senior Management for their assistance and support to the Office of the Mayor during Council's term over the five years. The Executive Mayor mentioned that many municipal challenges had been experienced and overcome and more challenges can be expected in future. The COVID 19 pandemic is but one of many challenges which will be overcome.

The Executive Mayor granted opportunity to the Mayoral Committee members to express their gratitude individually.

Alderman HJ Smit

Alderman H Smit expressed his gratitude as Chairperson of the Committee for Corporate and Financial Services towards the Municipal Manager and Directors: Corporate and Financial Services for all the assistance and support towards him during the five-year period of Council. He also included the Director: Technical Services in his word of thanks.

Alderman K Adams

The Deputy Executive Mayor, Alderman K Adams, thanked the Executive Mayor, Municipal Manager, all Directors and staff for their support and assistance rendered over the five-year term of Council to him as Chairperson of the Committee for Community Development. He also referred in gratitude to his colleagues on the Mayoral Committee for leadership and wished the Witzenberg Municipality well.

Councillor EM Sidego

Councillor E Sidego, as Chairperson of the Committee for Housing Matters, thanked the Executive Mayor, Municipal Manager, Directors, Managers and all staff members for their assistance and support over the five-year term of Council. Councillor Sidego mentioned that the Committee for Housing Matters left the Department Housing in a good space.

NOTED

5. INTERVIEWS WITH DELEGATIONS / ONDERHOUDE MET AFVAARDIGINGS

None

NOTED

6. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS

None

NOTED

7. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS

7.1 Direkoraat Finansies / Directorate Finance

**7.1.1 Section 71 Monthly Budget Statement Reports of Directorate Finance:
May, June, July and August 2021
(9/1/2/2)**

The following Section 71 Monthly Budget Statement Reports of the Directorate Finance are attached:

- (a) May 2021: **Annexure 7.1.1(a)**
- (b) June 2021: **Annexure 7.1.1(b)**
- (c) July 2021: **Annexure 7.1.1(c)**
- (d) August 2021: **Annexure 7.1.1(d)**

RESOLVED

That the Executive Mayoral Committee recommends to Council:

that notice be taken of the Section 71 Monthly Budget Statement Reports of the Directorate Finance for May, June, July and August 2021 and, after consideration, same be approved and accepted.

BESLUIT

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

dat kennis geneem word van die Artikel 71 Maandelikse Begrotingsverslae van die Direkoraat Finansies vir Mei, Junie, Julie en Augustus 2021 en genoemde, na oorweging, goedgekeur en aanvaar word.

7.2 Direkoraat Tegniëse Dienste / Directorate Technical Services

7.2.1 Draft Witzenberg Integrated Waste Management By-Law (01/03/R)

A memorandum with the Draft Witzenberg Integrated Waste Management By-Law from the Senior Superintendent: Solid Waste and Cleansing Services, dated 10 May 2021, is attached as **annexure 7.2.1**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) that the By-Law on Witzenberg Integrated Waste Management be adopted as per Section 12(2) to 12(4) and 13 of the Municipal Systems Act, as amended; and*
- (b) that the adopted By-Law on Witzenberg Integrated Waste Management be sent to Provincial Government to be published in the Provincial Gazette.*

7.2.2 Council's representation on Ceres Koekedouw Irrigation Board (3/1/1/5)

A memorandum from the Director: Technical Services, dated 14 September 2021, is attached as **annexure 7.2.2**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) that Council resolution 4.4 of 2 September 2016 be rescinded.*
- (b) that the members seconded from Witzenberg Municipality to the Management Committee of Ceres Koekedouw Irrigation Board be represented by the following job designations:*
 - (i) Director: Technical Services
Secundi: Acting Director: Technical Services*
 - (ii) Chief Financial Officer
Secundi: Manager: Financial Administration*
 - (iii) Deputy Chief Financial Officer
Secundi: Manager: Supply Chain*
- (c) that the above job designations obtain a mandate from the Executive Mayor before attending any Ceres Koekedouw Management meetings.*

7.2.3 Pilot project: Intelligent Geyser Control Program (Demand Side Management)
(16/3/04/1)

A memorandum from the Senior Manager: Electro-Technical Services, dated 2 August 2021, is attached as **annexure 7.2.3**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) *that Council takes notice of the report of the Senior Manager: Electro-Technical Services regarding the offer of Plentify to include Witzenberg in its Geyser Control Pilot Program.*
- (b) *that the Municipal Manager be mandated to sign the Plentify Pilot Memorandum of Understanding (MOU).*

7.2.4 Small Scale Embedded Generation (SSEG) Policy: Methodology, allowable limit and motivation of renewable tariff
(16/3/P)

The following documents are attached:

- (a) Memorandum from Acting Senior Manager: Electro-Technical Services: **Annexure 7.2.4(a)**.
- (b) Review and Strategic Input report: **Annexure 7.2.4(b)**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

that the matter in respect of the Small Scale Embedded Generation (SSEG) Policy: Methodology, allowable limit and motivation of renewable tariff be held in abeyance until the next meeting.

7.3 Direkoraat Gemeenskapsdienste / Directorate Community Services

7.3.1 Allocation of land for informal traders: Tulbagh (17/18/1)

RESOLVED

that the matter in respect of land for informal traders in Tulbagh be held in abeyance until the next meeting.

7.3.2 Evaluation of applications for Skoonvlei Business Hub: Lease of units (7/1/4/1)

A report from the Acting Manager: Socio-Economic Development, dated 19 July 2021, is attached as **annexure 7.3.2**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (i) that a market related lease amount not be determined in terms of the Municipal Finance Management Act in order to enhance and promote the matter of redress and transformation for entrepreneurs.*
- (ii) that the Executive Mayoral Committee and Council deliberate a contract period for lease of the Hubs for a twelve (12) months period with an option to renew for a further two (2) years.*
- (iii) that the lease amounts in the first year for the containers are:
 - 1. Size 3.6 = R750-00*
 - 2. Size 3.12 = R1 500-00**
- (iv) that the Municipal Manager compares supra (d) with the market related value and provides feedback to Council.*
- (v) that the Municipal Manager be mandated to conclude and sign the contract with the lessees on behalf of the municipality.*
- (vi) that the Municipal Manager and the Acting Manager: Local Economic Development conduct a continuous evaluation of the project and report regularly to the Committee for Local Economic Development and Tourism.*

**7.3.3 Renewal of Lease Agreement: Vrolike Vinkies Pre-Primary Educare Centre
(7/1/4/1)**

A memorandum from the Acting Manager: Socio-Economic Development, dated 5 August 2021, is attached as **annexure 7.3.3**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) that Council gives approval for the renewing of the lease agreement with the governing body of Vrolike Vinkies, for a one-year period for the purpose of operating an Early Childhood Development Centre in collaboration with Witzenberg Municipality and the Department of Social Development.*
- (b) In terms of procurement legislation Council confirms the following:*
 - (i) that the property to be leased is not required for provision of the minimum level of basic services in terms of Section 14(2)(a) of the Municipal Finance Management Act.*
 - (ii) that the fair market value is not applicable due to the economic and community value that is received in exchange for the lease of the asset in terms of Section 14(2)(b) of the Municipal Finance Management Act.*
 - (iii) that the long-term financial impact of the lease on the municipality will not be as significant compared to the capital investment that is received in terms of Section 33(2)(c)(i) of the Municipal Finance Management Act.*
 - (iv) that there are no long-term financial obligations on the municipality in terms of the lease and no prescribed value in terms of Section 33(2)(c)(ii) of the Municipal Finance Management Act.*
- (c) that the Municipal Manager be authorised to sign the lease agreement on behalf of Council.*

7.3.4 Application: Request for utilising additional portion of land on erf 2457, Olifant Street, Tulbagh (7/1/4/1)

A memorandum from the Acting Manager: Socio-Economic Development, dated 31 March 2021, is attached as **annexure 7.3.4**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) that Council considers to lease an additional portion of land on erf 2457, Olifant Street, Tulbagh to the Zanolkhanye Crèche for the purpose of additional playground.*
- (b) that the portion of land is not required for minimum basic municipal services in terms of Section 14(2)(a) of the Municipal Finance Management Act.*
- (c) that an addendum to the current lease agreement be added.*
- (d) that a Public Participation Process be followed for any comments or objections regarding the lease of an additional portion of land on erf 2457, Olifant Street, Tulbagh.*
- (e) that the fair market rental value not be applicable due to the economic and community value that is received in exchange for the lease of the asset [Section 14(2)(b) of the Municipal Finance Management Act].*
- (f) that a permanent structure not be built on the additional portion of land.*
- (g) that a rental fee of R100-00 per year be paid for the lease of the additional portion of land on erf 2457, Olifant Street, Tulbagh.*

7.3.5 Lease: Municipal building: Erf 5965, Nduli, Ceres (Old Sizamela Crèche) (7/1/4/1)

A memorandum from the Acting Manager: Socio Economic Development is attached as **annexure 7.3.5**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) that Council considers to lease the municipal building on erf 5965, Nduli, Ceres (old Sizamela Crèche) to inter alia religious or interested parties of the community with preference to the current tenants of the building.*

- (b) *that a Supply Chain Process be followed to determine the market related rent for the building.*
- (c) *that a Public Participation Process be followed for any comments or objections regarding the lease of the municipal building on erf 5965, Nduli, Ceres (old Sizamela Crèche).*

7.4 Direkoraat Korporatiewe Dienste / Directorate Corporate Services

7.4.1 Lease of old Post Office building: Tulbagh (Busy Bee) (7/1/4/1)

A development proposal for Tulbagh Tourism and De Oude Kerk Volksmuseum is attached as **annexure 7.4.1**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) that Council considers to lease the old Post Office building in Tulbagh to the Oude Kerk Volksmuseum and Tulbagh Tourism for a period of three years with the option to extend the lease.*
- (b) that a Supply Chain process be followed to determine the market related rent for the building.*
- (c) that a Public Participation Process be followed for any comments or objections regarding the lease of the old Post Office building.*
- (d) that the Municipal Manager be authorised to sign the lease agreement on behalf of Council.*

7.4.2 Agreement between Witzenberg Municipality and Witzenberg Tourism (10/2/R)

The monthly report of the Section Tourism for March 2021 is attached as **annexure 7.4.2**.

RESOLVED

that the matter in respect of the agreement between Witzenberg Municipality and Witzenberg Tourism be held in abeyance until the next meeting.

BESLUIT

dat die aangeleentheid rakende die ooreenkoms tussen Munisipaliteit Witzenberg en Witzenberg Toerisme oorstaan tot die volgende vergadering.

7.4.3 Council's immovable property: Registration of a servitude and building of retention dam on erf 9566, Ceres (7/1/4/1)

A memorandum from the Manager: Legal Services, dated 13 September 2021, is attached as **annexure 7.4.3**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) that Council has no objection to the construction of an off-site storm water retention pond on municipal land (erf 9566) Ceres.*
- (b) that the municipal land (erf 9566) Ceres is not required for basic service delivery.*
- (c) that the servitude in favour of the development be registered and be at market related value.*
- (d) that the resolutions above are subject to the approval of ESKOM.*

7.4.4 Ward Committee Policy: Review and amendments 2021 (3/3/P)

RESOLVED

that the matter regarding the Ward Committee Policy be removed from the agenda.

BESLUIT

dat die aangeleentheid rakende die Wykskomiteebeleid van die agenda verwyder word.

8. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA

None

NOTED

9. FORMAL AND STATUTORY MATTERS

None

NOTED

10. ADJOURNMENT

The meeting adjourned at 10:05.

Approved on _____ with / without amendments.

ALDERMAN BC KLAASEN
EXECUTIVE MAYOR

MJ Prins

MINUTES OF THE EXECUTIVE MAYORAL COMMITTEE MEETING OF WITZENBERG MUNICIPALITY, HELD IN THE TOWN HALL, VOORTREKKER STREET, CERES ON MONDAY, 24 JANUARY 2022 AT 14:00

PRESENT

Executive Mayoral Committee

Alderman HJ Smit
Councillor JP Fredericks
Councillor FE Klazen
Councillor EM Sidego
Alderman JJ Visagie

Officials

Mr D Nasson (Municipal Manager)
Mr HJ Kritzinger (Director: Finance)
Mr H Taljaard (Acting Director: Technical Services)
Mr JH Swanepoel (Manager: Projects and Performance)
Mr A Hofmeester (Manager: IDP)
Mr CG Wessels (Manager: Administration)
Ms M Arendse-Smith (Senior Administrative Officer)
Mr CJ Titus (Committee Clerk)

1. OPENING AND WELCOME / OPENING EN VERWELKOMING

The Executive Mayor welcomed everyone after which he requested the Director: Finance to open the meeting with a prayer.

NOTED

**2. CONSIDERATION OF APPLICATION FOR LEAVE OF ABSENCE, IF ANY
OORWEGING VAN AANSOEK OM VERLOF TOT AFWESIGHEID, INDIEN
ENIGE
(3/1/2/1)**

Apologies for absence from the meeting were received from the Director: Technical Services (sick leave), the Director: Corporate Services (sick leave), the Deputy Director: Finance (work related meeting) and the Head: Internal Audit (working from home).

RESOLVED

that notice be taken of the apologies for absence from the meeting, received from the Director: Technical Services, Director: Corporate Services, Deputy Director: Finance and the Head: Internal Audit and same be approved.

BESLUIT

dat kennis geneem word van die verskonings vir afwesigheid van die vergadering, ontvang van die Direkteur: Tegniese Dienste, Direkteur: Korporatiewe Dienste, Adjunk-Direkteur: Finansies en die Hoof: Interne Oudit en genoemde aanvaar word.

3. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED BY EXECUTIVE MAYOR MEDEDELINGS, AANKONDIGINGS OF SAKE DEUR UITVOERENDE BURGEMEESTER GEOPPER (9/1/1)

None

NOTED

4. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS

4.1 Direkoraat Finansies / Directorate Finance

4.1.1 Draft Annual Report 2020/2021 (9/1/1)

The Draft Annual Report for 2020/2021 is attached as **annexure 4.1.1.**"

The Municipal Manager tabled the Draft Annual Report 2020/2021 and the following matters were highlighted:

- That the CCTV cameras for Tulbagh will be budgeted for in the Adjustment Budget 2021/2022.
- That the matter to establish a Municipal Public Accounts Committee (MPAC) will be finalised at the next Council meeting.
- That the Audit report of the Auditor-general of South Africa has not yet been finalised. The unaudited report will be submitted to Council and once audited, the report will be submitted to the Executive Mayoral Committee, Council and the public.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- that notice be taken of the Draft Witzenberg Municipality Annual Report for 2020/2021.*
- that a public participation process be followed as prescribed by law.*

- (c) *that the Municipal Public Accounts Committee compiles an oversight report on the Draft Annual Report as per its delegated powers.*

BESLUIT

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (a) *dat kennis geneem word van die Konsepjaarverslag van die Munisipaliteit Witzenberg vir 2020/2021.*
- (b) *dat 'n openbare deelnameproses gevolg word, soos voorgeskryf deur die wet.*
- (c) *dat die Munisipale Publieke Rekeninge Komitee 'n oorsigverslag oor die Konsepjaarverslag ingevolge sy afgestaande magte saamstel.*

4.1.2 Quarterly Budget Statement [Section 52(d)] Report: 1st Quarter 2021/2022 (1 July 2021 to 30 September 2021) (9/1/2/2)

The Quarterly Budget Statement [Section 52(d)] Report for the first quarter of 2021/2022 is attached as **annexure 4.1.2**.

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) *that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the 1st quarter of 2021/2022.*
- (b) *that Council refers the Quarterly Budget Statement Report in terms of Section 52(d) for the 1st quarter of 2021/2022 to the Committee for Corporate and Financial Services and the Municipal Public Accounts Committee (MPAC) for consideration and thereafter to Council for approval.*

BESLUIT

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (a) *dat kennis geneem word van die Kwartaallikse Begrotingsverslag ingevolge Artikel 52(d) vir die 1^{ste} kwartaal van 2021/2022.*
- (b) *dat die Raad die Kwartaallikse Begrotingsverslag ingevolge Artikel 52(d) vir die 1^{ste} kwartaal van 2021/2022 na die Komitee vir Korporatiewe en Finansiële Dienste en die Munisipale Publieke Rekeninge Komitee verwys vir oorweging en daarna na die Raad vir goedkeuring.*

4.1.3 Quarterly Budget Statement [Section 52(d)] Report: 2nd Quarter 2021/2022 (1 October 2021 to 31 December 2021) (9/1/2/2)

The report in terms of Section 52(d) is attached as **annexure 4.1.3.**"

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) *that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the 2nd quarter of 2021/2022.*
- (b) *that Council refers the Quarterly Budget Statement Report in terms of Section 52(d) for the 2nd quarter of 2021/2022 to the Committee for Corporate and Financial Services and the Municipal Public Accounts Committee (MPAC) for consideration and thereafter to Council for approval.*

BESLUIT

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (a) *dat kennis geneem word van die Kwartaallikse Begrotingsverslag ingevolge Artikel 52(d) vir die 2^{de} kwartaal van 2021/2022.*
- (b) *dat die Raad die Kwartaallikse Begrotingsverslag ingevolge Artikel 52(d) vir die 2^{de} kwartaal van 2021/2022 na die Komitee vir Korporatiewe en Finansiële Dienste en die Munisipale Publieke Rekeninge Komitee verwys vir oorweging en daarna na die Raad vir goedkeuring.*

4.1.4 Mid-year Budget Statement and Performance Assessment (Section 72) Report 2021/2022: 1 July 2021 until 31 December 2021 (9/1/1 & 5/1/5/14)

The Mid-year report for the 2021/2022 financial year is attached as **annexure 4.1.4.**"

RESOLVED

That the Executive Mayoral Committee recommends to Council:

- (a) *that notice be taken of the Mid-year Budget Statement and Performance Assessment Report for the period 1 July 2021 until 31 December 2021.*

- (b) *that Council refers the Mid-year Budget Statement and Performance Assessment (Section 72) Report for the period 1 July 2021 until 31 December 2021 to the Committee for Corporate and Financial Services and the Municipal Public Accounts Committee (MPAC) for consideration and thereafter to Council for approval.*

BESLUIT

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (a) *dat kennis geneem word van die Halfjaarlikse Begrotings- en Prestasie Evalueringsverslag vir die tydperk 1 Julie 2021 tot 31 Desember 2021.*
- (b) *dat die Raad die Halfjaarlikse Begrotings- en Prestasie Evalueringsverslag (Artikel 72) vir die tydperk 1 Julie 2021 tot 31 Desember 2021 na die Komitee vir Korporatiewe en Finansiële Dienste en die Munisipale Publieke Rekeninge Komitee verwys vir oorweging en daarna na die Raad vir goedkeuring.*

5. ADJOURNMENT

The meeting adjourned at 14:15.

Approved on _____ with / without amendments.

ALDERMAN HJ SMIT
EXECUTIVE MAYOR

/MJ Prins

WITZENBERG MUNICIPALITY

SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2022/2023



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1. INTRODUCTION AND OVERVIEW

a. PURPOSE OF REPORT

The purpose of this report is to provide an executive summary of the legislative framework that prescribes an SDBIP.

The 2022/23 Top Layer SDBIP attached to this report is hereby submitted for approval. It indicates the planned performance targets of Witzenberg Municipality for the period 1 July 2022 to 30 June 2023.

The Top Layer of the SDBIP is made up of the following components:

- One year detailed plan, with a three-year capital plan
- The necessary components includes:
- Monthly projection of revenue to be collected for each Source (*Expected Revenue to be collected*)
- Monthly projects of expenditure (operating and capital) and revenue for each vote (*S71 format*)
- Quarterly projects of Services Delivery Targets and performance indicators for each vote. (*Non-financial measurable performance objectives in the form of targets and indicators. Level and standard of service being provided to the community*)
- Detailed capital works plan broken down by ward over three years

b. LEGISLATIVE FRAMEWORK & GENERAL INFORMATION PERTAINING TO THE SDBIP

The Municipal Finance Management Act No. 56 of 2003 (MFMA) and National Treasury MFMA Circular No. 13 requires that municipalities must prepare a service delivery budget implementation plan (SDBIP) indicating how the budget and the strategic objectives of Council will be implemented. The SDBIP is prepared in terms of Section 53(1)(c)(ii) of the Municipal Finance Management (MFMA), National Treasury MFMA Circular No. 13 and the Budgeting and Reporting Regulation.

The SDBIP serves as a “contract” between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration in the applicable financial year. It provides the link between the mayor, the council (executive) and the administration, and facilitates the process for holding management accountable for its performance. It is therefore a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community to monitor the municipality’s performance on a quarterly basis. The SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the implementation of the budget, the execution of projects,

the performance of senior management and the achievement of the strategic objectives set by council.

The SDBIP sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services with the inputs and financial resources that will be utilized. The SDBIP will determine the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible. Expenditure information (for capital projects and services) per municipal ward is provided so that each output can be broken down per ward, where it is possible to support ward councillors to provide feedback to their communities on progress with service delivery.

As mentioned before, it is a vital monitoring tool for the mayor and council to monitor in-year performance of the municipal manager and for the municipal manager to monitor the performance of all managers in the municipality within the financial year. This enables the mayor and municipal manager to be pro-active and take remedial steps if necessary in the event of poor performance.

The SDBIP is a layered plan that consists of a top layer and a supporting layer namely the departmental SDBIP.

2. TOP LAYER SDBIP (MUNICIPAL SCORECARD)

Circular 13, as well as the municipal budget and reporting regulations prescribe the submission of a Top Layer SDBIP, which is focused on outcomes, to the Mayor with the budget. The Top Layer SDBIP contains the consolidated service delivery targets and in-year deadlines, and links such targets to top management. Only the Top Layer SDBIP will be made public and tabled before the council. The Top Layer SDBIP should also include per ward information, particularly for key expenditure items on capital projects and service delivery. This will enable each ward councillor and ward committee to oversee service delivery in their particular ward. The Top Layer SDBIP and its targets cannot be revised without notifying the council, and if changes is made in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (section 54(1)(c) of MFMA). Council approval is necessary to ensure that the mayor or municipal manager do not revise service delivery targets downwards in the event where there is poor performance.

The Top Layer of the SDBIP must be submitted for approval to the Mayor within 14 days after the approval of the budget. The Top Layer SDBIP must be approved by the Mayor within 28 days after the budget has been approved to ensure compliance with the above-mentioned legislation and published on the municipal website.

3. DEPARTMENTAL SDBIP

A detailed departmental SDBIP, which is focused on operational performance, will be prepared for each municipal department. This SDBIP provides more detail on each output for which top management is responsible. The Top Layer SDBIP is therefore the summary of all the departmental SDBIP's.

4. FACTORS CONSIDERED FOR THE COMPILATION OF THE TOP LAYER SDBIP

The IDP is considered as the 5-year strategic plan for the municipality and therefore provides an outline of Witzenberg Municipality's vision, mission, objectives and operational and service delivery indicators that are realistic and attainable.

The Top Layer SDBIP was drafted through a one on one consultation with the Municipal Manager and all the directors. After the completion of the draft Top Layer SDBIP, the Municipal Manager had one on one session's with his directors to finalise the Top Layer SDBIP. The following were considered during the development of the SDBIP:

- Alignment with the IDP, National KPA's, Municipal KPA's and IDP objectives
- Alignment with the budget
- Oversight Committee Report on the Annual Report of 2020/21
- Annual Report of 2020/21
- The risks identified by the Internal Auditor during the municipal risk analysis
- Areas to be addressed and root causes of the Auditor-General management letter COMAFS as well as the risks identified during the audit of the 2020/21 Annual Report
- Mid-Year Performance Report (Section 72) for 2021/22

5. MFMA CIRCULAR 88: NATIONAL INDICATORS

To be implemented as a pilot process in the 2021/22 & 2022/23 financial years, intermediate cities, district and local municipalities will not be required to incorporate the indicators in their existing performance indicator tables in the IDP and SDBIP. Instead, these indicators should find expression in a dedicated Annexure to the IDP and SDBIP which clearly indicates the MFMA Circular No. 88 indicators applicable to the municipality at Tier 1 and 2 levels of readiness. For this pilot

8. STRATEGIC MAP

<i>WITZENBERG MUNICIPALITY: STRATEGIC MAP 2022/23</i>					
Vision	Mission	Municipal KPA		Pre-determined Objectives	
A municipality that cares for its community, creating growth and opportunities.	<p>The Witzenberg Municipality is committed to improve the quality of life of its community by:</p> <ul style="list-style-type: none"> - Providing & maintaing affordable services - Promoting Social & Economic Development - The effective & efficient use of resources - Effective stakeholder & community participation. 	1	Essential Services	1,1	Sustainable provision & maintenance of basic infrastructure
				1,2	Provide for the needs of informal settlements through improved services
		2	Governance	2,1	Support Institutional Transformation & Development
				2,2	Ensure financial viability.
				2,3	To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation of participative structures.
		3	Communal Services	3,1	Provide & maintain facilities that make citizens feel at home.
		4	Socio-Economic Support Services	4,1	Support the poor & vulnerable through programmes & policy
				4,2	Create an enabling environment to attract investment & support local economy.

9. FINANCIAL COMPONENT

COMPONENT 1 - MONTHLY REVENUE BY SOURCE R'000

TO BE INSERTED AFTER BUDGET APPROVAL

COMPONENT 2 - MONTHLY OPERATING EXPENDITURE BY VOTE R'000

TO BE INSERTED AFTER BUDGET APPROVAL

DRAFT

COMPONENT 3 - MONTHLY CAPITAL EXPENDITURE

TO BE INSERTED AFTER BUDGET APPROVAL

KEY PERFORMANCE AREA: 1. ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

Strategic Objective: 1.2 Provide for the needs of Informal Settlements through improved services

KEY PERFORMANCE AREA: 2. GOVERNANCE

Strategic Objective: 2.1 Support Institutional Transformation and Development

Strategic Objective: 2.2 Ensure Financial Stability

KEY PERFORMANCE AREA: 3. COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and Maintain Facilities and Environment that make citizens feel at home

KEY PERFORMANCE AREA: 4. SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.2 Create an enabling environment to support local economy

10. NON-FINANCIAL COMPONENT

KEY PERFORMANCE INDICATORS: QUARTERLY & 5 YEAR SCORECARD

KEY PERFORMANCE AREA: 1. ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department	Technical	102%	98%	25%	50%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes of technical department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
TecDir3	% Expenditure on Capital Budget by Technical Directorate	Technical	86%	95%	10%	40%	60%	95%	95%	96%	96%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the technical directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.
TecWat21	Percentage compliance with drinking water quality standards.	Technical	100%	98%	98%	98%	98%	98%	98%	98%	98%	98%	Measure of potable water sample pass rate according to the SANS 241 standard. Average of sample results. Only microbiological results of Escherichia Coli are considered in the measurement. Result should be less than 1 count per 100ml.
TecWat36	Percentage of valid water connection applications connected by reporting period end	Technical	100%	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of residential valid water connection applications (where down payment has been received) connected, where the applicant has access to the municipal water network. Proxy measure for National Key Performance Indicator.
TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	Technical	100%	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of residential valid sewer connection applications (where down payment has been received) connected, where the applicant has access to the municipal sewer network. Proxy measure for National Key Performance Indicator.
TecEl60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	Technical	100%	95%	95%	95%	95%	95%	95%	96%	96%	96%	This indicator reflects the percentage of residential valid electricity connection applications (where down payment has been received) connected, where the applicant has access to the municipal electrical network. Proxy measure for National Key Performance Indicator.
TecRef46	Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.	Technical	7	7	7	7	7	7	7	7	7	7	The removal of solid household waste in all formal accessible residential areas on a weekly basis in all 7 formalised towns according to a publicised programme. National Key Performance Indicator. Proxy measure for National Key Performance Indicator.

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
TecWat20	Percentage unaccounted water losses	Technical	12%	18%	18%	18%	18%	18%	17%	17%	16%	16%	Unaccounted-for water (UFW) is the difference between the quantity of water supplied to the municipality's network and the metered quantity of water used by the customers. UFW has two components: (a) physical losses due to leakage from pipes, and (b) administrative losses due to illegal connections and under registration of water meters. The reduction of UFW is a crucial step to improve the financial health and to save scarce water resources.
TecEl37	Percentage unaccounted electricity losses.	Technical	10,8%	10%	10%	10%	10%	10%	10%	10%	10%	10%	Unaccounted-for electricity (UFE) is the difference between the quantity of electricity supplied to the municipality's network and the metered quantity of electricity used by the customers. UFE has two components: (a) Technical losses due to ageing/inadequate networks, and (b) administrative or non-technical losses due to illegal connections and under registration of electricity meters. The reduction of UFE is a crucial step to improve the financial health.
TecRo7	Kilometres of roads upgraded & rehabilitated	Technical	6	2	0	0	1	2	4	4	4	4	This indicator measures the kilometres of new roads constructed, roads upgraded & rehabilitated and resurfaced.

Strategic Objective: 1.2 Provide for the needs of Informal Settlements through improved services

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
TecDir2	Number of subsidised serviced sites developed.	Technical	No target	No target					130		50	50	A housing opportunity is incremental access to and/or delivery of one of the following Housing products: Incremental Housing which provides a serviced site with or without tenure. A serviced site is being defined as a demarcated site with access to water & sanitation services located adjacent to a road.
TecWat22	Percentage of households in demarcated informal areas with access to a water point (tap)	Technical	New	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a water point (tap). Access are being defined as households within 200m of a water point (tap). Certain taps may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecSan13	Percentage of households in demarcated informal areas with access to a communal toilet facility.	Technical	New	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a communal toilet facility. Access are being defined as households within 200m of a communal toilet facility. Certain toilets may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecRef31	Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.	Technical	New	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste. Access are being defined as households within 200m of a periodic waste pick-up route or skip for household waste. Certain skips may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecEl36	Percentage of houses in a subsidised housing project connected to the electrical network.	Technical	100%	95%	95%	95%	95%	95%	95%	95%	95%	95%	This indicator reflects the percentage of houses in a subsidised housing project connected to the electrical network. Proxy for National KPI.

KEY PERFORMANCE AREA: 2. GOVERNANCE

Strategic Objective: 2.1 Support Institutional Transformation and Development

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	Corporate	91%	96%	25%	50%	75%	96%	96%	96%	96%	96%	A Workplace Skills Plan is a document that outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate the budget for appropriate training interventions which will address the needs arising out of Local Governments' Skills Sector Plan, the municipality's strategic requirements as contained in the IDP and the individual departmental staffing strategies and individual employees' PDP's. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. Kpi measures percentage expenditure of vote allocated towards training needs as arise from WSP. Proxy for National KPI.
CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	Corporate	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly reports on the percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan. Quarterly report submitted to Municipal Manager. National Key Performance Indicator.

Strategic Objective: 2.2 Ensure Financial Stability

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	Finance	322	350	350	350	350	350	350	350	350	350	This indicator measures debt coverage as (total operating revenue – operating grants received) / debt service payments due within the year. This means the municipality is able to cover its debt service payments from operating revenue
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	Finance	2,7	2,8	2,8	2,8	2,8	2,8	2,8	2,8	2,8	2,8	This indicator measures: (available cash + investments) / monthly fixed operating expenditure. This indicates that with the available cash the municipality is able to pay its fixed operating expenditure for certain amount of months. Proxy for National KPI.
FinFAdm11	Financial viability expressed outstanding service debtors	Finance	70%	60%	60%	60%	60%	60%	60%	60%	60%	60%	These indicator measure service debtors to revenue (total outstanding service debtors / revenue received for services). This means that a % of revenue in the SFP is still outstanding as at year end. Proxy for National KPI.
FinDir3	Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.	Finance	Unqualified	Unqualified			1		Unqualified	Unqualified	Unqualified	Unqualified	This indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor General in determining his opinion. An unqualified audit opinion refers to the position where the auditor having completed his audit has no reservation as to the fairness of presentation of financial statements and their conformity with General Recognised Accounting Practices.
FinInc15	Percentage revenue collection	Finance	90%	93%	93%	93%	93%	93%	94%	94%	95%	95%	This indicator reflects the percentage of revenue collected from service accounts delivered.
MM1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the whole of the municipality.	Municipal Manager	101%	98%	25%	50%	75%	98%	99%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes for the whole of the municipality. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
MM2	Percentage spend of capital budget for the whole of the municipality.	Municipal Manager	86%	95%	10%	40%	60%	95%	95%	96%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are

Strategic Objective: 2.3 To maintain and strengthen relations with international- & inter- governmental partners as well as the local community through the creation of participative structures.

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
MMIDP9	Number of IDP community engagements held.	Municipal Manager	Changed	14		7		14	14	14	14	14	Bi-annual community engagements as per IDP Process Plan held in each of the 7 towns.
ComSoc49	Number of meetings with inter-governmental partners.	Community	12	12	3	6	9	12	12	12	12	12	Number of Inter-Governmental meetings attended.

KEY PERFORMANCE AREA: 3. COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and Maintain Facilities and Environment that make citizens feel at home

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComAm34	Report on annual customer satisfaction survey on community facilities.	Community	1	1 Report		1			1 Report	1 Report	1 Report	1 Report	Analysis report of a community survey on community perception and satisfaction in respect of the access to and maintenance of certain community facilities.
ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	Community	81%	98%	25%	50%	75%	98%	99%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes for the Community Department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
ComDir2	% Expenditure on Capital Budget by Community Directorate	Community	85%	95%	10%	40%	60%	95%	95%	96%	96%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the community directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.

KEY PERFORMANCE AREA: 4. SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.1 Support the poor & vulnerable through programmes & policy

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	Community	2867	4500	4500	4500	4500	4500	4400	4300	4300	4300	Refers to the number of account holders subsidised through the municipality's Indigent Policy as at the end of reporting period.
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	Community	401	400	100	200	300	400	405	410	410	410	This indicator measures the number of work opportunities created through the expanded Public Works Programme (EPWP) and contracts for temporary workers and temporary workers employed through contractors on projects. Proxy for National KPI.
ComSoc 42	Number of engagements with target groups with the implementation of social development programmes.	Community	27	20	5	10	15	20	20	20	20	20	The indicator refers to the number of engagements with target groups for the implementation social developmental programmes and /or initiatives .
ComHS14	Number of housing opportunities provided per year.	Community	No target	50	0	0	0	50	80	80	80	80	A housing opportunity is incremental access to and or delivery of one of the following Housing products: Practically completed Subsidy Housing which provides a minimum 40m ² house.
ComHS15	Number of Rental Stock transferred	Community	14	30	5	10	20	30	40	50	50	50	Number of rental stock transferred to approved beneficiaries, using established criteria. Rental stock is being defined as subsidised houses constructed before 1994 (scheme houses) and leased by the municipality to identified and approved beneficiaries.

Strategic Objective: 4.2 Create an enabling environment to support local economy

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComLed19	Bi-annual report on investment incentives implemented.	Community	4	2 Reports		1		1	2 Reports	2 Reports	2 Reports	2 Reports	Bi-annual report on investment incentives implemented.
ComLed20	Quarterly report on the Small Business Entrepreneurs Development Programme.	Community	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly report on the Small Business Entrepreneurs Development Programme.
ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	Community	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Progress reports on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.

11. BUDGETARY ALIGNMENT WITH IDP

BUDGET PER KEY PERFORMANCE AREA

BUDGET PER STRATEGIC OBJECTIVE

TO BE INSERTED AFTER BUDGET APPROVAL

FIVE YEAR PROJECTED CAPITAL EXPENDITURE PER WARD

KEY PERFORMANCE AREA: 1. ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

Strategic Objective: 1.2 Provide for the needs of Informal Settlements through improved services

KEY PERFORMANCE AREA: 2. GOVERNANCE

Strategic Objective: 2.1 Support Institutional Transformation and Development

Strategic Objective: 2.2 Ensure Financial Stability

KEY PERFORMANCE AREA: 3. COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and Maintain Facilities and Environment that make citizens feel at home

KEY PERFORMANCE AREA: 4. SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.2 Create an enabling environment to support local economy

ANNEXURE A: MFMA CIRCULAR 88 NATIONAL INDICATORS

ANNEXURE B: MFMA CIRCULAR 88 COMPLIANCE QUESTIONS

To be provided with final document

DRAFT



DRAFT AMENDED INTEGRATED DEVELOPMENT PLAN 2022 – 2023

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GLOSSARY

BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CDWs	Community Development Workers
CBD	Central Business District
CDI	City Development Index
CWDM	Cape Winelands District Municipality
CAPEX	Capital Expenditure
DM	District Municipality
DWAF	Department of Water Affairs and Forestry
DBSA	Development Bank of Southern Africa
DTI	Department of Trade and Industry
DPLG	Department of Provincial and Local Government
DEAT	Department of Environmental Affairs and Tourism
DLA	Department of Land Affairs
DSDF	District Spatial Development Framework
EE	Employment Equity
EL	External Loans
GDPR	Gross Domestic Product Regional
GDP	Gross Domestic Product
GCIS	Government Communications and Information Systems
HDI	Human Development Index
HR	Human Resources
IDP	Integrated Development Plan
IWMP	Integrated Waste Management Plan
IS	Information Systems
ICASA	Independent Communications Authority of South Africa
IT	Information Technology
JDA	Joint District Approach
KPAs	Key Performance Areas
KPIs	Key Performance Indicators
LED	Local Economic Development
MSA	Municipal Systems Act
MSIG	Municipal Systems Improvement Grant
MIG	Municipal Infrastructure Grant
MAYCO	Mayoral Committee
MTREF	Medium Term Revenue Expenditure Framework
MPCC	Multi-purpose Community Centre
NSDP	National Spatial Development Framework
NGO's	Non-governmental Organisation
OPEX	Operational Expenditure
PPP	Public Private Partnerships
PGDS	Provincial Growth and Development Strategy
PMS	Performance Management System
PTIP	Public Transport Improvement Plan
RDP	Reconstruction and Development Programme



RED Door	Real Economic Development Door
RSEP	Regional Socio-Economic Programme
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SDBIP	Service Delivery Budget Implementation Plan
SCM	Supply Chain Management
SMME	Small, Micro and Medium Enterprise
SALGA	South African Local Government Association
STR	Small Town Regeneration
UISP	Upgrade of Informal Settlements Programme
IUDF	Integrated Urban Development Framework
VIP	Vision Inspired Priorities
WCED	Western Cape Education Department

Draft Document

1 EXECUTIVE SUMMARY

A. EXECUTIVE MAYOR FOREWORD



[Redacted text]

I thank you.

HJ Smit – Executive Mayor

B. MUNICIPAL MANAGER FOREWORD



T [REDACTED]

David Nasson – Municipal Manager

2 INTRODUCTION

A. ABOUT THE IDP

I. EXECUTIVE SUMMARY

As Witzenberg Municipality we are proud to present this second Amendment of our 4th Generation IDP as developed and drafted in consultation with the people of Witzenberg, provincial government and sector departments, local business forums and civil society stakeholders.

The new five-year IDP sets out the vision and mission of the municipality and clearly defines the strategies and plans to deliver our objectives of infrastructure-led growth, sustainable human settlements, financial sustainability, LED, social development, strategic partnerships and international relationships.

The development of a credible IDP allows the municipality to engage in continuous planning, monitoring and evaluation of all the sector plans that form part of this IDP. The review of the 4th Generation IDP is therefore set out in the following way:

A thorough analysis of the spatial, economic and environmental issues in conjunction with the community, partners in government and other stakeholders has highlighted two major issues that will influence our strategies and planning over the next five years. The increased growth of especially our more vulnerable population will be addressed through the implementation of social housing programmes such as Vredebes and the upgrade of the informal settlement in N'Duli. These projects require major bulk infrastructure upgrading that will take up

the largest portion of our grant funding for the next five years. The analysis of our Agri-economic environment has also indicated a positive growth over the next five years and is it essential that the municipality provides sufficient bulk and network infrastructure to support investment and job creation opportunities. It is in this regard that we will work together with the Department of Rural Development and Land Reform as well as the Department of Agriculture to ensure the successful implementation of the Agri-Park.

Witzenberg has identified four key performance areas (KPAs) based on the objectives of local government as set out in Section 156 of the Constitution.

The **KPA: Essential Services** includes the objectives of sustainable provision and maintenance of basic services and provision for the needs of informal settlements. These objectives include programmes and projects that will especially focus on the provision of **bulk infrastructure for housing projects**. The provision of **bulk electricity by Eskom** has been identified as a major risk as existing Eskom bulk infrastructure currently cannot provide for the growth requirements of Witzenberg. Other programmes and projects include the development and implementation of a **waste management strategy** with the focus on decreasing waste through the implementation of a material recovery facility and drop-off points to replace the garden waste skips. This will be done with the support and cooperation of Witzenberg's twinning municipality, Essen, in Belgium. The ongoing drought in the Western Cape has also had an impact on Witzenberg and

it is especially in **Tulbagh** where insufficient **water storage** capacity has resulted in the implementation of water restrictions. Funding has been allocated by the Department of Water Affairs for the construction of a storage dam over the next three years.

The key performance area of **Governance** includes the objectives of institutional development and transformation, financial viability and the strengthening of partnerships.

Financial Viability is essential towards a sustainable and developmental local government. We will especially focus on **debt management** to address non-payment, but will also continue to support our vulnerable communities through our **indigent and pro-poor policies**.

Our third key performance area of **Communal Services** includes the objective of providing and maintaining facilities and the environment. The Witzenberg mountains are the source of four of the Western Cape's major rivers and programmes. The focus will be on the

conservation of our natural environment, the eradication of aliens in our rivers and ongoing awareness programmes that will be implemented in conjunction with various role-players.

The **Socio-Economic Support Services** KPA focuses on the objectives to support the poor and to create an enabling environment to support the local economy. The construction of houses in Vredebes will **improve the living conditions of those in informal settlements, overcrowded houses and structures in backyards**. The Vredebes development will also make provision for "GAP" housing under the FLISP Programme of the Department of Human Settlements.

The continued support and implementation of the Agri-Park will create **opportunities for investment, job creation and land reform** as an enabling environment for local economic growth.

We also understand that this is merely a strategic document and that the major challenge will be implementing and realising our plans. The Council and administration commit to achieving the objectives as set out in this IDP and urge the people of Witzenberg to walk this exciting road with us towards improved livelihoods.

II. DEFINITION

Integrated Development Planning is the process through which the municipality prepares a strategic developmental plan, which is the principal strategic instrument guiding all planning, management, investment, development and implementation decisions, taking into account input from all stakeholders.

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structure. It also integrates and aligns planning in different spheres of government and therefore enforces and upholds the spirit of cooperative governance in the public sector.

The Constitution of the Republic of South Africa (1996) commits government to take reasonable measures, within its available resources, to ensure that all South Africans have access to adequate housing, healthcare, education, food, water and social security. Developmental local government can only be realised through integrated development planning and the compilation of a credible Integrated Development Plan (IDP).

III. LEGISLATION

Legal Framework for Integrated Development Planning

According to the Constitution of the Republic of South Africa, the local sphere of government is charged with the responsibility of implementing developmental local government as well as cooperative governance. The mandate to relate its management, budgeting and planning functions to its objectives gives a clear indication of the intended purposes of municipal integrated development planning, namely:

- Ensure sustainable provision of services
- Promote social and economic development
- Promote a safe and healthy environment

- Give priority to the basic needs of communities
- Encourage involvement of communities

The first piece of legislation drafted to reflect the responsibility of the local sphere of government to implement integrated development planning by means of the compilation of an IDP document, was the Local Government Transition Act (1993) as amended by the Local Government Transition Second Amendment Act (1996). In this legislation the IDP was presented as the main planning instrument that guides all planning and decision-making process of the municipality.

The Local Government Transition Act was an interim piece of legislation applicable to the local sphere of government until the demarcation of municipalities was finalised, and the need then arose to enact legislation regulating integrated development planning on a more permanent basis.

In 2000 the Local Government: Municipal Systems Act 32 of 2000 (MSA) came into effect. Section 25(1) of the Act stipulates that each municipal council must, after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- Links, integrates and coordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which the annual budget must be based; and
- Is compatible with national and provincial development plans, and planning requirements binding on the municipality in terms of legislation.

The MSA is therefore the principal piece of legislation governing integrated development planning at municipal level. Municipalities are bound by it and must ensure its implementation. Other legislation and policy documents that

contain reference to integrated development planning are:

- The Constitution of the Republic of South Africa Act 108 of 1996;
- Reconstruction and Development Programme (RDP);
- Growth, Employment and Redistribution Strategy (GEAR);
- Tourism Act 72 of 1993;
- Development Facilitation Act 67 of 1995;
- National Water Act 36 of 1997;
- Housing Act 107 of 1997;
- White Paper on Local Government of 1998;
- Local Government: Municipal Structures Act 117 of 1998;
- National Environmental Management Act 107 of 1998;
- National Land and Transportation Transition Act 22 of 2000;
- Disaster Management Act 52 of 2002;
- White Paper on National Civil Aviation Policy (2005); and
- The Local Government: Municipal Finance Management Act 56 of 2003.

A further piece of legislation which has a tremendous impact on the IDP is the Municipal Finance Management Act (MFMA). Due to the coming into effect of this Act, the revision of the IDPs must be aligned with the stipulations and timeframes as set out in this Act.

Section 35 of the MSA states explicitly that an integrated development plan adopted by municipal council is the principal strategic planning instrument which:

- Guides and informs all planning and development, and all decision making with regard to planning, management and development in the municipality;
- Binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's IDP and national or provincial legislation, in which case such legislation prevails; and
- Binds all other persons to the extent that those parts of the IDP that impose duties or

affect the rights of those persons have been passed as a by-law.

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.

IV. PROCESS

Developing the Integrated Development Plan

In compliance with the Municipal's Systems Act as amended, the IDP Review/ Amended and Budget Process Plan were adopted by full Council on 22 November 2022.

This IDP and Budget Process Plan inter alia seek to address the:

- Identification of areas requiring additional attention in terms of legislative requirements, proper planning processes and sound financial management;
- Inclusion of the most current Census and own statistical data;
- Consideration and review of any other relevant and new information;
- Addressing comments received from the various role-players;
- Shortcomings and weaknesses identified through self-assessment;
- Preparation and review of sector plans and its alignment with the IDP;
- Preparation and review of the Performance Management System (PMS);
- Update of the 5-year Financial Plan; and
- Preparation and finalisation of the annual Budget in terms of the relevant legislation.

The situational analysis process started in January 2022

All further actions in accordance with legislative and regulatory requirements, such as the final approval of the IDP, and the Medium Term Revenue and Expenditure Framework for the

ensuing three year financial cycles, SDBIPs, the submission of all the relevant documentation to the appropriate authorities and the making public of these final documents will be executed.

Public Participation Process

Section 29 of the Municipal Systems Act, No 32 of 2000 states that –

29. (1) The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must –

(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for—

- (i) the local community to be consulted on its development needs and priorities;
- (ii) the local community to participate in the drafting of the integrated development plan.

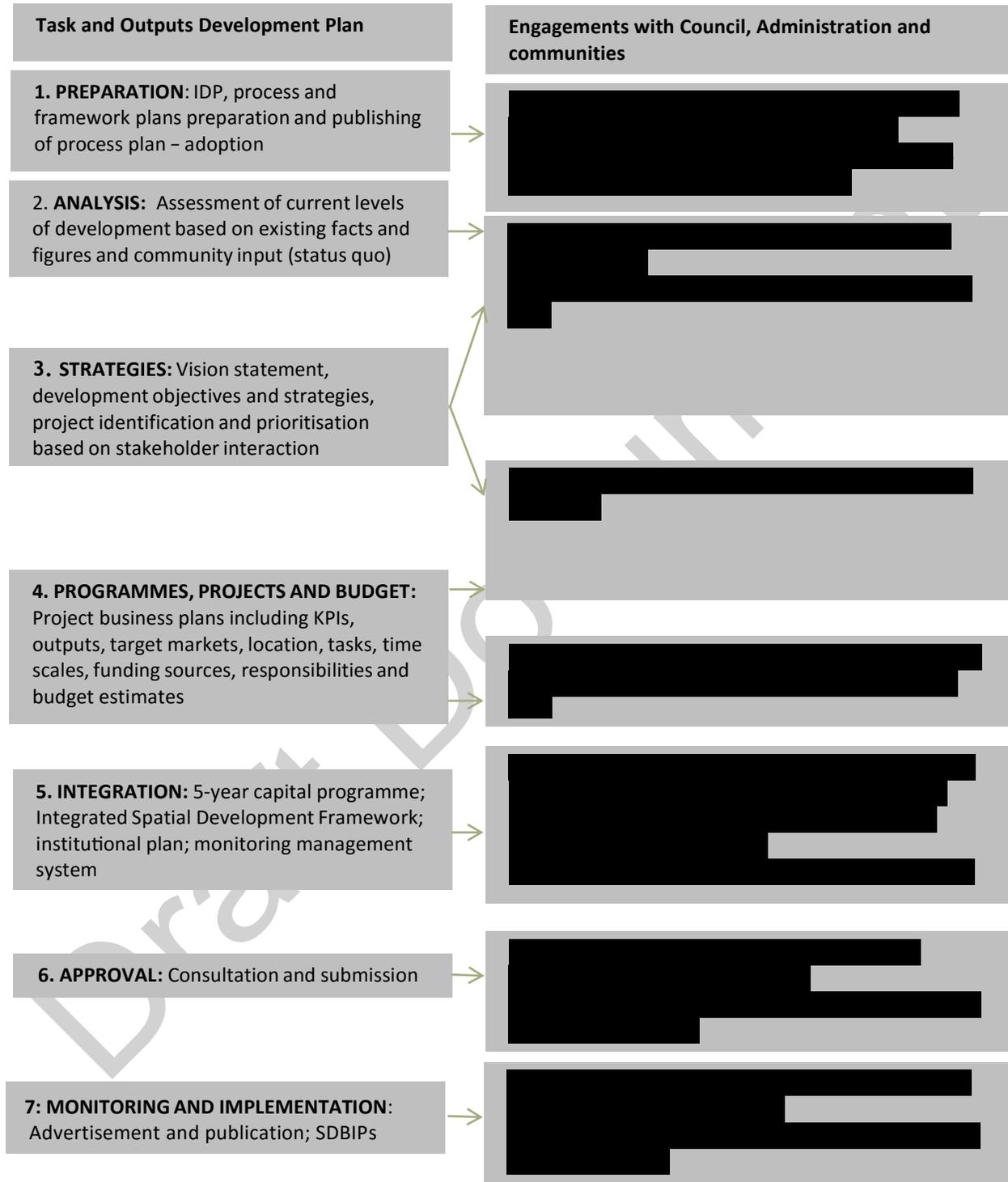
It provides an opportunity for all stakeholders with different needs and priorities to learn from each other and to negotiate and compromise around their viewpoints, leading to unification and consensus building.

The municipality adopted the 2022 – 2023 Reviewed/Amended IDP and Budget Process Plan on 16 November 2021. Amongst others, it includes appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, and other role-players in the IDP drafting process.

The diagram on the following page outlines the steps in developing the Amended Integrated Development Plan 2022 – 2023.

Public participation allows the municipality and the community to focus on itself, and develop a future-orientated vision and mission, proactively positioning itself and adapting and learning from an ever-changing environment.

Steps and events 2020/2021



B. VISION, MISSION, OBJECTIVES

I. VISION AND MISSION

Our Vision

A municipality that cares for its community, creating growth and opportunities.

Our Mission

The Witzenberg Municipality is committed to improve the quality of life of its community by:

- Providing and maintaining affordable services
- Promoting social and economic development
- The effective and efficient use of available resources
- Effective stakeholder and community participation

Value System

- Driven by the aspirations of our community, we will respect and uphold the Constitution of the Republic of South Africa.
- We commit ourselves to the Code of Conduct for Councillors and officials in terms of the Municipal Systems Act.
- We commit ourselves to the principles of sound financial management.

We subscribe to the principles of Batho Pele

- Consultation – Citizens should be consulted about service levels and quality when possible.
- Service standards – Citizens must be made aware of what to expect in terms of the level and quality of services.
- Access – Citizens should have equal access to the services to which they are entitled.
- Courtesy – Citizens should be treated with courtesy and consideration.
- Information – Citizens must receive full and accurate information about their services.
- Openness and transparency – Citizens should be informed about government departments' operational budgets and management structures.
- Redress – Citizens are entitled to an apology, explanation and remedial action if they are promised a standard of service that is not delivered.
- Value for money – Public services should be provided economically and efficiently.

II. STRATEGIC MAP

<i>WITZENBERG MUNICIPALITY: STRATEGIC MAP 2018/19</i>					
Vision	Mission	Municipal KPA		Pre-determined Objectives	
A municipality that cares for its community, creating growth and opportunities.	<p>The Witzenberg Municipality is committed to improve the quality of life of its community by:</p> <ul style="list-style-type: none"> - Providing & maintaining affordable services - Promoting Social & Economic Development - The effective & efficient use of resources - Effective stakeholder & community participation. 	1	Essential Services	1,1	Sustainable provision & maintenance of basic infrastructure
				1,2	Provide for the needs of informal settlements through improved services
		2	Governance	2,1	Support Institutional Transformation & Development
				2,2	Ensure financial viability.
				2,3	To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation of participative structures.
		3	Communal Services	3,1	Provide & maintain facilities that make citizens feel at home.
		4	Socio-Economic Support Services	4,1	Support the poor & vulnerable through programmes & policy
				4,2	Create an enabling environment to attract investment & support local economy.

III. SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Pro-poor policies (e.g. indigent; procurement) ▪ Close cooperation at management level ▪ Good dialogue with business and agricultural sectors ▪ Good water quality ▪ Effective international relations ▪ IGR structures and forums ▪ Budget control ▪ Natural environment ▪ Location for certain opportunities ▪ Good governance and good IGR ▪ Meeting constitutional obligations ▪ Visionary leadership ▪ Low vacancy rate in organisational structure ▪ Community engagements 	<ul style="list-style-type: none"> ▪ Financial limitations ▪ Town management ▪ Inadequate storm water systems in some areas ▪ Old asbestos water and sanitation networks ▪ Resealing and maintenance of roads ▪ Garden refuse – Tulbagh, Wolseley and N'Duli ▪ Law enforcement ▪ Ageing infrastructure ▪ Centralisation/town management ▪ High water losses ▪ Lack of integration policies, silo operations ▪ Office space ▪ Slow turnaround time ▪ Vulnerable IT (integration)
Opportunities	Threats
<ul style="list-style-type: none"> ▪ Tourism potential ▪ Active ward committees and related activities ▪ Further international relations ▪ IGR and cooperation on transversal programmes ▪ Wolwekloof Learning Academy ▪ EPWP for poverty reduction ▪ Close working relationship with big business to enhance economic development ▪ Performance management system to monitor organisational performance not fully in place ▪ Pine forest ▪ Recycling and composting ▪ Renewable energy ▪ Reduce water losses/unaccounted to acceptable standards ▪ Available natural resources to stimulate economic growth ▪ Development of GIS ▪ Good communication and branding ▪ Marketing (internal and external) ▪ Expand international relationships ▪ Upgrade infrastructure ▪ LED pilot projects ▪ Land audit ▪ Natural environment ▪ Revenue enhancement ▪ Koekedouw Dam ▪ Rural wards – funding possibilities ▪ Improvement of client services ▪ Real law enforcement 	<ul style="list-style-type: none"> ▪ Seasonal agriculture-based labour shrinks revenue base ▪ Political volatility (fragile coalitions) ▪ High level unemployment/economically inactive people ▪ Increasing TB and HIV/Aids prevalence ▪ Vandalism, theft of municipal assets and property ▪ Legacy of decrepit infrastructure and insufficient infrastructure replacement programme ▪ Uncontrolled habitation in informal settlements ▪ Insufficient revenue base/lack of economic growth ▪ Equitable funding formula ▪ Insufficient land for graveyards ▪ Substance abuse can become a threat ▪ Farm eviction ▪ Tulbagh roads ▪ Service delivery in informal settlements ▪ Social ills – HIV and TB, crime, substance abuse ▪ Unemployment ▪ Migration / influx control ▪ Land availability ▪ Financial sustainability ▪ Cost of services ▪ Sustainability of low-cost housing ▪ Grant dependency ▪ Animal management ▪ NERSA legislation – non-compliance / compliance ▪ ESKOM / load shedding – incapacity to increase for demand from municipality

IV. GOVERNMENT ALIGNMENT

Municipalities are encouraged and supported by both national and provincial government to develop realistic and credible IDPs that not only comply with relevant legislation but also–

1. are owned by local leadership, municipal management and the community as the single strategic plan to direct resources within the municipality;
2. are driven by the management team and systems within the municipality with implementation regularly monitored during the year through the performance management system;

National Policy Directives

There is a clear hierarchical structure of national policy directives starting with the Medium Term Strategic Framework for 2019-2044 (MTSF). The plan focuses on the seven priorities and related interventions of the sixth

Medium-term Strategic Framework for 2019-2024 (MTSF)

The National Development Plan (NDP) 2030 issued in 2012 set out a long-term vision for the country and provides the programme through which South Africa can advance radical economic transformation through development planning. The Medium Term Strategic Framework (MTSF) 2014-2019 outlined the plan and outcome-based monitoring framework for implementing the NDP during the country's fifth democratic administration. This MTSF 2019-2024 outlines the priorities to be implemented in the

3. contain a long-term development strategy that can guide investment across the municipal area;
4. provide an investment plan for national, provincial and local government and non-governmental stakeholders to enhance and enable joint planning and resource alignment to improve service delivery to all stakeholders; and
5. include local area or ward plans to localise the strategy and implementation of the IDP.

administration of government, and the integrated monitoring framework focuses on monitoring outcomes, indicators and targets towards the achievement of the priorities.

sixth administration. It also outlines the priorities and interventions across South Africa's national development pillars.

The South African government sees development planning as a means to achieve national development goals. All three spheres of government conduct development planning: The MTSF reflects the NDP Five Year Implementation Plan and Integrated Monitoring Framework at a national level, the Provincial Growth and Development Strategies / Plans (PGDS/P) of all nine provinces, and will in 2020 incorporate the Integrated Development Plans (IDPs) at Metropolitan and District Municipality level to ensure effective service delivery.

▪ NATIONAL DEVELOPMENT PLAN – VISION FOR 2030

The plan, adopted by Cabinet on 11 November 2011, helps us to chart a new path for our country.

It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth, the availability of jobs and change the life chances of our youth that remain underdeveloped by our apartheid history. Everything in the plan is aimed at reducing poverty and inequality.

In summary the plan has the following objectives that must be achieved by 2030:

1. Create Jobs
2. Expand Infrastructure
3. Transform Urban and Rural Spaces
4. Education and Training
5. Provide Quality Healthcare
6. Build a Capable State
7. Fight Corruption Transformation and Unity



- **PROVINCIAL STRATEGIC PLAN (PSP) – 2019 - 2024**
- **AN OUTLINE OF THE VISION-INSPIRED PRIORITIES**

1. SAFE AND COHESIVE COMMUNITIES

THE WESTERN CAPE IS A PLACE WHERE RESIDENTS AND VISITORS FEEL SAFE.

When people feel unsafe, it affects every area of their lives. For example, it prevents people from enjoying public spaces and travelling safely to work and discourages our businesses from growing and creating jobs. This is why safety is a theme in our other priorities, and every provincial department will contribute to a safer Province.

This priority focuses on improving law enforcement and addressing the root causes of violent crime, such as child abuse and unemployment.

2. GROWTH AND JOBS

AN ENABLING ENVIRONMENT FOR THE PRIVATE SECTOR AND MARKETS TO DRIVE GROWTH AND CREATE JOBS.

We want to make the Western Cape a place where businesses want to invest and from where businesses export their products. This means we must have excellent infrastructure, skilled workers, and companies that can compete with the best in the world. With this in place, more and more people in the Province will have jobs.

3. EMPOWERING PEOPLE

RESIDENTS OF THE WESTERN CAPE HAVE OPPORTUNITIES TO SHAPE THEIR LIVES AND THE LIVES OF OTHERS, TO ENSURE A MEANINGFUL AND DIGNIFIED LIFE.

We see a Western Cape where families are strong, our youth have the skills, knowledge, and personal character to succeed in the 21st Century world of technology and computers, and all of our people have access to excellent health services.

4. MOBILITY AND SPATIAL TRANSFORMATION

RESIDENTS LIVE IN WELL-CONNECTED, VIBRANT, AND SUSTAINABLE COMMUNITIES AND MOVE AROUND EFFICIENTLY ON SAFE, AFFORDABLE, LOW CARBON PUBLIC TRANSPORT.

We want to see a Western Cape where our people use safe, affordable, and green public transport and live in neighbourhoods that include different racial and income groups and are close to economic and social opportunities.

5. INNOVATION AND CULTURE

GOVERNMENT SERVICES ARE DELIVERED TO THE PEOPLE OF THE WESTERN CAPE IN AN ACCESSIBLE, INNOVATIVE, AND CITIZEN-CENTRIC WAY.

As your provincial government, we are constantly looking for ways to improve our services to you. We will assess our services regularly and try new things, and change what we are doing if we are not meeting your needs.

The Witzenberg Municipality, through its Integrated Development Plan, strives to align its priorities to those of provincial and national government, The following matrix provides the strategic alignment between the three spheres of government.

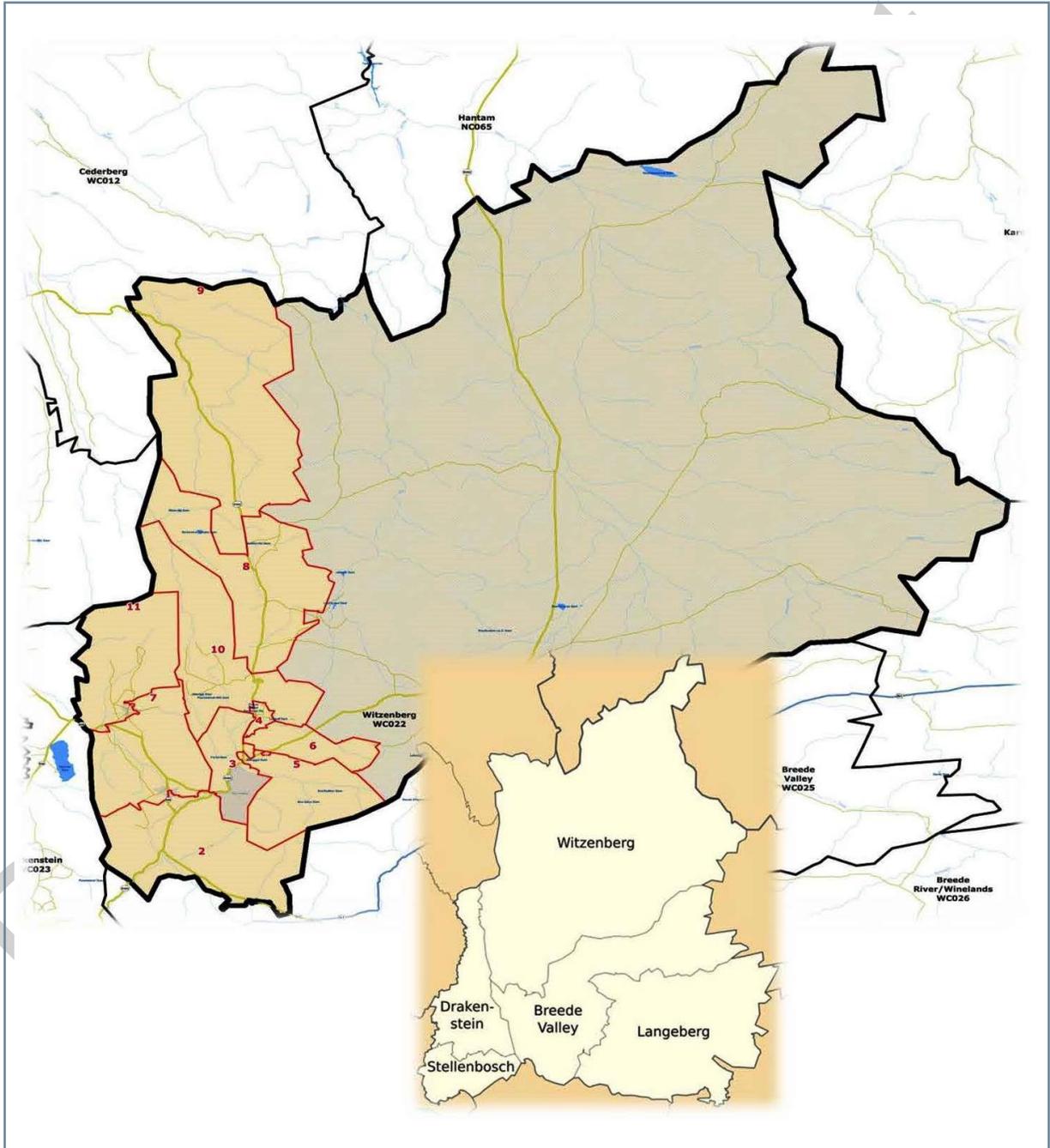
National Priorities (2019 – 2024)	Western Cape Vision-inspired Priorities (2019 – 2024)	Cape Winelands District Strategic Objectives	Witzenberg Strategic Objectives
5: Social cohesion & safe communities 2: Education, skills & health	<u>1: Safe and Cohesive communities</u>	<u>SO 1:</u> To create an environment and forge partnerships that ensure the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment	2.1 Support Institutional Transformation and Development. 3.1 Provide and maintain facilities that make citizens feel at home.
5: Social cohesion & safe communities	<u>1: Safe and Cohesive communities</u> <u>3: Empowering People</u> <u>5: Innovation and Culture</u>	<u>SO 1:</u> To create an environment and forge partnerships that ensure the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.	4.1 Support the poor and vulnerable through programmes and policy
1: Economic transformation and job creation. 4: Spatial integration, human settlements & local government	<u>4: Mobility and Spatial Transformation</u> <u>2: Growth and Jobs</u>	<u>SO : 2</u> Managing a sustainable bulk services strategy and transport system which foster social and economic opportunities.	1.2 Create an enabling environment to attract investment and support local economy.
6: Capable, ethical and developmental state	<u>5: Innovation and Culture</u>	<u>SO 3:</u> To provide effective and efficient financial and strategic support services to the Cape Winelands District Municipality.	2.1 Support institutional transformation and development.
4: Spatial integration, human settlements & local government	<u>4: Mobility and Spatial Transformation</u>	<u>SO : 2</u> Managing a sustainable bulk services strategy and transport system that foster social and economic opportunities.	4.2 Create an enabling environment to attract investment and support local economy.
5: Social cohesion & safe communities 2: Education, skills & health	<u>1: Safe and Cohesive communities</u> <u>3: Empowering People</u>	<u>SO 1:</u> To create an environment and forge partnerships that ensure the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape	4.1 Support the poor and vulnerable through programmes and policy

National Priorities (2019 – 2024)	Western Cape Vision-inspired Priorities (2019 – 2024)	Cape Winelands District Strategic Objectives	Witzenberg Strategic Objectives
		<i>Winelands District through economic, environmental and social infrastructure investment.</i>	
<p>5: <i>Social cohesion & safe communities</i></p> <p>2: <i>Education, skills & health</i></p>	<p><u>1: <i>Safe and Cohesive communities</i></u></p>	<p><u>SO 1:</u> <i>To create an environment and forge partnerships that ensure the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.</i></p>	<p>1.1 <i>Sustainable provision and maintenance of basic infrastructure</i></p> <p>1.2 <i>Provide for the needs of informal settlements through improved services.</i></p>
<p>6: <i>Capable, ethical and developmental state</i></p>	<p><u>5: <i>Innovation and Culture</i></u></p>	<p><u>SO 3:</u> <i>To provide effective and efficient financial and strategic support services to the Cape Winelands District Municipality.</i></p>	<p>2.2 <i>Ensure financial viability</i></p> <p>2.3 <i>Maintain and strengthen relations with international and inter-governmental partners as well as the local community through the creation of participative structures.</i></p>

3 SITUATIONAL ANALYSIS

A. SNAPSHOT

I. MAP



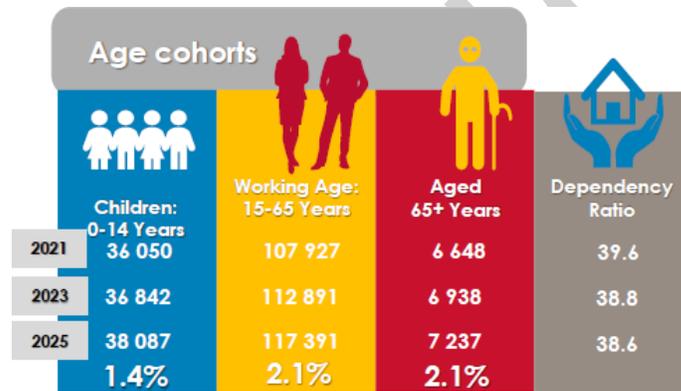
The Witzenberg Local Municipality (LM), founded in 2000, is classified as a Category B-municipality and is responsible for basic service provision to the demarcated municipal area that includes the towns of Ceres, Tulbagh, Prince Alfred’s Hamlet, Wolseley and Op-die-Berg. The rural areas within the municipal boundary are Ceres Valley, Koue Bokkeveld, Achter-Witzenberg and the northern portion of the Breede River Valley area.

The climate in Witzenberg is known for its hot and dry summer days. Winds are seasonal and generally north-westerly or south-easterly. The average annual rainfall in Ceres is about 1 088 mm and the average temperature range is 2,4°C to 29,9°C.

Located in the picturesque and fertile Breede Valley, Witzenberg is best known for its fruit and wine products. The region is also well-known for producing other agriculture-linked products such as olives and grain, as well as for producing beef and pork products. Horse and cattle stud farms are also found within the municipal area.

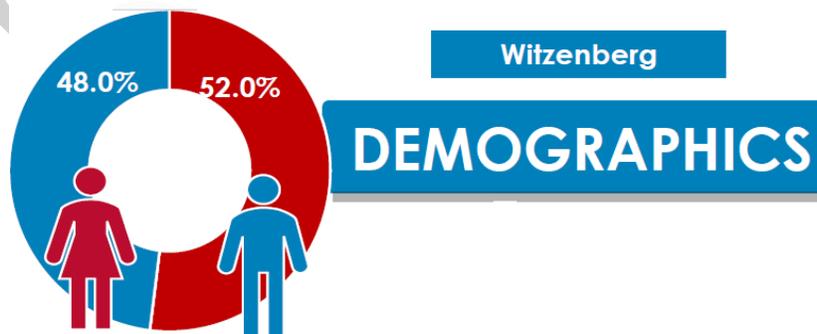
The principal socio-economic realities in our region are:

- Seasonal labour and social grant dependency
- Unemployment rate: 5 339 people
- People in poverty: 24 231
- Skills shortage (illiteracy rate = 36%)
- Youthful population: 56,8% of population is under 30 years of age
- Population concentration: 46,9% rural; 53,1% urban.



Source: Sep-LG 2021

Witzenberg population by gender:



Source: Sep-LG 2021

Witzenberg: At a glance

Witzenberg: At a Glance

Demographics Population Estimates, 2021; Actual households, 2020

 <p>Population</p> <p>150 624</p>	 <p>Households</p> <p>32 769</p>
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Education 2020

	Matric Pass Rate	65.0%
	Learner Retention Rate	65.4%
	Learner-Teacher Ratio	27.8

Poverty 2020

	Gini Coefficient	0.61
	Human Development Index	0.71

Health 2020/21

	Primary Health Care Facilities <small>excl mobile/satellite</small>	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies - Delivery rate to women U/18
	8	77.2%	204.4	15.9%

Safety and Security Actual number of reported cases in 2020/21

	Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
	723	73	878	66	96

Access to Basic Service Delivery Percentage of households with access to basic services, 2020

	Water	Refuse Removal	Electricity	Sanitation	Housing
	98.4%	69.8%	93.2%	91.7%	85.0%

Road Safety 2020/21

Fatal Crashes	21
Road User Fatalities	25

Labour 2020

Unemployment Rate
(narrow definition)

6.9%

Socio-economic Risks

- Risk 1 Low learner retention
- Risk 2 Low per capita GDP and growing inequality
- Risk 3 Low skills base (labour)

Largest 3 Sectors

Wholesale & retail trade, catering and accommodation	Finance, insurance, real estate and business services	Manufacturing
18.3%	16.3%	14.9%

II. DEMOGRAPHICS

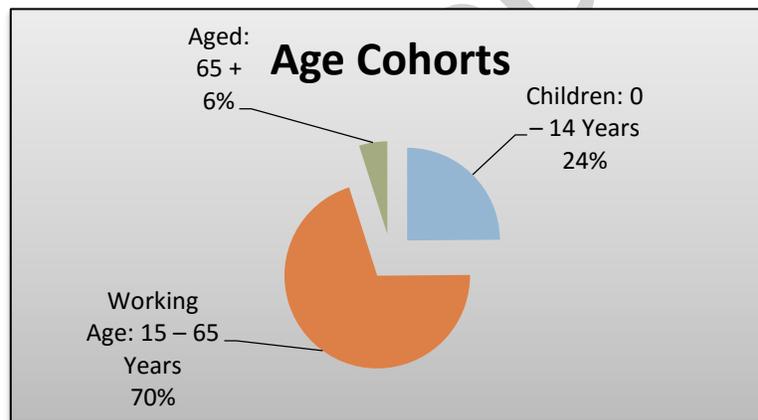
As per Census 2011, the Western Cape population comprises 11,25 per cent of the total population of the country with 5,8 million persons, having increased from 4,5 million in 2001. Thus the Western Cape population grew at a rate of 2,6 percent per annum between 2001 and 2011. This is faster than the national population growth rate of 1,5 per cent and is largely due to immigration to the Western Cape, where individuals believe they can obtain jobs and better standards of living.

In 2013 Witzenberg accounted for the second smallest population size in the Cape Winelands District consisting of 120 094 persons. It is however the fastest-growing municipality in the

district, growing at an average annual rate of 3,1 per cent from 2001 to 2013. This is much faster than the district growth rate of 1 per cent per annum, indicating that net in-migration may be occurring within this municipal area.

With a population of 142 466 in 2019, Witzenberg is the second lowest populated municipal area in the CWD. This total is expected to grow to 153 987 by 2023, equating to an average annual growth rate of 2.0 per cent. The estimated population growth rate of Witzenberg is slightly below that of the CWD at 1.6 per cent. The Western Cape average annual growth rate is 1.8 per cent across the same period.

Witzenberg: Population age Cohort, 2017



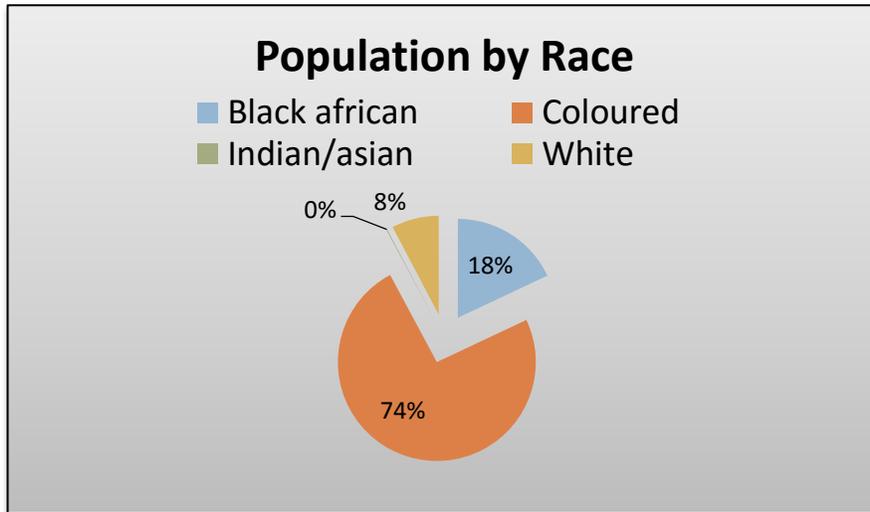
Witzenberg: Age Cohorts, 2019 – 2025

Year	Children 0 – 14 Years	Working Age 16 – 65 Years	Aged 65+	Dependency Ratio
2020	35 675	105 751	6 512	39.9
2023	36 881	114 707	7 129	38.4
2026	38 178	118 966	7 835	38.7
Growth	+1.1%	+2.0%	+3.1%	-

Between 2020 and 2026, the largest population growth was recorded in the 65+ aged cohort which grew at an annual average

rate of 3.1 per cent. The dependency ratio decreases towards 2023 and increases slightly towards 2026.

Population Group



Source: Statistics South Africa

Basic education

Population dynamics, which include knowledge of the current population profile and projected learner growth, provide a basis for sound education planning. Knowing the learner enrolment numbers of a municipality enables the Western Cape Education Department (WCED) to determine the level of demands placed on schools for the current year as well as anticipated demands for future years. Having a sense of the exit points allows the WCED to plan more effectively with respect to Further Education and Training (FET). The learner-teacher ratio is very important, because it is closely related to the

amount of money spent per child. It also has an impact on the education outcomes.

The average annual growth in learner enrolment for the Western Cape across the period 2016 to 2018 is expected to be 2.3 per cent. The highest growth in learners is expected to occur in the Stellenbosch municipal area (1.9 per cent) whilst the lowest growth is estimated to be in the Witzenberg (0.9 per cent).

Learner enrolment			Dropout rate		Learner-teacher ratio	
Year	2018	2020	2018	Crude dropout Average rate using dropout Yr 2016 - Gr 10 and rate Yr 2018 - Gr 12	Average learner- teacher ratio (2019)	ASS 2017: ALL state + SGB + substitutes teacher excluding practitioner ratio
Total	18377	18503	18377	37.50%	28.0	33.8

Source: Socio-Economic Profile - Provincial Treasury

Learner enrolment in Witzenberg increased from 18 377 enrollments in 2018 to 18 503 in 2020, an increase of 0.7 per cent. The learner-teacher ratio decreased slightly from 28.3 in 2018 to 28.0 in 2019. This is a positive improvement. The learner retention rate declined from 62.5 per cent in 2018 to 59.8 per cent in

2019. This could be attributed to a number of factors including demographics and socio-economic context.

Educational facilities

Source: Socio-Economic Profile - Provincial Treasury

In 2020, the Witzenberg municipal area had a total of 53 public ordinary schools. The number of schools has remained unchanged over the last few years.

The number of no-fee schools also remained constant at 44 over the last few years, which translates into a total of 83.0 per cent of schools being registered with the Western Cape Department of Education as no-fee schools.

The number of schools with libraries decreased from 16 in 2018 and 2019, to 13 in 2020. With only 1 of the 53 schools in the Witzenberg area with such facilities, there is considerable scope for the extension of libraries to other schools in the area.

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the labour market, policy decisions and choices in the sphere of education play a critical role in determining the

extent to which future economic and poverty reduction plans may be realised.

Witzenberg municipal area's matric outcomes dropped sharply from 74.3 per cent in 2019 to 65.0 per cent in 2020. It was the lowest rate when compared to other municipalities in the District. This particular statistic is vital as it impacts learner access to higher education institutions in order to broaden access employment opportunities.

Health

All citizens' rights to access to healthcare services are directly affected by the number and spread of facilities within their geographical reach. South Africa's healthcare system is geared in such a way that people have to move from primary level, with a referral system, to secondary and tertiary levels.

Area	PHC Clinics		Community Health Centres	Community Day Centres	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Witzenberg	8	6	0	1	1	0	8	19
Cape Winelands District	39	33	0	6	4	2	45	94

Source: Socio-Economic Profile - Provincial Treasury

According to the 2019 Inequality Trend Report by Statistics South Africa, in 2017, 75.1 per cent of households in South Africa usually use public healthcare facilities when a household member gets ill, compared to 24.9 per cent who use private healthcare facilities. This is associated with the low proportion of households with access to medical aid, which in 2017 was

approximately 17 per cent for South Africa and 25 per cent for the Western Cape.

In 2019/20, the Witzenberg municipal area had 8 primary healthcare facilities, all fixed clinics; to supplement these, there were also 6 mobile/satellite clinics. In addition to these primary healthcare facilities, there is also a district hospital.

Emergency Medical Services



Emergency medical services

Health Indicator	Witzenberg	Cape Winelands
EMS operational Ambulances	6	38

Source: Socio-Economic Profile - Provincial Treasury

The provision of more operational ambulances can provide greater coverage of emergency medical services. The Witzenberg area has a total of 6 ambulances servicing the region in 2020/21; the District had a total of 38 for the same period.

It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

HIV/Aids

Area	ART clients that remain with treatment month end		Number of new ART patients	
	2019/20	2020/21	2019/20	2020/21
Witzenberg	6 995	6 810	730	594
Cape Winelands	32 366	32 949	3 434	2 825

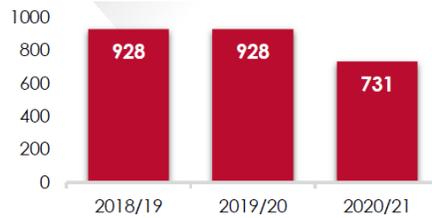
Source: Socio-Economic Profile - Provincial Treasury

Witzenberg’s total registered patients receiving antiretroviral treatment decreased by 185 patients, from 6 995 in 2019/20 to 6 810 in 2020/21. The number of new antiretroviral patients also decreased significantly from 730 in 2019/20 to 594 in 2020/21. This could be as a result of the imposed COVID-19 lockdown and actions taken to avoid any potential health risk. It could also be an indication that the prevalence of HIV is decreasing or an indication that less people

are being tested and receiving access to HIV treatment.

In 2020/21, a total of 32 949 registered patients received antiretroviral treatment in the Cape Winelands District. The Witzenberg municipal area, with 6 810 registered patients, represents 20.7 per cent of patients receiving ART in the Cape Winelands District.

Tuberculosis (TB)



Source: Socio-Economic Profile - Provincial Treasury

Witzenberg experienced a decline in tuberculosis (TB) cases in 2020. 731 TB patients

were registered in 2020 compared to 928 in 2019.

Safety and Security

Murder

MURDER		2018/19	2019/20	2020/21
Actual Number	Witzenberg	51	66	66
	Cape Winelands District	356	398	365
Per 100 000	Witzenberg	35	45	44
	Cape Winelands District	38	42	38

Source: Socio-Economic Profile - Provincial Treasury

Within the Witzenberg area, the number of murders increased from 51 in 2018/19 to 66 in 2019/20, remaining at 66 in 2020/21. Witzenberg’s murder rate (per 100 000 people) increased from 35 in 2018/19 to 45 in 2019/20 and slightly down to 44 in 2020/21, while the murder rate (per 100 000 people) for the Cape

Winelands District followed a similar pattern, with comparative figures of 38, 42 and 38 over the 3-year period respectively.

Sexual offences

SEXUAL OFFENCES		2018/19	2019/20	2020/21
Actual Number	Witzenberg	123	122	96
	Cape Winelands District	885	969	752
Per 100 000	Witzenberg	85	82	64
	Cape Winelands District	96	103	79

Source: Socio-Economic Profile - Provincial Treasury

In 2020/21, there were 96 sexual offences in the Witzenberg municipal area. When comparing this to the District, Witzenberg's incidence of sexual offences per 100 000 population was

below that of the Cape Winelands District, at 64 compared to the District's 79.

Drug-related offences

DRUG-RELATED OFFENCES		2018/19	2019/20	2020/21
Actual Number	Witzenberg	2 089	1 138	878
	Cape Winelands District	11 181	7 864	5 337
Per 100 000	Witzenberg	1 447	770	583
	Cape Winelands District	1 208	834	559

Source: Socio-Economic Profile – Provincial Treasury

Drug-related crime within the Witzenberg area decreased significantly from 2 089 cases in 2018/19 to 878 cases in 2020/21. The Cape Winelands District's drug-related offences also decreased sharply from 11 181 in 2018/19 to 5 337 in 2020/21. When comparing the

Witzenberg area and the District's rate per 100 000 people, with 583 drug related offences per 100 000 people in 2020/21, Witzenberg's rate is above that of the District's 559.

Driving under the influence

DRIVING UNDER THE INFLUENCE		2018/19	2019/20	2020/21
Actual Number	Witzenberg	102	167	73
	Cape Winelands District	953	944	427
Per 100 000	Witzenberg	71	113	49
	Cape Winelands District	103	100	45
Fatal Crashes	Witzenberg	26	13	21
Road User Fatalities	Witzenberg	33	15	25

Source: Socio-Economic Profile - Provincial Treasury

The number of cases of driving under the influence of alcohol or drugs in the Witzenberg municipal area increased from 102 in 2018/19 to 167 in 2019/20, decreasing significantly to 73 in 2020/21. This translates into a rate of 49 per 100

000 people in 2020/21, which is slightly above the District's 45 per 100 000 people.

Residential Burglaries

RESIDENTIAL BURGLARIES		2018/19	2019/20	2020/21
Actual Number	Witzenberg	832	790	723
	Cape Winelands District	5 776	5 518	4 537
Per 100 000	Witzenberg	576	535	480
	Cape Winelands District	624	586	475

The number of residential burglaries in the Witzenberg area decreased from 790 in 2019/20 to 723 in 2020/21. Witzenberg's rate of

480 per 100 000 population was slightly above that of the District's 475 for 2020/21.

B. BASIC SERVICES ANALYSIS

Witzenberg Municipality provides basic services to all communities residing within the urban edge of towns located in the municipal area. Apart from sanitation services through the emptying of septic tanks in rural areas, no other basic services are provided on privately owned land outside residential built areas. All households in residential areas have access to services such as water provision, sanitation,

electricity and waste removal. Informal settlements are serviced through communal water and toilet facilities.

The following statistics on the access to services for the whole of Witzenberg, including areas outside the urban edge, has been provided by Provincial Treasury:

Housing

Access to Formal Housing

Socio-Economic Profile 2020	Witzenberg	Cape Winelands District
Total number of households	32 769	234 696
Formal main dwelling	27 866	189 559
	85.0%	80.8%
Water (piped inside dwelling/within 200 m)	98.4%	97.0%

Electricity (primary source of lighting)	93.2%	92.3%
Sanitation (flush/chemical toilet)	91.7%	91.0%
Refuse removal (at least weekly)	69.8%	79.4%

Source: Socio-Economic Profile - Provincial Treasury

With a total of 32 769 households in the Witzenberg municipal area, 85.0 per cent had access to formal housing, the second highest (after Langeberg) when compared with other municipalities in the Cape Winelands District area; the District average was 80.8 per cent. The Witzenberg area also conversely had the second lowest proportion of informal households in the District, a total of 12.7 per cent compared with the District average of 17.4 per cent.

area were at better levels than access to formal dwellings, with access to piped water inside/within 200m of the dwelling at 98.4 per cent, access to electricity (for lighting) at 93.2 per cent, access to a flush or chemical toilet at 91.7 per cent and the removal of refuse at least weekly by local authority at 69.8 per cent of households. These access levels were above the District averages for water, electricity and sanitation services.

With the exception of refuse removal services, service access levels in the Witzenberg municipal

Free Basic Services

Municipalities also provide a package of free basic services to households who are financially vulnerable and struggle to pay for services. The number of households receiving free basic services in the Witzenberg municipal area has shown an overall decreasing trend between 2016 and 2018, however spiking upward in 2019. The

stressed economic conditions continue to exert pressure on household income levels, which in turn is likely to see the number of indigent households and the demand for free basic services increase.



Access to basic services for residential communities

The following tables indicate access to basic services with regard to each residential community in Witzenberg. The figures show the number of formal households (accounts) connected to a service delivery network as well as the number of households in informal settlements with access to communal service points. The shortfall in housing units is derived from the Housing Waiting List information as contained in the audited 2017/18 Annual Report.

Draft Document

Basic service provision per ward/town (within urban edge).

Wards	Town	Nr. of Accounts				*Informal Households	Housing Waiting List
		Water	Sanitation	Electricity	Refuse		
1,12	Nduli	1 430	1 350	2 033	1 338	1 114	1 490
3,5	Ceres	2 423	2 769	3 430	3 114		2 415
4,6	Bella Vista	2 632	2 586	2 550	2 574		
4,10	Hamlet	1 389	1 354	ESKOM	1 349	242	1 182
9	Op-Die-Berg	544	477	ESKOM	521		804
7,11	Tulbagh	1 932	1 845	2 264	1 933	1 610	994
2,7	Wolseley	2 575	2 612	2 750	2 636	1 790	1 298
TOTALS		12 925	12 993	13 027	13 465	4 756	8 181

*Informal Households – nr of households in informal areas (excluding backyarders)

Top four service delivery priorities per ward/town.

Wards	Town	Priority Name & Detail	Progress During 2020/21
1,12	Nduli	Housing Project safety	Regular patrols at new housing developments
		Sports grounds needs to be restored/upgraded	On-going vandalism & theft prohibits restoration
		Electrical theft needs to be clamped down	Illegal connections remain high priority to be addressed through newly developed illegal electricity connection & theft strategy
		Provide street/security lights in unsafe areas	Periodic maintenance.
3,5	Ceres	Weekends the Town Main Roads have too much traffic	Spatial Development Plan completed. In progress with precinct plan for R46 towards Nduli.
		Housing need	635 Serviced sites completed & top structures being developed at Vredebes
		Rotational skip removal	New Waste Management Policy
		Playgrounds	Borehole for park irrigation
4,6	Bella Vista	Gang activity becoming a problem	Increasing law enforcement & coordination with SAPS
		Vandalizing of Municipal property	Increasing law enforcement & coordination with SAPS
		Business hub/mini CBD for Bella Vista	In process to develop container park at Bella Vista / Skoonvlei industry.
		Clamp down on illegal dumping of refuse.	New Waste Management Policy
4,10	Hamlet	Animal control in all areas	Increased law-enforcement
		Business hub/mini CBD for Kliprug area	Spatial Development Plan completed
		Xhosa medium school for PA Hamlet area	Conveyed to Provincial Government
		Housing need	Development at Vredebes
9		Public transport	Negotiations needs to take place with Transport associations
		More municipal services to be rendered at Op Die Berg offices	National(State) and Provincial Services on a permanent basis

	Op-Die-Berg	Illegal shops and shebeens need to be closed	Continued law enforcement & inspections
		Speed calming still a problem	Increased law enforcement
7,11	Tulbagh	More ablution facilities needed in Chris Hani area, and ASLA Camp	Upgrade of Informal Settlements project underway for Chris Hani
		Informal households utilising storm water as a means to dump their grey water & waste water, which contaminates river. Storm water network in Tulbagh needs to be maintained regularly	Formal housing to be included in housing pipeline to alleviate problem.
		Sewerage network in Chris Hani area needs to be maintained regularly	Periodic maintenance
		Speed calming needed along main street walkway routs	Increased law-enforcement
2,7	Wolseley	Taxi rank placements to be investigated	Spatial Development Plan completed
		Public bathroom facilities in the CBD	Included in capital budget for 2021/22
		Back yard dwellers still a problem, housing need	Housing project planned for future, dependant on grant funding allocations.
		Illegal shops and shebeens need to be closed	Continued law enforcement and inspections
		Tulbagh needs to be maintained regularly	
		Sewerage network in Chris Hani area needs to be maintained regularly	Periodic maintenance
		Speed calming needed along main street walkway routs	Increased law-enforcement
2,7	Wolseley	Taxi rank placements to be investigated	Spatial Development Plan in progress
		Public bathroom facilities in the CBD	Spatial Development Plan in progress
		Back yard dwellers still a problem, housing need	Housing project planned for 2020/21
		Illegal shebeens need to be closed	Continued law enforcement and

Access to basic services for rural (farm) communities

Witzenberg Municipality does not provide basic services to rural communities, including farm dwellers. Basic services are provided by the land owner with Eskom providing bulk electricity provision. The general standard of

basic service levels in rural areas are, however, above the norm as the table below indicates. Information in the table is derived from the Farmworker Survey Report: Witzenberg, completed in March 2015 by the Western Cape Department of Agriculture.

Service	Witzenberg Municipality	Provincial Average	National Average
Electricity	98%	93%	85%
Water – access to piped water on premises	98% (95% provided free of charge)	N/A	73%
Sanitation – flush toilets	97% (receive free service)	85%	57%
Refuse removal	95% (receive free removal)	N/A	N/A

The following section assesses the state of farm worker dwellings and the associated

infrastructure and services available to these households. Only a few tables are shown here

while all results are discussed. A complete set of tables may be found in the Appendices.

Type of Dwelling	On Farm	%	Off Farm		Total	
Mud house	13	0,66%	1	0,26%	14	0,60%
RDP house	24	1,22%	53	13,66%	77	3,28%
Brick house	1731	88,18%	167	43,04%	1898	80,73%
Informal dwelling	45	2,29%	127	32,73%	172	7,32%
Backroom	4	0,20%	7	1,80%	11	0,47%
Caravan/tent	5	0,25%	1	0,26%	6	0,26%
Other	141	7,18%	32	8,25%	173	7,36%
Total	1963	100%	388	100%	2351	100%

From all the respondents (living on and off farms) across the region, 80,73% live in brick structures. Large differences are observed in the proportion of brick structures between those houses that are on the farms and those that are not. Among those living in brick structures across the region; 89% of the households that live in brick structures are on farms. 97,63% of all the households in the region have electricity on the farms have electricity compared to the national figures of 85% and the provincial figures of 93%.

In terms of access to piped water at dwellings, 92% of households have piped water on the farms compared with 98% of the households on farms having access to piped water on their premises, while 66,75% of households off farms have access to piped water. These figures are still higher than the national (73%) figures. 95,90% of the households on the farm have flush toilets on the premises, which is significantly higher than the national figure (57%) for households. Comparing households

on and off farms; 95,90% of households on the farms have flush toilets while 90,51% of the households off the farms have flush toilets. Overall, households on the farms are more likely to have access to electricity, piped water and flush toilets than households off the farms.

For households on the farms, water is largely provided free to the farmworker (95,21%) across the region. Houses off the farms either pay the municipality or obtain free water from the farmer or the municipality. More than 84% of households on the farms pay the farmer for electricity, while 65% households off the farms pay the municipality for electricity. Across the region, 95,14% of the households receive free refuse from the farmer, while 48,95% of those who live off the farms receive free refuse removal from the municipality. Sanitation is paid for by the farmer for those living on the farms over 96% of the time is, while 52,96% of those living off the farms receive free sanitation from the municipality.

C. SOCIO-ECONOMIC ANALYSIS (PROFILE)

I. STATUS OF LED STRATEGY

The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better

conditions for economic growth and employment generation.

The most prominent places in the WLM area are Tulbagh, Wolseley and Ceres, with Prince Alfred's Hamlet and Op-die-Berg two northern outposts. Activities around these

settlements are essentially agriculture based, with the towns being “agricultural service centres”, with some agri-processing related to wine, fruit, vegetables and other niche products. The region is also well-known for its fruit and wine products, as well as producing other agriculturally linked products such as olive and grain producing areas, beef and pork products. Horse and cattle stud farms are also found within the municipality.

The municipality has made tremendous progress in mobilising and harnessing the energies and expertise of the business sector in developing effective economic development strategies and programmes. This is articulated in its new economic vision as adopted in 2011, namely;

“To strategically partner with the private sector, other spheres of government and its agencies, development institutions and donor agencies and in concert develop sizable commercial projects which encompasses the imperatives of employment creation and broad-based black economic empowerment and contributing to the general expansion of the economic base of Witzenberg.”

This has led to the creation of a relationship between Witzenberg Municipality and Ceres Business Initiative (CBI) who represents the major commercial farmers and businesses in Ceres and surrounding areas.

The business forum, in partnership with the municipality, is in the process of developing business plans to expand the economic base of Witzenberg, with particular emphasis being placed on empowering previously disadvantaged groups. This holds huge potential for the entire region and will also be implemented with the advisory and financial support of national departments and agencies, including National Department of Land and Rural Development (NDLRD), Development Bank of South Africa (DBSA), Department of Water Affairs (DWA) etc. The NDLRD has

already allocated R22 million towards projects in the Witzenberg Municipality. To structure this relationship between the municipalities, a Memorandum of Understanding was signed on 6 May 2014.

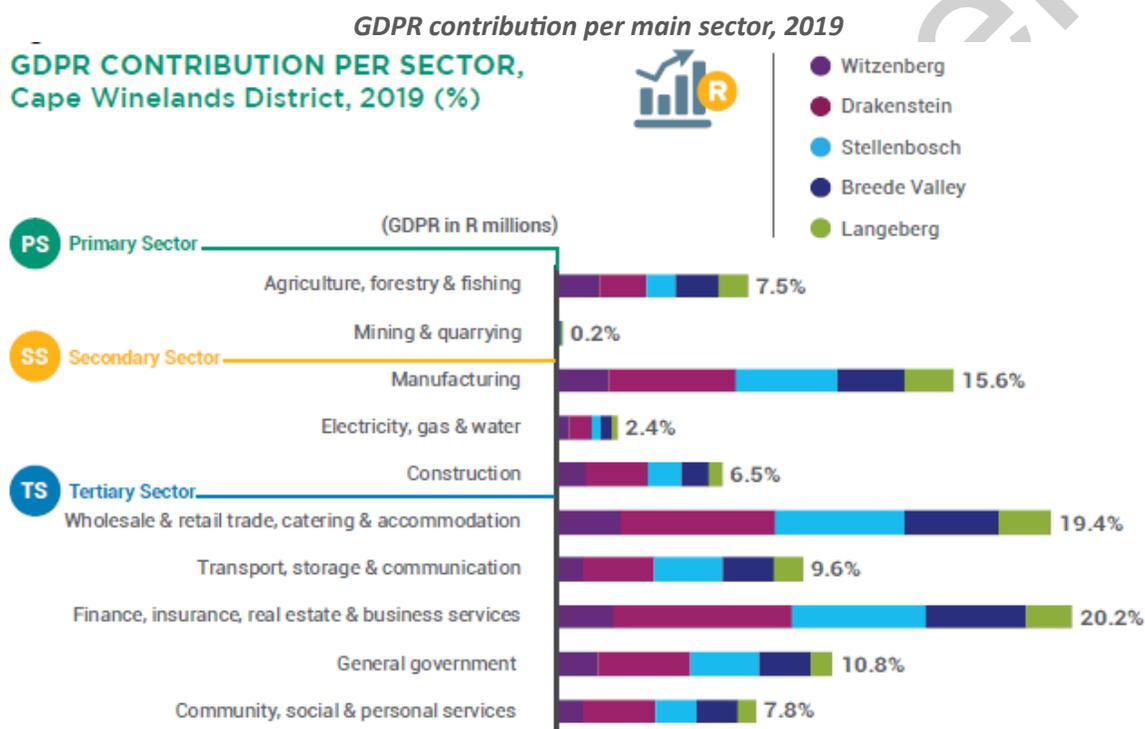
The other major economic driver in the area is the Tourism Sector and the municipality has undertaken a number of initiatives which should come to fruition over the next five years, including:

1. The Tourism Industry has recorded a very strong growth and has become an important element of the local economy. Key tourism activities include: wine tasting, 4x4 routes, hiking, game reserves, camping, horse riding, fishing, annual community festivals, snow in Ceres during the winter months, agricultural tourism attractions, fruit tours, San cave, museums and historic buildings.
2. Witzenberg Tourism caters for Cape Town and other Western Cape day and weekend tourists, as well as up-country seasonal tourists.
3. The strengthening and partnering with national, provincial and district municipality tourist initiatives.
4. The finalisation and completion of the National Road Corridor through Witzenberg.
5. The finalisation and completion of the Ceres Golf Estate Project.
6. The strengthening of international twinning and partnership agreements (Belgium).
7. The expansion and promotion of the Epic Mountain Bike Tour.
8. The expansion and promotion of the 4x4 trails, hiking trails, wine and fruit tourist routes.

II. Municipal comparative and competitive advantages

The Witzenberg municipal area is known for its fruit and wine production and includes the towns of Ceres, Tulbagh, Prince Alfred’s Hamlet, Wolseley and Op-die-Berg. These towns provide the goods and services for the local agricultural industry. Some agro-processing also occurs (Witzenberg Municipality, 2017).

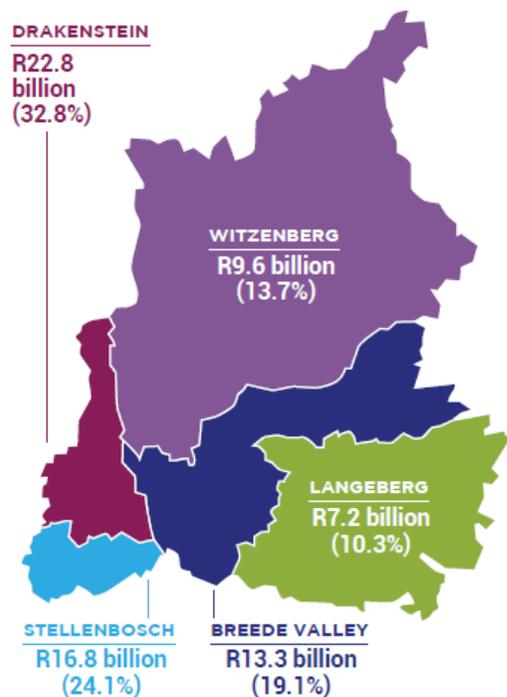
The Witzenberg municipality has a relatively small economy, contributing R8.2 billion to the economy of the CWD (13.5 per cent) and provides employment for 60 633 people (16.1 per cent of the total CWD employment).



Source: Provincial Treasury – Quantec Research, 2021

The leading contributor to economic activity in the CWD in 2019 was the finance sector in the Drakenstein (7.0 per cent) and Stellenbosch (5.2 per cent) municipal areas, followed by the trade sector, also in the Drakenstein (6.1 per cent) and Stellenbosch (5.1 per cent) municipal areas. Manufacturing sector activities were also more prominent in the Drakenstein (5.0 per cent) and Stellenbosch (4.0 per cent) municipal areas.

Most of the sectoral economic activity in the District was concentrated in the Drakenstein and Stellenbosch municipal areas. However, notable contributions to the agriculture sector were also made by the Witzenberg (1.7 per cent) and Breede Valley (1.7 per cent) municipal areas. GDP contribution and average growth rates per municipal areas.



CAPE WINELANDS
R69.6 billion

WESTERN CAPE
R611.9 billion



MUNICIPALITY	R billion value 2019	Trend 2015 – 2019 (%)
● Witzenberg	R9.6 billion (13.7%)	2.2%
● Drakenstein	R22.8 billion (32.8%)	0.9%
● Stellenbosch	R16.8 billion (24.1%)	0.9%
● Breede Valley	R13.3 billion (19.1%)	1.0%
● Langeberg	R7.2 billion (10.3%)	1.2%
Cape Winelands District	R69.6 billion (100.0%)	1.1%
Western Cape	R611.9 billion	1.0%



Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

Source: Municipal Economic Review Outlook – PT Source: Quantec Research, 2021 (e denotes estimate)

III. MAIN ECONOMIC CONTRIBUTORS

In 2019, the CWD economy was valued at R69.6 billion and contributed 11.4 per cent to the Provincial economy during the year. Between 2015 and 2019, the CWD experienced an average annual growth rate of 1.1 per cent, marginally higher than the 1.0 per cent growth rate of the Provincial economy over the same period.

The Drakenstein municipal area was the leading contributor to GDP in 2019 at 32.8 per cent. The Stellenbosch and Breede Valley municipal areas were the second- and third-largest contributors to the Provincial economy, with contributions of 24.1 per cent

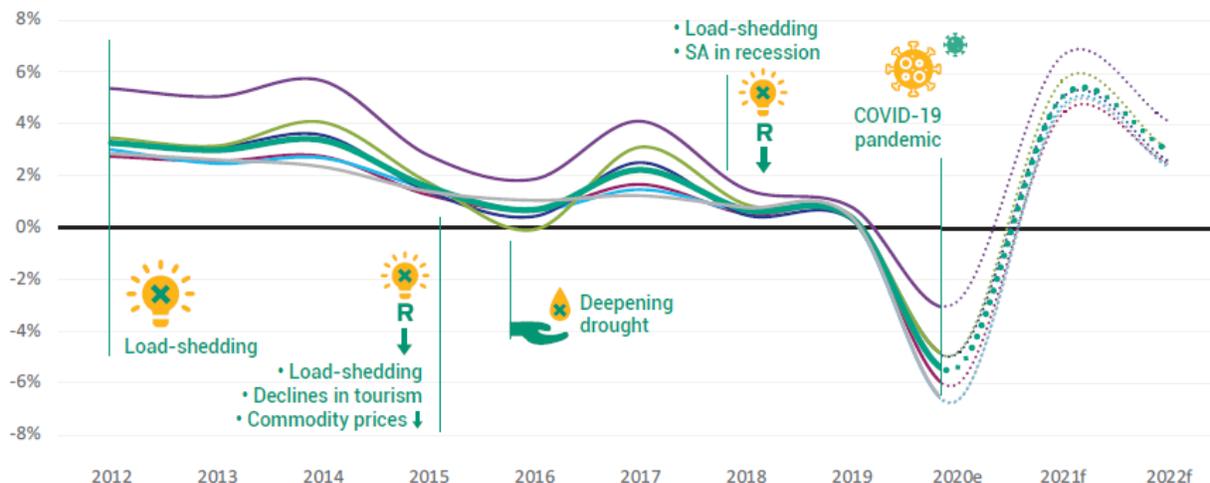
and 19.1 per cent respectively. They were followed by the Witzenberg municipal area with a contribution of 13.7 per cent in 2019. The Langeberg municipal area contributed the smallest share to GDP (10.3 per cent).

Between 2015 and 2019, the Witzenberg municipal area experienced the highest average annual growth rate out of the five municipal areas that comprise the District. With an average annual growth rate of 2.2 per cent over the five-year period, the Witzenberg municipal area outpaced average growth in the District over the period. The Langeberg municipal area experienced a

marginally higher growth rate than that of the District economy between 2015 and 2019, growing at an average rate of 1.2 per cent per year. The remaining three municipal areas, including the leading two contributors to

GDPR, all experienced average growth rates below that of the District.

GDPR growth per municipal area, 2009 - 2019



	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021f	2022f
Western Cape	2.87%	2.63%	2.36%	1.41%	1.07%	1.25%	0.79%	0.41%	-6.7%	4.6%	2.5%
Cape Winelands District	3.28%	3.00%	3.38%	1.58%	0.70%	2.24%	0.70%	0.39%	-5.5%	5.0%	3.0%
Witzenberg	5.34%	5.03%	5.63%	2.78%	1.86%	4.09%	1.47%	0.79%	-2.9%	6.7%	4.2%
Drakenstein	2.75%	2.56%	2.75%	1.26%	0.68%	1.66%	0.52%	0.32%	-6.1%	4.4%	2.5%
Stellenbosch	2.99%	2.46%	2.66%	1.47%	0.65%	1.45%	0.62%	0.34%	-6.7%	4.7%	2.4%
Breede Valley	3.22%	3.11%	3.57%	1.39%	0.43%	2.51%	0.48%	0.31%	-4.9%	5.0%	2.6%
Langeberg	3.45%	3.14%	4.05%	1.72%	-0.10%	3.09%	0.88%	0.39%	-4.9%	5.7%	3.1%

Source: Municipal Economic Review Outlook – PT- Quantec Research 2021

GDPR growth in the CWD is forecast to increase to 5.0 per cent in 2021 before easing to 3.0 per cent in 2022. The economy of the CWD is anticipated to recover faster than the Provincial economy. On a municipal level, the economies of the Witzenberg (6.7 per cent), Breede Valley (5.0 per cent) and Langeberg (5.7 per cent) municipal areas are anticipated to fully recover in 2021 from the contractions experienced in 2020. Partial recoveries are anticipated in the Drakenstein (4.4 per cent) and Stellenbosch (4.7

per cent) municipal areas. The improved growth rates observed in 2021 are as a result of the poor performance of the District economy in 2020 brought about by the COVID-19 pandemic. This should not be considered as an improved economic outlook for the District, as growth in 2021 originates from a constrained economic base.

Cape Winelands District GDP contribution per sector, 2019 - 2022 (%)

SECTOR	R million value 2019	Trend 2015 – 2019	Real GDP growth		
			2020e	2021f	2022f
PS Primary Sector	R5 350.2 (7.7%)	-3.6%	10.9%	5.0%	-1.2%
Agriculture, forestry & fishing	R5 211.6 (7.5%)	-3.6%	11.5%	4.9%	-1.2%
Mining & quarrying	R138.7 (0.2%)	-0.5%	-18.5%	9.0%	-1.4%
SS Secondary Sector	R16 983.0 (24.4%)	-0.1%	-12.6%	0.6%	6.7%
Manufacturing	R10 829.4 (15.6%)	-0.6%	-10.9%	0.4%	6.1%
Electricity, gas & water	R1 643.3 (2.4%)	0.0%	-6.1%	0.6%	4.8%
Construction	R4 510.3 (6.5%)	1.5%	-19.8%	1.2%	9.4%
TS Tertiary Sector	R47 242.9 (67.9%)	2.3%	-5.4%	6.3%	2.3%
Wholesale & retail trade, catering & accommodation	R13 501.5 (19.4%)	2.1%	-9.5%	10.3%	4.4%
Transport, storage & communication	R6 709.9 (9.6%)	1.8%	-14.3%	10.6%	-2.6%
Finance, insurance, real estate & business services	R14 075.0 (20.2%)	3.6%	-2.7%	6.1%	4.9%
General government	R7 521.2 (10.8%)	0.2%	0.4%	-2.8%	-0.6%
Community, social & personal services	R5 435.3 (7.8%)	1.9%	-1.9%	6.2%	-2.1%
Total Cape Winelands District	R69 576.2 (100.0%)	1.1%	-5.5%	5.0%	3.0%

Source: Municipal Economic Review Outlook – PT- Quantec Research 2021

IV. EMPLOYMENT AND INCOME LEVELS

An overview of employment in the CWD in 2019 is provided in Table 1.2. Furthermore, average annual changes in employment and estimates for 2020 are also provided. In 2019, a total of 395 234 workers were employed in the District and contributed 15.3 per cent to Provincial employment during the year.

The Drakenstein and Breede Valley municipal areas contributed the most to employment in the CWD in 2019 at 28.5 per cent and 21.7 per cent respectively. This was followed by the Stellenbosch (19.8 per cent) and Witzenberg (16.4 per cent) municipal areas. The Langeberg municipal area contributed the smallest share to employment in the District at 13.5 per cent. Given the proximity to the Cape Metro area, there is significant labour movement between the Stellenbosch and Drakenstein municipal

areas and the metro. This affects the flow of money in these economies, as income is spent in the area of residence.

Between 2015 and 2019, the CWD experienced an average annual increase of 8 653 jobs. The Drakenstein municipal area contributed the largest share to the average annual increase in jobs in the District, with an average annual increase of 2 227 jobs over the five-year period. This is reflective of the importance of the Drakenstein municipal area to economic activity and employment in the District. The Witzenberg municipal area experienced an average annual increase in jobs of similar magnitude, with 2 087 jobs contributed between 2015 and 2019.

Cape Winelands District employment growth, 2019

MUNICIPALITY	Number of jobs 2019	Average annual change 2015 – 2019	Net change 2020e
● Witzenberg	64 930 (16.4%)	2 087	-2 812
● Drakenstein	112 599 (28.5%)	2 227	-6 452
● Stellenbosch	78 449 (19.8%)	1 346	-4 659
● Breede Valley	85 767 (21.7%)	1 917	-4 706
● Langeberg	53 489 (13.5%)	1 075	-2 921
Cape Winelands District	395 234 (100.0%)	8 653	-21 550
Western Cape	2 581 736	40 794	-159 299

Source: Socio-Economic Profile – PT – Quantec Research 2021

Household income

The average household income of the CWD in 2018 was R17 770.0, which is marginally higher than that of the Province. Between 2014 and 2018 the CWD average monthly household income contracted by 0.1 per cent, which was lower than the 0.5 per cent contraction experienced in the Western Cape within the same period. The Drakenstein and Stellenbosch municipal areas experienced a contraction in the average monthly household income

between 2014 and 2018, despite having a higher average household income than the Western Cape, the CWD and other municipal areas in 2018. The Witzenberg municipal area had the highest growth in average household monthly income between 2014 and 2018 (1.0 per cent).

MUNICIPALITY	Average household income 2018 (current prices)	Trend 2014 – 2018
● Witzenberg	R17 316	1.0%
● Drakenstein	R19 938	-0.3%
● Stellenbosch	R19 738	-0.1%
● Breede Valley	R15 487	-0.4%
● Langeberg	R14 147	0.5%
Cape Winelands District	R17 770	-0.1%
Western Cape	R17 760	-0.5%

Source: Socio-Economic Profile – PT – Quantec Research 2020

Employment per sector

Witzenberg GDPR and employment performance per sector, 2020



SECTOR	GDPR		Employment	
	Trend 2015 – 2019	Real GDPR growth 2020e	Average annual change 2015 – 2019	Net change 2020e
PS Primary Sector	-3.1%	12.2%	413	-786
Agriculture, forestry & fishing	-3.1%	12.3%	413	-785
Mining & quarrying	3.2%	-15.5%	0	-1
SS Secondary Sector	2.4%	-11.4%	214	-672
Manufacturing	2.2%	-8.9%	67	-199
Electricity, gas & water	1.5%	-4.9%	8	-3
Construction	3.0%	-19.1%	139	-470
TS Tertiary Sector	3.8%	-3.4%	1 459	-1 354
Wholesale & retail trade, catering & accommodation	2.9%	-9.0%	606	-648
Transport, storage & communication	2.2%	-11.9%	60	-54
Finance, insurance, real estate & business services	5.7%	-0.5%	314	-215
General government	2.6%	2.6%	157	186
Community, social & personal services	3.7%	-0.5%	323	-623
Total Witzenberg	2.2%	-2.9%	2 087	-2 812

Source: Municipal Economic Review Outlook – PT Quantec Research, 2021 (e denotes estimate)

The Witzenberg municipal area achieved an average growth rate of 2.2 per cent between 2015 and 2019. The tertiary sector had the highest average growth rate (3.8 per cent) during this period, followed by the secondary sector (2.4 per cent). The primary sector had a contraction of 3.1 per cent owing to the contraction in the agriculture sector. The contraction can be attributed to the drought experienced in the region, as well as low commodity prices. The finance sector and community services sector drove GDPR growth in the municipal area between 2015 and 2019, with average annual growth rates greater than the local average. Although the mining sector achieved a noteworthy growth rate of 3.2 per cent in 2019,

this sector's contribution to the overall GDPR is very small and is unlikely to contribute substantially to the region's economy.

The estimates for the Witzenberg municipal area in 2020 show that the economy contracted by 2.9 per cent. The large contraction of 9.0 per cent for the municipal area's largest economic sector, trade, impacted the total economy significantly. The contraction in this sector can be related to the decline in the tourism industry owing to the travel restrictions and lockdowns imposed by COVID-19.

With limited movements and less use of transport facilities for both personal and business purposes, the transport sector was also negatively impacted by the lockdown restrictions, and contracted by

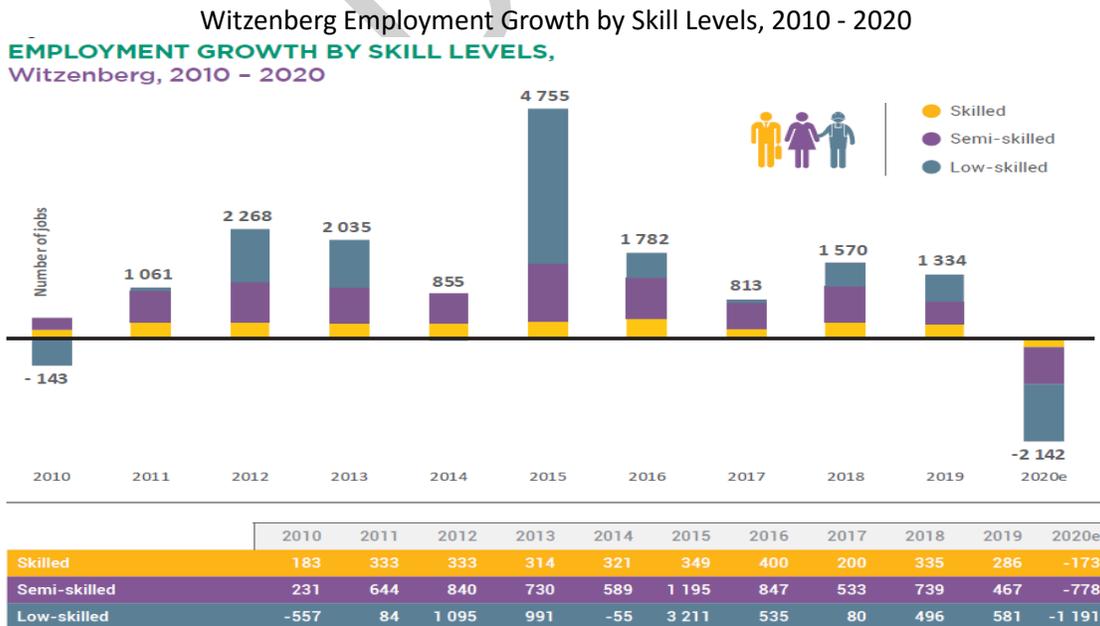
11.9 per cent. The agriculture sector is estimated to have had a significant increase of 12.3 per cent in 2020. The agriculture sector's strong performance helped the total municipal area's economy not to contract as significantly as anticipated in 2020. The main commodities in the municipal area are wheat, apples and pears. The growth in this sector is related to the price increase in wheat owing to the high exchange rate in 2020. Apples and pears are two of the top five most popular fruits in the country, and consumption is expected to increase by 25.0 per cent in the next decade. This will have a positive impact on purchasing power for local consumption, resulting in positive growth.¹⁰

In terms of employment, the Witzenberg municipal area created an average of 2 087 jobs per annum between 2015 and 2019. Employment creation was mainly driven by employment opportunities in the tertiary sector, which experienced an average annual increase of 1 459 jobs during this period. Between 2015 and 2019, the primary and secondary sectors experienced an annual average increase of 413 and 214 jobs

respectively. The largest growth experienced for individual sectors was in the trade sector (606 jobs), followed by the agriculture sector with 413 jobs.

The municipal area is estimated to have lost 2 812 jobs in 2020 owing to the significant impact of COVID-19 on the local economy. Most of the jobs lost were in the tertiary sector (1 354 jobs), with the trade sector shedding 648 jobs. The agriculture sector is estimated to have contracted by 785 jobs, the largest portion of the total number of jobs lost within the municipal area. The potential explanation for the decline in jobs despite the positive economic growth is that agriculture employment could be related to endogenous labour. Some agricultural operations have been affected by the COVID-19 regulations, for example the wine industry was not able to operate under level five regulations. The other possible explanation is that the increase of the minimum wage from R18.68 to R21.69 per hour might have driven job losses in the sector.

Skills Analysis



Source: Municipal Economic Review Outlook Quantec Research, 2021 (e denotes estimate)

Owing to the global financial crisis aftershock, a net loss of 143 jobs was recorded in the Witzenberg municipal area in 2010, with low-skilled workers in particular experiencing a significant number of job losses (557). It should be noted that despite the economic downturn, there was no job-shedding for skilled and semi-skilled workers during this period. This illustrates the resilient nature of skilled and semi-skilled jobs.

Between 2012 and 2013, most employment opportunities created in the region were for low-skilled workers. In 2014, however, low-skilled workers experienced further job-shedding, with 55 jobs lost. Employment opportunities in the

region experienced a significant increase in 2015, with 4 755 job opportunities created, mainly for low-skilled and semi-skilled workers.¹⁷ The total number of formal jobs lost owing to the COVID-19 pandemic in 2020 was an estimated 2 142 jobs. A total of 173 jobs were lost in the skilled workforce and 1 191 in the low-skilled workforce. Given that employment often lags economic growth, it is anticipated that despite the GDP growth forecast for 2021 and 2022, employment will not recover in the short term, which will have a significant impact on poverty in the local municipal area.

V. SMALL, MICRO AND MEDIUM ENTERPRISES

Most current economic research data indicate that SMMEs play major role in creation of jobs at a local level. The Witzenberg SMME sector has been organised into an active business forum that meets regularly to develop new projects and shares business challenges. The municipality has organised a number of training sessions with this sector around mentoring and coaching, business skills, business plan writing, budgeting and financial planning etc. These programmes were organised through the Red Door, IDT, Seda, Provincial Economic Unit, DTI etc. These programmes will be expanded and specific attention will be given to the promotion of this sector through the municipal procurement supply chain.

Local contractors were capacitated with contractor development training, as well as Western Cape Department Supply Chain workshops, where they could also access information on SARS and the Construction Industry Development Board (CIDB). Mentoring projects for contractors are planned for the new financial year.

Arts and crafts entrepreneurs were capacitated with tourism awareness training and creativity

workshops. Entrepreneurs were also connected with organisations in Cape Town such as the Cape Craft Development Institute (CCDI), where they were assisted with business services and product enhancement. Access to markets were provided to entrepreneurs by means of an arts and crafts expo and craft market.

A Tulbagh arts and crafts programme was also launched for youth in Tulbagh where training in products such as recycling, painting and mosaic were conducted by a local entrepreneur, thereby also empowering local artists to impart their skill. The youth were also connected with festivals where they could sell their products to tourists.

Tourism projects planned for the new financial year include increased efforts for entrepreneurs to access markets and business capacity building.

VI. TOURISM

Witzenberg Municipality manages local tourism in the form of a service level agreement (SLA) with three local tourism organisations, which conduct marketing of the municipal area and local established businesses in order to draw investment and trade to the area.

Local businesses join as members of the local tourism authorities to participate in the marketing initiative. Membership holds businesses accountable to ethical norms and standards for the industry, and to a code of conduct. Tourism aims to market Witzenberg Municipality as an affordable holiday destination with activities for the entire family. Tourism liaises with district, provincial and national stakeholders to develop the Witzenberg brand through the attraction of tourists, awareness campaigns, roadshows, expos, events and festivals.

Tourism further aims to train and skill local entrepreneurs to meet tourism-related demands, and provide the requisite services and products necessary to promote local trade and economic development.

Their functions include:

- Marketing the area, events and activities.
- Creating opportunities for transformation, niching, diversification and support of new stakeholders.
- Ensuring that tourism development remains on trend.
- Promotion and development of Accessible Tourism.
- To enlist new members and plan for the growth of both operations and market.

As per our SLA with Witzenberg Tourism, which is an external entity to Witzenberg Municipality, we have the following strategic priorities:

- Promotion of our towns as travel destinations and as film and photoshoot locations (with attractive scenes in farm and

desert areas, mountains, snow, and skylines).

- Promotion and protection of the local towns, events and the municipal brand.
- Promotion of conservation and Green Tourism.
- Provision of statistical research and data outputs.
- Promotion of Agri-Tourism.
- The growth and expansion of tourism.

Witzenberg Tourism runs educational packages with schools, front of house staff, and local stores to promote clientele service. The entity also sources courses such as first aid training, communication, administration and hospitality to help local businesses improve their output and skill levels.

Part of the municipality's agreement with Witzenberg Tourism is to expand the broad demographic of tourism to encompass culture, heritage, diversity and transformation. We aim to develop two new travel routes within Witzenberg to promote social cohesion as well as introduce formal trade to township and rural areas.

Witzenberg Tourism has produced tear-off maps which are distributed to points of sale with high traffic, providing location and contact details of local tourist attractions. They have also produced a joint brochure called the Witzenberg Meander, covering activities throughout the municipality. Tourism bureaus for Wolseley, Ceres and Tulbagh also created their own brochures with niche marketing of their sectors in conjunction with social media promotion through Facebook and websites.

Witzenberg Tourism has been successful in marketing the destination to visitors within South Africa as an affordable and picturesque location for weddings, snow tourism, heritage tourism, agri-tourism, wine tourism, adventure tourism, cultural tourism, sports tourism and rural tourism.

Witzenberg Tourism also conducts quarterly educational visits of the areas to tourism authorities outside of our borders as well as to journalists, media groups and bloggers, in order to review and publicise the activities and

services offered in the area. A significant area of focus in the IDP for tourism is access to qualitative and quantitative research, specific to our area.

Draft Document

D. SPATIAL ANALYSIS

EXECUTIVE SUMMARY AND MAIN FOCUS OF THE WITZENBERG MSDF

The 2019 Witzenberg Municipal Spatial Development Framework (MSDF) – once approved by Council – will replace the current MSDF prepared in 2012. The 2019 MSDF has been prepared within the legislative and regulatory framework set by the national Spatial Planning and Land Use Management Act (ACT 16 of 2013), provincial Land Use Planning Act (2014), and Witzenberg Municipality Land Use Planning By- Law, 2015. It is also directed by a range of policy and guideline documents prepared by different spheres of government, including the Western Cape Government Provincial Spatial Development Framework (2014) and the Witzenberg Municipality Integrated Development Plan (IDP) 2017-2022 (and annual reviews).

Based on analysis of existing patterns of spatial development within the municipal areas, and expected need for different activities to be accommodated over the planning period, the MSDF sets outline spatial policy, plans, proposals, guidelines, and implementation measures for Witzenberg Municipality as a whole and individual settlements within the Municipality.

In its direction, the MSDF has five specific foci:

1. The first is to maintain and protect the integrity, authenticity and accessibility of Witzenberg's natural environment and associated resources. Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature in a manner which does not detract from the functionality and integrity of nature and

farming areas and landscapes.

2. The second is to maintain and expand the Municipality's key regional and intra-regional infrastructure. Appropriate infrastructure – whether in the form of transport routes or municipal services – is critical to support economic development, agriculture, and livelihoods.

3. The third is to maintain and grow the agricultural assets within the Municipality. Agriculture remains the mainstay of the regional economy and require on-going support. In a spatial sense, this specifically requires protecting high-value agricultural land from urban development. The opportunity also exists to diversify farm income in a manner which does not detract from the functionality and integrity of farming areas and landscapes, and to expand access to farming to smaller entrepreneurs and emerging farmers.

4. The fourth is to maintain and expand access to Witzenberg's unique sense of people and place. Important is the recognition and maintenance of unique landscapes, and diverse expressions over time of peoples' interaction with the landscape. Also critical is the SPLUMA principle of "spatial justice"; implying that past spatial and other development imbalances must be redressed through improved access to and use of land, as well as the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, and areas characterised by widespread poverty and deprivation.

5. The fifth is to maintain and expand opportunity associated with Witzenberg's key settlements. Settlements need to be managed and provide for expansion in a manner which enables efficiency in infrastructure provision, integration and compaction to enable better thresholds and more sustainable movement, and protection of surrounding assets of nature

and agriculture.

It is anticipated that a major review of the MSDF will occur every five years, in parallel with the municipal IDP. Improvements, amendments, and refinements to the MSDF can occur annually.

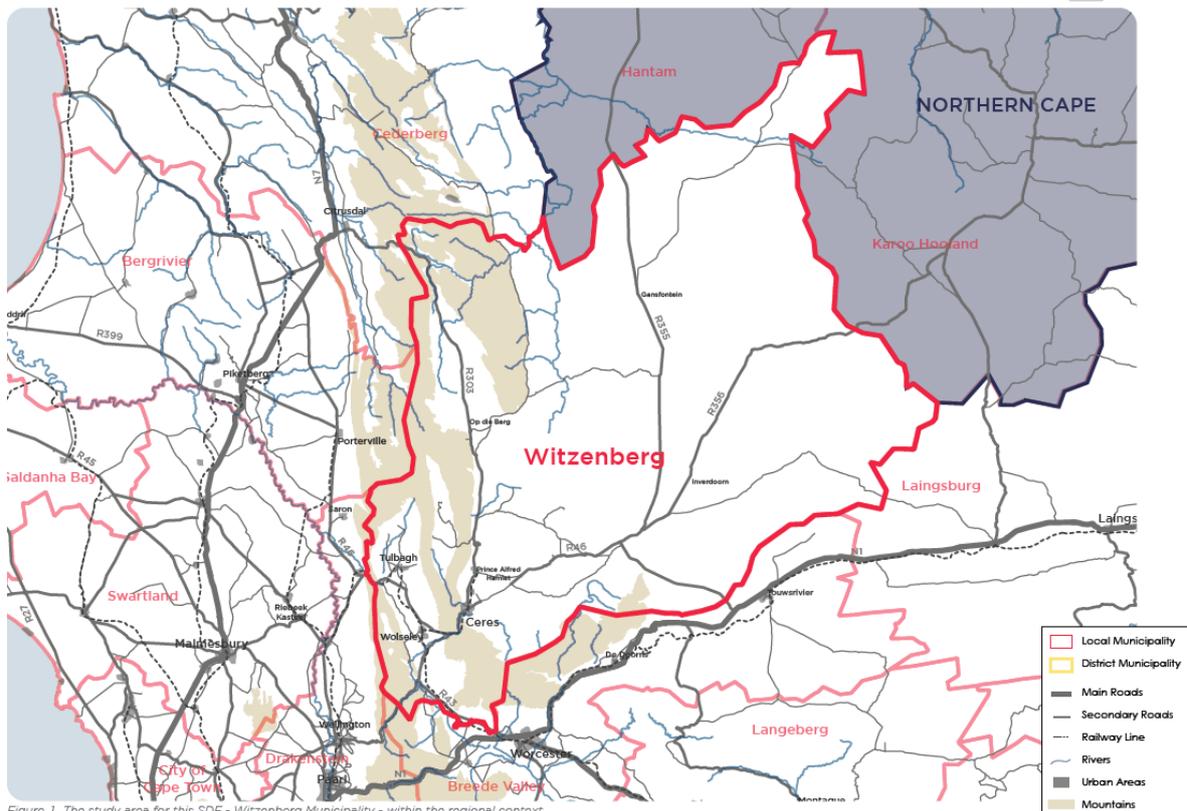


Figure 1. The study area for this SDF - Witzenberg Municipality - within the regional context

REGIONAL CONTEXT

Witzenberg Municipality is situated within the Cape Winelands District (CWD), the largest non-metro district within the broader Western Cape Province economy, contributing 11,7 % towards provincial GDP and 14.2 % to provincial employment (as per the 2015 statistics recorded in the IDP 2017-2022). CWD is also the biggest producer of stone fruit in the Province, and accounts for approximately 74% of all stone fruit production. The most economic functional areas for the production of stone fruits in this region are the Ceres-Tulbagh area (40%) and

the Montagu-Robertson area (39%). Most processors and storage facilities are located in these areas. Finished products are sent from these areas to Stellenbosch, Paarl and Wellington from where it is distributed to retailers. Most of the produce is directly exported (for example, the Du Toit Group exports to 50 countries).

Witzenberg's importance as a functional region within the broader agricultural space economy and its role as a primary regional service center has been recognized through

the identification of a possible Agri-park in Ceres. The area is also situated within one of the PSDF's identified Rural Development Corridors.

Ceres is strategically situated between the N1 and N7 national routes, forming part of the proposed regional road freight network as identified in the Greater Cape Metro and Greater Saldanha Regional Implementation frameworks.

These networks aim to improve linkages from Piketberg via Gouda/ Tulbagh through to

Ceres and then linking into the N1 either via Worcester or Touwsriver, placing Ceres at the centre of the regional network.

In addition to Witzenberg's regional agricultural economic role, the area also hosts a high concentration of heritage resources, mountains, mountain passes and unique landscapes, as illustrated in Figure 21. Its position within the region as the primary gateway to the Warm and Koue Bokkeveld and Tanka Karoo also contributes to its strategic position and role in terms of tourism.



The position of Ceres and Tulbagh in relation to the GCM area and the PSDF Rural Development Corridors (GCM RSIF, 2017)



The position of Ceres in relation to the proposed regional road freight network of the Province (GS RSIF, 2018)

PLANS AND SETTLEMENT PROPOSALS

The sections below outline plans and written proposals for:

- Witzenberg Municipality as a whole.
- Individual settlements within Witzenberg Municipality.
- Guidelines for managing specific activities landscape-wide and within settlements.

It is important to remember that the plans constitute one type of planning instrument. Not all of the MSDF objectives or intent can be readily illustrated two dimensionally on a plan. Therefore, the plans are accompanied by descriptions of plan elements and associated proposals. The plans should be read with the written information contained in the descriptions accompanying the plans as well as the policies and guidelines contained in the MSDF. Each settlement plan is introduced by

a concept plan, an illustration of the core ideas related to spatial management and development of the settlement.

As indicated elsewhere in this document, spatial plans and proposals can seldomly be fully implemented without supportive actions in other functional areas or sectors. For example, it is doubtful whether the desired form of compact, diverse, inclusive, and walkable settlements will be achieved without parallel supportive initiatives to manage the unimpeded use of private vehicles. For this reason, the plan descriptions also include – where important – related non-spatial proposals.

Broadly – and aligned to the SPLUMA MSDF guidelines – the settlement plans entail three types of actions or initiatives:

- Protective actions – things to be protected and maintained to achieve the vision and spatial concept.
- Change actions – things that need to

change, transformed, or enhanced to achieve the vision and spatial concept.

- New development actions – new development or initiatives to be undertaken to achieve the vision and spatial concept.

Under these broad types of actions, strategic focus areas and settlement elements are dealt with; for example, protective actions will broadly relate to protecting elements of nature, agriculture, scenic landscapes, historically and culturally significant precincts and places, and so on.

WITZENBERG MUNICIPALITY AS A WHOLE

The overall plan for Witzenberg Municipality essentially comprises of:

- Landscape-wide Spatial Planning Categories (SPCs) and associated land use guidelines.
- A settlement hierarchy and associated settlement development and management guidelines.
- Places of cultural and scenic significance.
- Municipal-wide infrastructure.

LANDSCAPE-WIDE SPATIAL PLANNING CATEGORIES

At the broadest level of municipal planning, desired land use patterns are reflected in the delineation of landscape-wide or municipal-wide Spatial Planning Categories (SPCs), namely Core, Buffer, Agriculture and Settlement categories. The definition of SPCs is based on the Western Cape Biodiversity Spatial Plan, 2017 (WCBSP) which delineates

the Western Cape's biodiversity network.

In general terms, the definition of SPCs is directed by the understanding that:

- The Western Cape's biological diversity underpins livelihoods, the Province's economy and the provision of ecosystem services. The spatial continuity and connectivity of the biodiversity network strengthens its resilience. Different categories of biodiversity areas indicated in the WCBSP Map and SPCs have specific management objectives, according

to their biodiversity priority. In broad terms, the biodiversity priority areas need to be maintained in a healthy and functioning condition, whilst those that are less important for biodiversity can be used for a variety of other land uses.

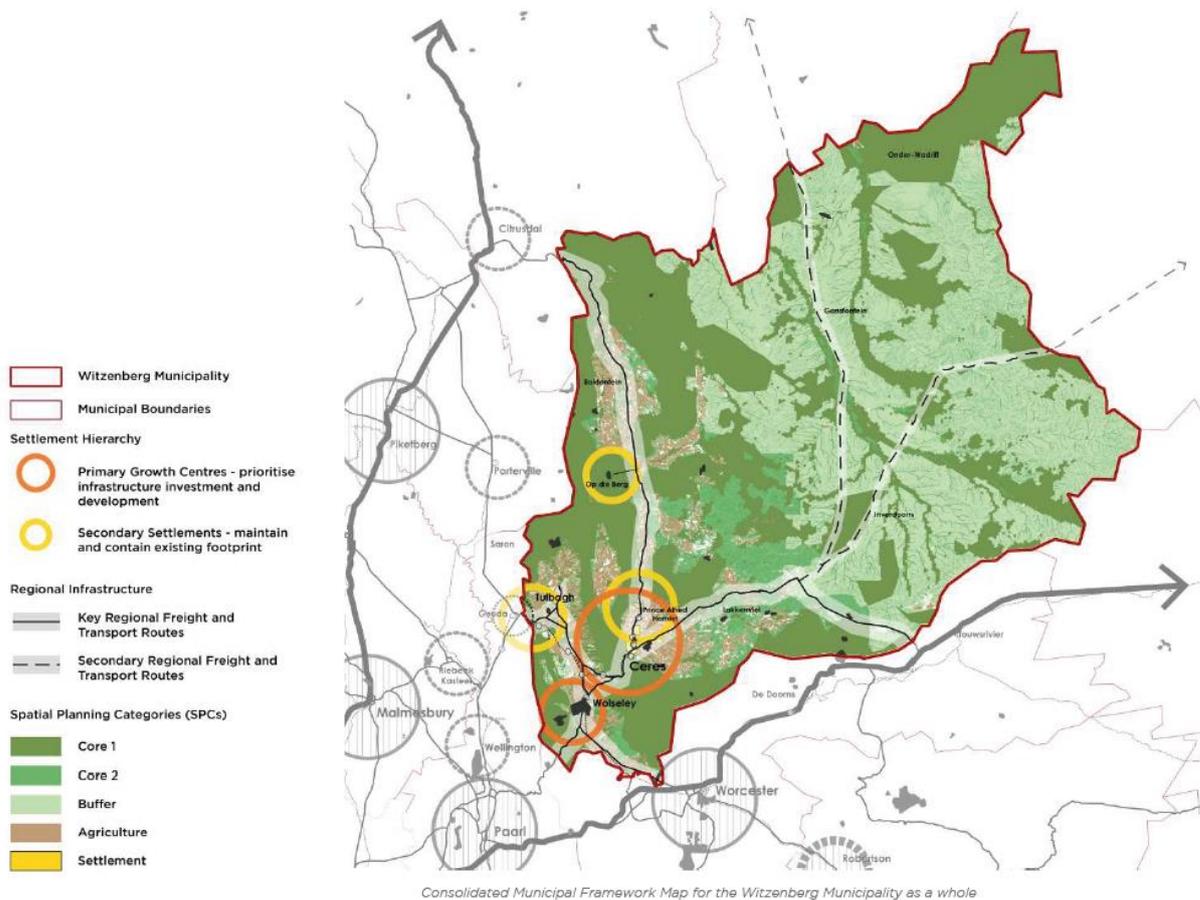
- Cultivable soils and mineral resources are non-renewable assets, important foundations of the Western Cape economy. As agricultural output is the basis of the Western Cape's rural economy and an important input to the urban economy, safeguarding the Province's agricultural resources, and productively using them without compromising biodiversity, heritage and scenic resources, remains a key challenge. There is limited suitable land available for extension of the Province's agricultural footprint, and water availability limits the use of cultivatable soils.

- Settlements – of different sizes – support critical livelihood opportunity and economic exchange. A key concern is to maintain and grow the efficient functioning of settlements while preventing encroachment into priority biodiversity, agricultural, scenic areas.

The landscape- wide SPCs for Witzenberg Municipality. The tables also list the names of key places which forms part of each SPC, what activities are broadly supported in each category, the activities not supported, and the overall desired form of development in each category.

The activities supported and overall desired form of development in each SPC is based on the guidelines contained in the Western Cape Land Use Planning Guidelines Rural, March 2019. For a fuller explanation of each SPC, the full Rural Guidelines document should be consulted1.

The guidelines were prepared to establish norms and standards based on evidence and is aligned with international, national, and provincial policy related to the sustainable use of natural resources and agricultural land.



Landscape-wide Spatial Planning Categories

SPC	DESCRIPTION	KEY PLACES IN WITZENBERG	ACTIVITIES SUPPORTED	ACTIVITIES NOT SUPPORTED	OVERALL DESIRED FORM OF DEVELOPMENT
Core 1	Areas that must be maintained in, or restored to, a natural state in order to sustain biodiversity patterns and processes and the functionality of eco-system services.	<ul style="list-style-type: none"> Formal protected areas and Mountain Catchment Areas: Tankwa Karoo NP, Matroosberg MCA, Cederberg MCA, Kouebokveld MCA, Winterhoek MCA, Hawequas MCA. Private nature reserves. Areas designated by the WCBS as CBA1. 	<ul style="list-style-type: none"> Essentially Core areas are "no-go" areas from a development perspective. Human impact must be restricted to ensure that there is no further loss of natural habitat. Conservation management activities should be encouraged. Subject to stringent controls biodiversity-compatible land uses that may be accommodated include non-consumptive low impact eco-tourism activities (e.g. hiking trails, bird and game watching, and visitor overnight accommodation); and harvesting of natural resources (e.g. wildflowers for medicinal, culinary or commercial use). Controlled livestock grazing and game farming must be informed by the habitat type, grazing potential and other site sensitivities. No further loss of natural habitat should occur and lower than standard stocking rates should be applied. Land consolidation 	<ul style="list-style-type: none"> Mining or prospecting. Extensive or intensive grazing. Conversion of natural habitat for cultivation or forestry. Large-scale eco-tourism. Subdivision. Expansion of settlements. 	Small low-density footprints, and temporary structures are preferred with units carefully dispersed or clustered to achieve least impact. The use of alternative porous materials and innovative eco-friendly design concepts are encouraged.
Core 2	Areas in a degraded condition that must be rehabilitated in order to sustain biodiversity patterns and processes and the functionality of eco-system services. Includes areas that support the ecological functioning of critical biodiversity areas.	<ul style="list-style-type: none"> Areas designated by the WCBS as CBA2 or ESA1. Lower slopes and foothills in Land van Waveren and Warm Bokkeveld. Degraded reaches of the Groot and Doring Rivers in the Ceres and Tankwa Karoo. Watercourses and their buffers in the Ceres and Tankwa Karoo. 	<ul style="list-style-type: none"> As for Core 1 whilst allowing for a limited increase in scale of development in less sensitive areas (provided ecological processes are not disrupted). Where existing agricultural activities (e.g. extensive livestock or game farming) occur in Core 1 or Core 2 Areas, it needs to be subject to inter alia lower impact practices, lower than standard stocking rates, resting cycles wetland and riverbank protection, and avoiding areas containing red data species. 	<ul style="list-style-type: none"> Extension of intensive or extensive agriculture. Mining or prospecting. Large-scale cultivation. Urban or industrial development. 	As for Core 1. Detailed site-level mapping of habitat conditions should inform the placement of essential buildings or structures in Core Areas. Disturbed footprints should preferably be utilised.
Buffer 1	Large intact portions and remnants of natural or near natural vegetation not designated as Core Areas but in proximity to them.	<ul style="list-style-type: none"> Areas designated by the WCBS as Other Natural Area, in proximity to or adjacent to Core Areas. Livestock farming areas in the Ceres and Tankwa Karoo. 	<ul style="list-style-type: none"> Conservation activities as per Core 1 and 2 Areas, including sustainable consumptive or non-consumptive uses. Extensive agriculture such as game or livestock farming, subject to lower impact practices, sustainable stocking rates, rotational grazing cycles, protection of watercourses, and avoidance of areas containing species of conservation concern. Development (e.g. structures) in support of both tourism and biodiversity conservation in Core Areas. Extensive agriculture comprising extensive game and livestock farming, subject to inter alia lower impact practices, lower than standard stocking rates, resting cycles wetland and riverbank protection, and avoiding areas containing red data species. 	<ul style="list-style-type: none"> Case-specific determination based on impact on biodiversity. 	<p>Development should reinforce existing farm precincts and reflect similar vernacular in terms of scale, form and design.</p> <p>In the absence of existing farmsteads, development should reflect compact and unobtrusive characteristics, conforming to local vernacular in terms of scale, form and design.</p> <p>The design of all proposed development should embrace the spatial form, movement patterns, building design and conservation and ecology of the local area.</p>

Landscape-wide Spatial Planning Categories (continued)

SPC	DESCRIPTION	KEY PLACES IN WITZENBERG	ACTIVITIES SUPPORTED	ACTIVITIES NOT SUPPORTED	OVERALL DESIRED FORM OF DEVELOPMENT
Buffer 2	Natural or near natural areas located in an agricultural matrix as the dominant land use.	<ul style="list-style-type: none"> Areas designated by the WCBS as ESA2 or Other Natural Area, located in an extensive or intensive agricultural matrix as the dominant land use. River corridors on cultivated land in the Warm and Koue Bokkeveld and Land van Waveren. 	<ul style="list-style-type: none"> Activities and uses directly relating to the primary agricultural enterprise. Additional land uses to facilitate diversification and "value adding", including restaurant and venue facility, farmstall and farm store, home occupation; local product processing, and tourist and recreational facilities. Buffer 2 Areas within the "fringe" of settlements can accommodate space extensive uses not suited to location within the urban edge (e.g. regional sports and recreation facilities, tourist facilities); or associated with nuisance and buffer requirements (e.g. waste water treatment plants, cemeteries, solid waste disposal sites, airports, feedlots, quarries and mines, truck stops). 	<ul style="list-style-type: none"> Case-specific determination based on impact on agriculture and biodiversity. 	<p>Building development should reflect the style, scale, and form of the farmstead precinct or farm outpost, their buildings and setting.</p> <p>In the absence of existing farmsteads or farm outposts, development should be compact and unobtrusive, conforming to local vernacular in terms of scale, form and design.</p>
Agriculture	Existing and potential intensive agricultural land where significant or complete loss of natural habitat and ecological functioning has taken place due to ploughing, hardening of surfaces, mining, cultivation, and so on.	<ul style="list-style-type: none"> Existing intensive agriculture including irrigated and dry land crop cultivation, primarily in the western parts of the municipal area. 	<ul style="list-style-type: none"> Activities and uses directly related to the primary agricultural enterprise. Additional dwelling units to support rural tourism and diversify farm income, to a maximum of 1 additional non-alienable du per 10 ha and 5 per farm. Additional land uses to facilitate diversification and "value adding", including restaurant and venue facility, farmstall and farm store, home occupation; local product processing, and tourist and recreational facilities. 	<ul style="list-style-type: none"> Large scale resorts. Tourist and recreation facilities. 	<p>Facilities for ancillary on-farm activities should be in scale with and reinforce the farmstead precinct, enhance the historic built fabric and respect conservation-worthy places (these could be natural areas or areas which are degraded but still provide ecological connectivity and/ or ecosystem services).</p> <p>Fragmentation of farm cadastral units should be prevented, and consent processes and spot zoning employed for managing land uses ancillary to or associated with agriculture.</p>
Settlement	Existing towns, villages and hamlets.	<ul style="list-style-type: none"> Ceres. Wolseley. Tulbagh. Prince Alfred Hamlet. Op-die-berg. 	<ul style="list-style-type: none"> "Normal" activities associated with urban development. 	<ul style="list-style-type: none"> New settlement formation that negatively impacts on municipal financial sustainability. 	<p>Development should:</p> <ul style="list-style-type: none"> Retain the compact form of smaller settlements. Prevent settlement encroachment into agricultural areas, scenic landscapes and biodiversity- and ecological system service priority areas. Maintain and enhance public spaces. Reinforce the close relationship of settlements to the regional route structure. Integrate new development into the settlement structure. Respect socio-historical and cultural places.

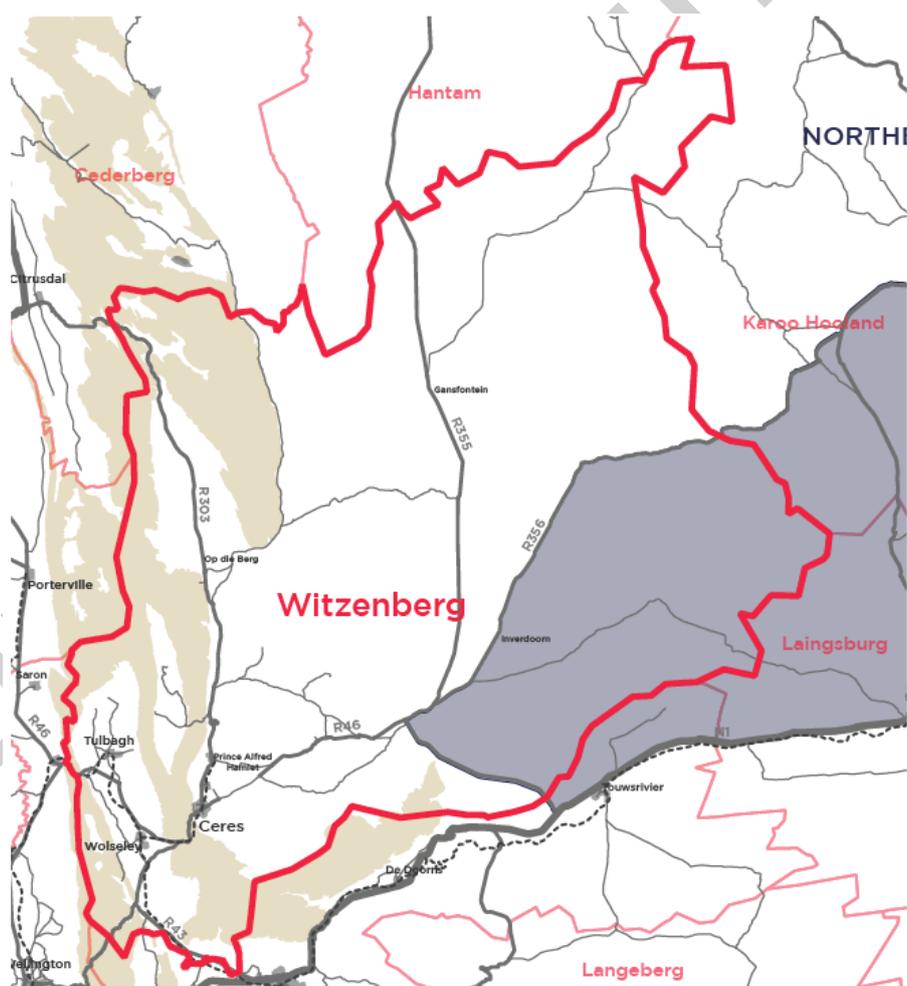
RENEWABLE ENERGY DEVELOPMENT CORRIDORS

The Strategic Environmental Assessment for Wind and Solar Photo-voltaic Energy in South Africa identified 8 Renewable Energy Development Zones (REDZs) in 2015 that are of strategic importance for large scale wind and solar photo-voltaic energy development including the roll-out of its supporting transmission and distribution infrastructure. New wind or PV projects located within one of the eight REDZ areas will now be subject to a Basic Assessment and not a full EIA process, as well as a shortened timeframe of 57 days for the processing of an Application for Environmental Authorisation.

The Council for Scientific and Industrial Research (CSIR) identified eight geographic REDZ's following a Strategic Environmental Assessment:

NAME	SIZE	PROVINCE
Overberg	5 263 km ²	Western Cape
Komsberg	8 846 km ²	Western Cape
Cookhouse	7 366 km ²	Eastern Cape
Stormberg	12 041 km ²	Eastern Cape
Kimberley	9 568 km ²	Free State & Northern Cape
Vryburg	9 204 km ²	North West
Upington	12 833 km ²	Northern Cape
Springbok	15 214 km ²	Northern Cape
Total	80 335 km²	

The Witzenberg Municipality forms part of the Komsberg REDZ. Any projects or renewable energy developments in the municipal area should preferably be located inside of this boundary, however, proposals for renewable energy developments outside of this boundary will be considered on a case by case basis based on its own merits.



The location of the Komsberg REDZ area within the Witzenberg Municipality

E. FINANCIAL VIABILITY

Capability of the municipality to execute capital projects

The capital budget for the next financial year amounts to R109 million of which R 13 million is from

own revenue. The rest of the capital budget is financed from Grants.

Only funded capital projects are included in the capital budget. The only major project not executed in the past was the bulk raw water provision in Tulbagh due to the outstanding approval of the Water Use Licence submitted approximately 4 years ago. A construction tender was awarded but work cannot proceed without the approval.

Indigent support (including free basic services)

The equitable share allocation is utilized to fund the provision of free basic services to indigent households and informal areas.

The development of plots and building of RDP houses is a challenge to the financial viability and sustainability of Witzenberg Municipality as most of the beneficiaries will qualify for indigent support and will not contribute financially to the municipality, but will be entitled to municipal services.

In addition to the legislative R15 000 exempted valuation on a property, the first R105 000 of the municipal valuation of all residential properties are exempt from property rates.

Indigent households receive 50 kWh of electricity and 6 kilolitres of water per month while their basic charges for water refuse and sewerage are fully subsidised.

Indigent households with conventional electricity and/or water meters will be converted to prepaid meters to avoid over consumption, subject to affordability to the municipality.

Revenue enhancement and protection strategie

The revenue must be increased to ensure that Witzenberg Municipality can meet all the financial obligations and to improve service delivery. A policy providing for rebates on municipal services is available to new businesses/industries or extension of existing businesses/industries where new jobs are created.

New businesses and/or industries will not only increase the revenue base of the municipality, but will also assist in reducing unemployment – one of the largest challenges for Witzenberg Municipality.

Consumers with conventional water meters who do not pay their municipal accounts will be converted to prepaid meters to avoid increased outstanding debt in respect of water, subject to affordability to the municipality.

Municipal consumer debt position

The impairment provision for debtors have been emphasised by the office of the Auditor-General of South Africa.

The increase in the provision is due to:

- Limited credit control procedures available in areas where Eskom is the service provider for electricity.
- Limited application of the credit control procedures to indigent households.
- Community resistance to the cutting of electricity in certain areas. Assistance from the South African Police Service is needed.

Grants and subsidies

Grants and subsidies are used for their intended purposes as per the Division of Revenue Act and/or Provincial Gazettes. The equitable share allocation is utilised to fund the provision of free basic services to indigent households and informal areas. Grants and subsidies are utilised to finance 88% of the capital budget. Most of the capital expenditure financed from grants and subsidies are in respect of the provision of infrastructure for new serviced sites, Material Recovery Facility, upgrading of Van Breda bridge in Ceres and the construction of the Tulbagh Dam.

Municipal Infrastructure Assets and Maintenance (Q&M)

The expenditure on repairs and maintenance needs to be increased. The limited revenue base of the municipality limits the amount of funding that can be earmarked for repairs and maintenance.

It is accepted that it is important to maintain municipal assets; therefore the funds available for repairs and maintenance are increases on an annual basis.

The implementation of MSCOA (Municipal Standard Chart of Accounts) regulations will improve the reporting on spending on repairs and maintenance.

Current and planned borrowings

Current borrowings are on the decline as no new loans were sourced in the recent past. The loan from the Development Bank of South Africa for the Koekedouw dam was redeemed during the 2016/17 financial year.

Municipality's credit rating

No official credit rating has been performed, but the financial indicators show positive movement during the last four financial years.

The cost coverage ratio declined from 2.1 months to 1,7 months, indicating that the municipality's cash and cash equivalents can cover the operating expenditure for 1,8 months.

The current ratio declined from 1.97:1 to 153:1 from 2019 to 2020, indicating that for every R1 owed in current liabilities, the municipality has R 1.57 in current assets available. Although the ratio declined slightly, it is above the acceptable norm of 1:1. An Improved ratio will result in an increased ability of the municipality to settle its debt when it becomes due. A positive liquidity position can also result in better interest rates being obtained if new loans are sourced, and can also provide

confidence to companies that consider investing in the Witzenberg area.

Employee-related costs (including Councillor allowances)

The employee-related costs, including Councillor allowances, account for 30% of the operating expenditure over the medium term.

More post need to be filled to meet the demand of service delivery due to the growth of households that needs services. Any decrease in the mentioned ratio will impact negatively on service delivery.

The salary increase of permanent employees is negotiated nationally, limiting the municipality's influence over the annual salary increase. Councillors are remunerated in terms of national legislation as per annual Government Gazette publications.

Supply chain management (SCM)

Supply chain processes are followed in terms of the Municipal Supply Chain Regulations. Bids are awarded in term of the points scored according to the Preferential Procurement Policy Framework Act.

The Preferential Procurement Policy Framework Act provides for the awarding of bids in terms of price and the B-BBEE status level of the bidder. The B-BBEE status level 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.

The Preferential Procurement Policy Framework Act does not provide for any preference for local suppliers.

In some instances, bids are not awarded to the lowest responsive bid due to the requirements of the abovementioned legislation.

F. DISASTER MANAGEMENT

The Chief: Fire Services and Disaster Management was appointed on 1 February 2013. Disaster Management Advisory Committee meetings at a district level are attended regularly and a Disaster Management Plan has been drafted. Public awareness and preparedness sessions for disaster related activities were conducted with a special focus on risk communities in informal settlements regarding the hazards of fires and floods, climate change, etc. The draft Disaster Management Plan was workshopped with relevant stakeholders.

A fully established and functioning Municipal Disaster Management Centre (DMC) is a key element of this plan. Therefore the Witzenberg Municipality consults with and operates in close collaboration with the Cape Winelands District Disaster Management Centre. The completion of the Cape Winelands District-based Disaster Management Operating Centre in Worcester will serve the district's base needs.

In any event requiring DMOC activation, the primary role-players, such as disaster management representatives from both CWDM and the Witzenberg Municipality, the coordinator from SAPS, an EMS representative and any other sectorial representative are activated to these centres and coordinate all activities from this DMOC. Due to the regular occurrences of major events (e.g. floods) this DMOC is well established and functions effectively.

Various disaster risks for the Witzenberg Municipality have been identified and assessed during risk assessments executed during 2005 (technological) and 2008 (community based). The risk assessment was done by Africon Engineering and CPUT respectively on instruction of the CWDM for all municipalities falling within the auspices of the district. The technical risk and vulnerability assessment by Africon led to the following profile:

Risk prioritisation table for Witzenberg Local Municipality

Hazard	Exposure	Severity	Probability	Actions needed
<i>Drought</i>	<i>Occasional</i>	<i>Moderate</i>	<i>Normal</i>	<i>Preparedness Planning</i>
<i>Earthquake</i>	<i>Occasional</i>	<i>Moderate</i>	<i>Normal</i>	<i>Preparedness Planning</i>
<i>Fire</i>	<i>Occasional</i>	<i>Insignificant</i>	<i>Unlikely</i>	<i>Risk Reduction interventions and Preparedness</i>
<i>Flood</i>	<i>Seldom</i>	<i>Insignificant</i>	<i>Unlikely</i>	<i>Preparedness Planning</i>
<i>Severe Storm</i>	<i>Seldom</i>	<i>Moderate</i>	<i>Unlikely</i>	<i>Preparedness Planning</i>
<i>Tuberculosis</i>	<i>Continuous</i>	<i>Moderate</i>	<i>Normal</i>	<i>Risk Reduction interventions and Preparedness</i>
<i>HIV /AIDS</i>	<i>Continuous</i>	<i>Moderate</i>	<i>Normal</i>	<i>Risk Reduction interventions and Preparedness</i>
<i>Hazmat accidents by road</i>	<i>Seldom</i>	<i>Insignificant</i>	<i>Unlikely</i>	<i>Preparedness Planning</i>
<i>Air Pollution</i>	<i>Occasional</i>	<i>Insignificant</i>	<i>Unlikely</i>	<i>Preparedness Planning</i>

The following table can be used as a template to reflect risk assessment outcomes in the IDP:

Risk	Dept 1	Dept 2	Dept 3	Dept 4
Risk A: Fires	<i>Fire Services Witzenberg and CWDM</i>	<i>Housing</i>	<i>Provincial Social Services</i>	
Risk B: Floods	<i>Disaster Management</i>	<i>Engineering Services</i>	<i>Traffic Services</i>	<i>SAPS and EMS</i>
Risk C: Transportation of dangerous goods (rail and road)	<i>Provincial Roads</i>	<i>Western Cape Province</i>	<i>Dept Health CWDM: Health</i>	

These main risks are taken from the risk assessment tables of both Africon and the community-based assessments, as they are

the main commonalities derived from the specific risk assessments.

Fire Services Department

In terms of the Municipal Structures Act, B-Municipalities such as Witzenberg are responsible for all structural fires within their municipal area. The Cape Winelands District Municipality is currently assisting Witzenberg through an unofficial inter-governmental agreement to assist with this function. It is the objective of the municipality to incrementally over a five-year period establish a fire brigade service in terms of the firefighting functions and in accordance with SANS 10090: 2003. This will effectively mean the establishment of a 24-hour facility for the eastern area (Ceres, N'Duli, Prince Alfred's Hamlet and Op-die-Berg) that will drastically

improve reaction time. The municipality has started with the extension of this function to the western area (Wolseley and Tulbagh) and the eastern area (N'Duli). Full-time staff and Working on Fire firefighting personnel and equipment were relocated to Tulbagh and N'Duli for these purposes. A Manager Fire Services and Disaster Management and a Station Officer for Fire Safety and Fire Operations were appointed. The recent consultations with stakeholders at Op-die-Berg highlighted that there is a need to appoint firefighters and allocate equipment and vehicles to this area.

Risk reduction

Fire risks

Risk reduction in respect of fire risks is not really possible, although the enforcement of building plan codes takes place and all building plans are scrutinised for fire safety requirements. Mountain and veld fires, fires in informal structures and dwellings form the general basis of fires in accordance with fire statistics. The Planning for Fire Services is included in a Fire Protection Plan that is submitted annually for consideration and approval by the Witzenberg Municipal Council. It must be noted that municipalities need to do planning and evaluate budgetary priorities from the wards in accordance with national and provincial strategic objectives.

The Department of Cooperative Governance and Traditional Affairs (CoGTA) assesses the progress made by municipalities against five key performance areas (KPA) and cross-cutting interventions adopted in the Five-year Local Government Strategic Agenda.

These elements will become the basis of priority determination when evaluating priorities during the IDP process, project identification and compilation of a budget. This in effect implies that municipal performance will be measured in terms of these standards.

As disaster management is not a function allocated to one discipline, but to all disciplines in a local authority, it implies that the total budget must be evaluated for inclusion of Disaster Mitigation Projects. For instance, the provision of housing will be a disaster mitigation

project as it implicates the reduction of informal structures. The provision and extension of electrical power in accordance with needs is a disaster mitigation project as it decreases the effects of dwellings without power (e.g. dangers with open fires) with all its consequences.

Floods

The Witzenberg municipal area is prone to floods. Over the past decade, flooding occurred at least once a year. Due to the effects of global warming and climate change with resultant cut-off lows, it has become increasingly difficult to forecast or predict critical time periods and/or affected areas.

As stated in the Spatial Development Plan, the Planning and Development Section takes cognisance of the effects and do their planning accordingly in the face of undetermined or ambiguous flood lines in some areas.

Response and recovery

Due to the fact that flooding and other events occur frequently in this area, there is a good understanding of the different roles allocated to the different sectors during any event of disaster potential or consequences. This is

managed and coordinated by the immediate activation of a DMOC (Disaster Management Operational Centre, situated in Munnik Street in Ceres), in conjunction and cooperation with the Cape Winelands District Municipality.

Draft Document

G. AGRICULTURE IN THE WITZENBERG AREA

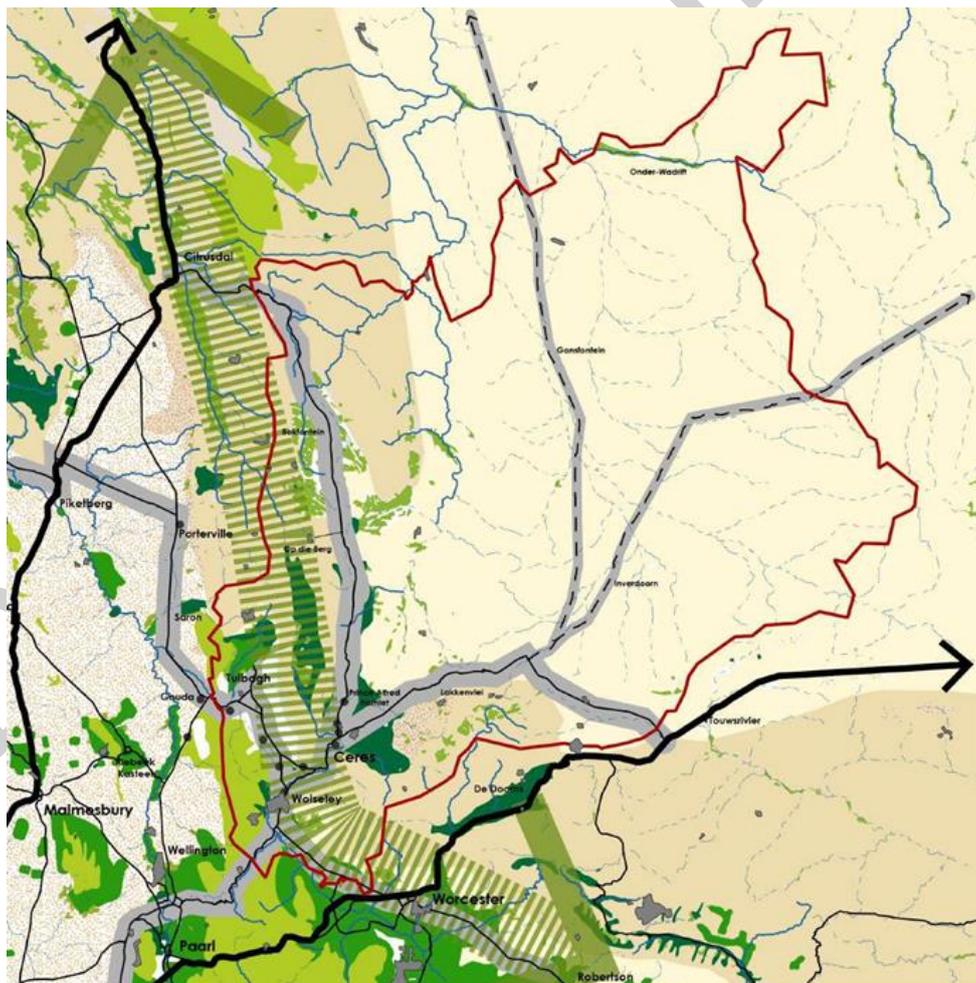
Focus: Protect food security while supporting sustainable diversification of the agricultural sector and encouraging more efficient methods and models.

Key Development Implications:

- Support private sector led institutional arrangements to enable joint planning and development of agriculture related activities.
- Avoid the subdivision of agricultural land or changes in land-use to minimise the loss of agricultural activities while also avoiding the creation of uneconomical agricultural units.
- Enable the diversification of farmer income through enabling complimentary uses on farms in a manner which does not

detract from the functionality and integrity of farming areas and landscapes.

- Develop incentives for smarter/ green agricultural practices and technologies.
- Make municipal commonages and land on the edges of settlements close to communities available for small/ emerging farmers and/or community gardens.
- Support alternative farming models such as the possibility of transforming unused and uncontaminated industrial land into community gardens.
- Support private initiatives to provide in the housing needs of agri-workers and the provision and management of associated social services.



Agricultural Concept for Witzenberg - showing key farming areas, production types and supporting infrastructure concentrated along the agricultural band along the western edge of the municipal area

Deciduous fruit is the dominant product

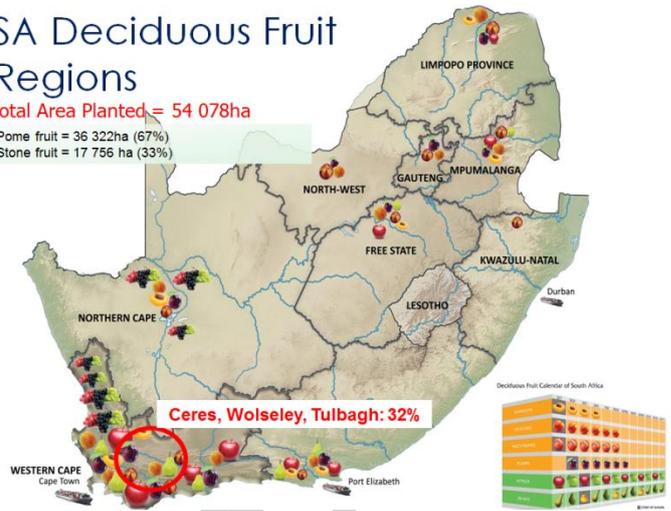
1. Primary
 - i. Deciduous: Apples, Pears, Nectarines, Peaches, Plums, Apricots
 - ii. Onions
 - iii. Potatoes
 - iv. Cattle and sheep
 - v. Butternuts
 - vi. Wheat
 - vii. Forestry
 - viii. Horses

2. Secondary
 - i. Cold storage
 - ii. Packing houses
 - iii. Concentrates and Puree
 - iv. Single Strength Products
 - v. Dried fruit products
 - vi. Logistics
 - vii. Agri Chemical
 - viii. Agri Mechanical
 - ix. Technical, admin and financial services
 - x. Plant material (nurseries)

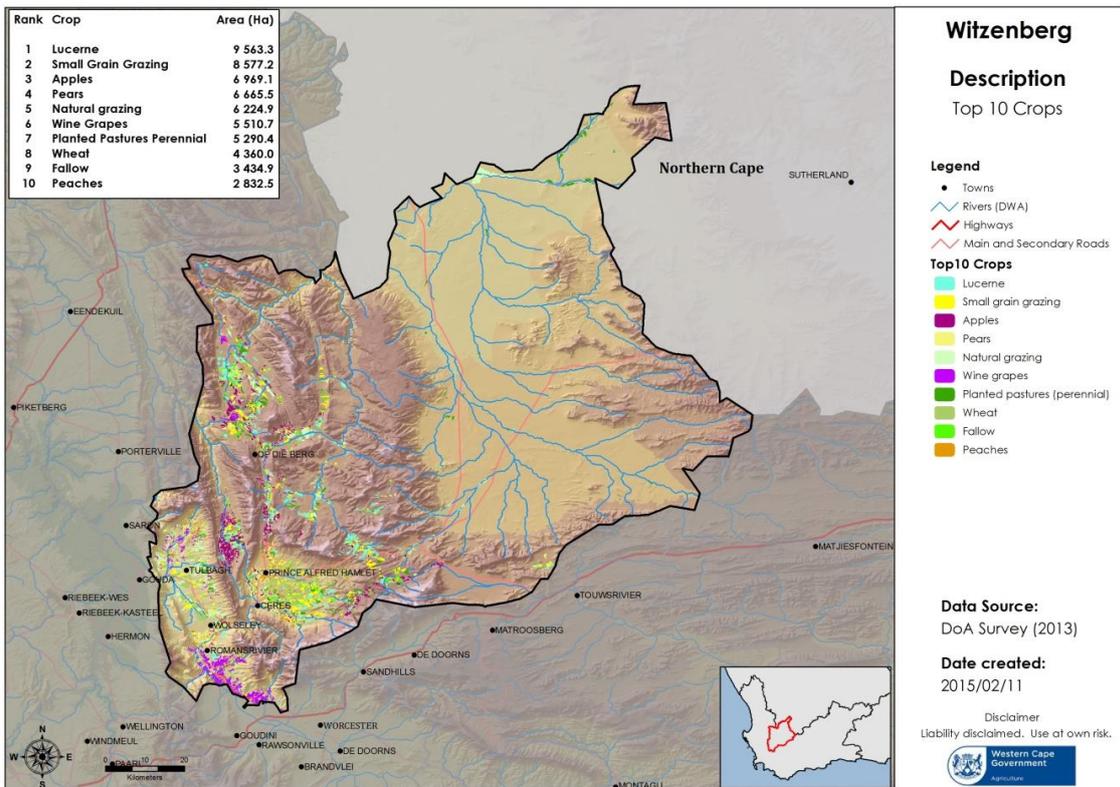
SA Deciduous Fruit Regions

Total Area Planted = 54 078ha

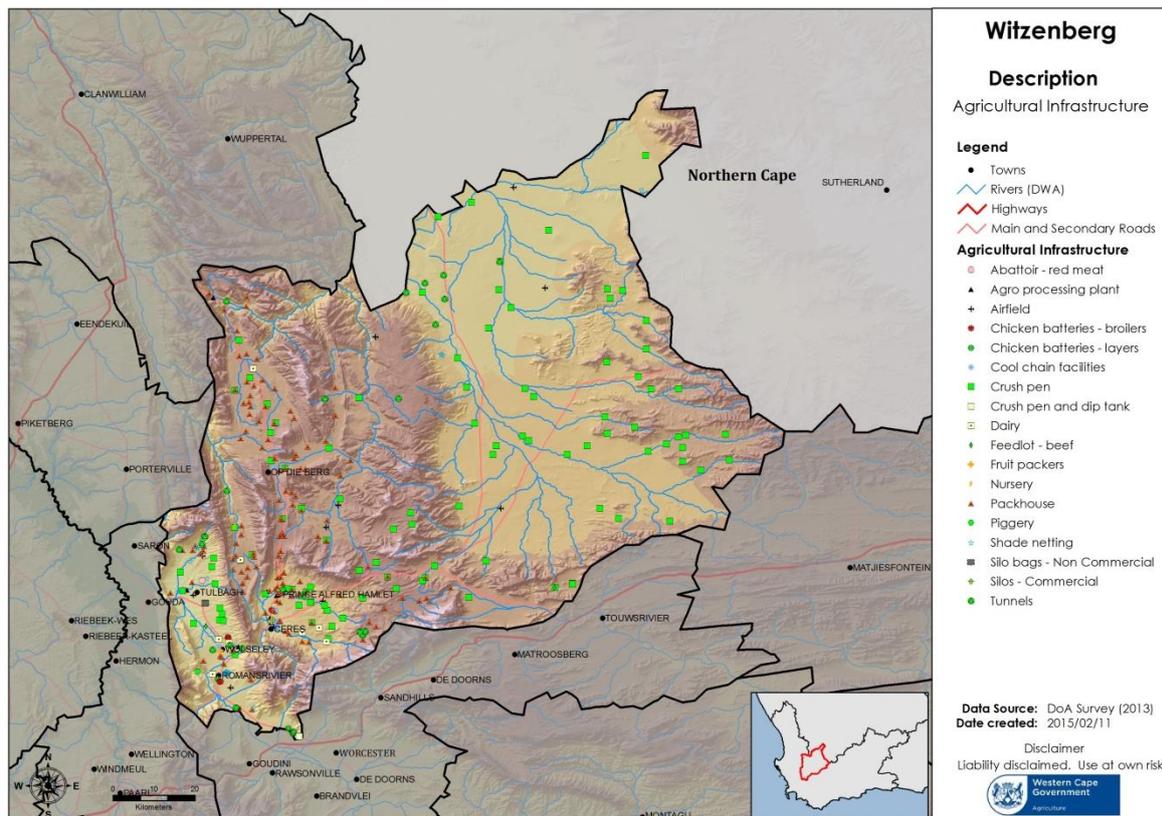
- Pome fruit = 36 322ha (67%)
- Stone fruit = 17 756 ha (33%)



Top 10 crops by area



Agricultural Infrastructure



Economic Contribution

This sector comprised R1,2 billion (or 19,7 per cent) of the municipality's GDP in 2015. It displayed steady growth of 2,5 per cent for the period 2005 – 2015, but growth has nevertheless become stagnant in the post-recessionary period (the sector experienced a growth rate of 0,3 per cent over the period 2010 – 2015). Agriculture employed 34,9 per cent of the municipality's workforce.

Employment growth over the period 2005 – 2015 has contracted by 2,0 per cent per annum on average. Employment picked up significantly after the recession and grew at a rate of 3,5 per cent per annum on average since 2010. On net employment, the sector has been the only one with net job loss since 2005, recording 5 829 jobs lost since then. Despite the good growth rates in all sectors from 2010 – 2015, a recovery of all the jobs will take a long time. The labour force in the primary sector is characterised by a relatively large proportion of unskilled labour. The majority (64,6 per cent or 14 136 workers) of the workforce in agriculture operates within the low-skill sector, which has experienced a

contraction of 2,7 per cent and a net job loss of 4 653 jobs since 2005. However, the sector grew by 3,4 per cent per annum over the post-recession period (2010 – 2015).

The semi-skilled sector employs 3 005 workers (13,7 per cent) and the sector has grown at a rate of 4,0 per cent per annum since 2010 but experienced a contraction of 2,1 per cent per annum over the long term (2005 – 2015). The skilled sector employs the smallest proportion of the industry workforce (2,9 per cent or 643 workers). This segment has shown robust growth post-recession (4,4 per cent per annum), but a 1,7 per cent per annum contraction over the long term (2005 – 2015). The informal sector makes up 18,7 per cent of the industry workforce and was the only sector to experience long-term growth (albeit marginal) as employment grew by 1,5 per cent per annum over the period 2005 – 2015. Informal employment in the agriculture industry furthermore experienced solid growth of 3,6 per cent per annum since 2010.

Agriculture in the Witzenberg Area anticipates a growth per year for next five years – Primary: 5% - 8% ±, Secondary and Processing: 10% ±

<p>Factors influencing anticipated 5% - 8% growth per year for next five years</p> <ol style="list-style-type: none"> 1. Water <ol style="list-style-type: none"> i. Permits 2. World Economy – exports <ol style="list-style-type: none"> i. Exchange rates ii. Economic growth, specially Africa iii. New markets iv. Market access v. Access to affordable finance 3. Climate change – expect more records! 4. Switching to higher income product lines <ol style="list-style-type: none"> i. Vineyards to pears and plums ii. Apples to cherries and berries 5. Mechanisation 6. Stable and effective government 7. Consolidation of Agri businesses 8. Research and Development <ol style="list-style-type: none"> i. New cultivars ii. Internet of things 	<p>Exciting new Agri opportunities may stimulate extra growth</p> <ol style="list-style-type: none"> 1. Agriculture in Western Cape is high priority – and well positioned <ol style="list-style-type: none"> i. Right products ii. Good location iii. Investor confidence iv. Expect government support 2. New technology <ol style="list-style-type: none"> i. Faster breeding of better products ii. New growing techniques iii. Use of IT and Apps iv. Internet of things 3. Covered production <ol style="list-style-type: none"> i. Security for investor and supply chain ii. Sunburn and hail 4. PALS initiative – a community in harmony <ol style="list-style-type: none"> i. Strategic high importance ii. Support from the state iii. Transformation through growth iv. Turnaround of under-performing schemes v. Working together with the municipality: “a comprehensive rural development desk” – a shared vision
<p>Main factors that put anticipated growth at risk</p> <ol style="list-style-type: none"> 1. Electricity: Stability of network and access for new projects 2. Infrastructure <ol style="list-style-type: none"> i. Roads for sensitive high value products – plan for increase flow! ii. Maintenance of existing irrigation schemes iii. New irrigation schemes 3. Labour/civil unrest <ol style="list-style-type: none"> i. Services – Specially waste management and risk to health and contamination ii. Housing for agriculture workers - NB iii. Code of best practice 4. Training and development of labour <ol style="list-style-type: none"> i. Productivity levels ii. Minimum wage iii. Working smarter with new equipment and new products 5. Too much red tape and slow processes dealing with authorities 6. Threat to Land as security 7. Investor confidence 	

Special acknowledgment to Mr Pieter Du Toit - Managing Director: Dutoit Group

H. SPECIAL PROGRAMMES

WITZENBERG MUNICIPALITY DISASTER MANAGEMENT PLAN FOR COVID-19

The Witzenberg Municipality Disaster Management Plan for Covid-19 aims to identify strategies to protect the Witzenberg Municipality workforce and general community, and minimise the impact of Covid-19 pandemic.

During a pandemic, the Witzenberg Municipality's priorities are to:

- maintain the essential services that Council provides to the community;
- communicate with the community about Council core business;
- support other government agencies to manage the impact of a pandemic.

The Witzenberg Municipality's response to a pandemic will be guided by advice from the National Department of Health and other emergency service providers. As it is not possible to accurately predict the behaviour of a pandemic in advance, this plan identifies strategies and resources that may be utilised to cover all likely scenarios.

The plan identifies the responsibilities of those in the organisation with a key role in managing the Witzenberg Municipality response to a pandemic, as well as those with responsibilities for providing essential services and support services. Producing the plan is only one part of the overall preparedness for Covid-19 pandemic – it must be communicated to stakeholders, tested, and revised as required. A strategy is already underway to communicate the plan to all major stakeholders, including consultation, individual briefings and exercises.

Objectives

The Witzenberg Municipality Disaster Management Plan for Covid-19 aims to:

- Identify measures and mitigation strategies to protect the Witzenberg Municipality workforce and community, and minimise the impact of Covid-19 pandemic.
- Prepare and have arrangements in place to reduce the impact of pandemic.
- Contain and prevent transmission, implement infection control measures, and provide support services to council employees.
- Maintain essential municipal services through the provision of business continuity in the face of staff absenteeism and rising demand on local government services.
- Assist in providing mass vaccination services to the community, if a Covid-19 pandemic vaccine becomes available.
- Develop media and communication messages, in line with whole of government messages, to inform the community and staff of any changes to normal services.
- Coordinate the Municipalities actions with those other agencies and organisations to manage community consequences of a pandemic.

The Municipality's Role and Responsibilities

In addition the Witzenberg Municipality responsibilities under the Disaster Management Act, the Witzenberg Municipality responsibilities under the Disaster Management Plan for the Covid-19 Pandemic Plan are:

- Distribute warnings and other relevant advice to the community, ensuring consistency with messaging from the Western Cape Department of Health and the Western Cape Disaster Management Centre.
- Develop and implement strategies to minimise the effects of pandemic on vulnerable populations
- Provide regular information/situation reports to the Cape Winelands District

Municipality and the Western Cape Disaster Management Centre.

- Provide liaison officers to the Western Cape Disaster Management Centre (WCDMC) when requested.
- Maintain essential services to the community, as detailed in Witzenberg Municipality business continuity plans.

Activation of the Disaster Management Plan for Covid-19

- The activation of the Witzenberg Municipality Disaster Management Plan for Covid-19 will coincide with the activation of the WCDMC Covid-19 Pandemic Plan. The Head of the Disaster Management Centre will activate the Provincial Plan on advice from the Department of Health.
- The Head of Centre (WCDMC) may also consider activation of the Covid-19 Pandemic Plan when advice is received that the person responsible at the Western Cape Department of Health that is issuing Pandemic Health Alerts.
- The District Disaster Management Head of Centre of Cape Winelands is responsible for activating regional plans and coordinating regional emergency operations, including the opening of the District Disaster Management Centre.
- During the activation of the Witzenberg Disaster Management Plan for Covid-19, the dissemination of information in relation to the pandemic including warnings, health advice and other messages to stakeholders and the community, will be

JOINT DISTRICT APPROACH

In September 2019, National Government has launched the District Development Model after approval by Cabinet on the 21st of August 2019.

The new district-based model for development will synchronise planning by all spheres of government and involve citizens and civil society in the development of South Africa's 44 municipal districts and eight (8)

coordinated through the Western Cape Disaster Management Centre and the Provincial Public Information Officer to maximise the distribution and consistency of messages.

- The activation of Witzenberg Municipality Disaster Management Plan for Covid-19 is the responsibility of the Witzenberg Municipality's Manager Fire, Rescue and Disaster Management, supported by the Municipal Crisis and Emergency Management Team and the Response & Recovery Team.
- The Witzenberg Municipality will control the health response to the pandemic in accordance with the arrangements in the Western Cape Department of Health's response plan.

Institutional Arrangements

The management of the spread of COVID-19 requires systematic coordination, communication and cooperation. The municipality established a local committee and will participate in the existing District Operational Committee to facilitate a coordinated response and flow of information. The municipality will:

- Work with all organs of state, local community-based health organizations and other civil society organisations.
- Collaborate with and participate in the Provincial Joint Operational Committees for flow of information in this regard.

Metros. This coordination will require – with effect from the 2020/21 Budget cycle – which national budgets and programmes are spatially referenced across the 44 districts and 8 Metros. Similarly, provincial government budgets and programmes will be spatially referenced to districts and metros in the respective provinces, while municipalities will express the needs and aspirations of communities in integrated development

plans for the 44 districts and 8 Metros. This shift in planning is expected to narrow the distance between citizens and engender active participation by citizens in development, and enable long-term planning as well as responses to immediate “burning” issues.

In response, the Western Cape government has developed the Joint District Approach.

Joint District Approach, supported by governance instruments, is advanced for developmental local government and sustainable service delivery premised on a common denominator of good governance. It is a geographical and team based, citizen focused approach to provide a series of government services (underpinned by characteristics of developmental local government and good governance).

Provincial/District Interface Teams has been developed consisting of the following:

- Team leaders per District – Dept. of Local Government
- Municipal Representatives – District & local government
- Provincial Representatives
- Draft Terms of Reference has been completed

The JDA promotes collaboration using District Coordinating Forums as the governance instruments for co-planning, co-budgeting and co-implementation to strengthen service delivery to communities,

Each district team should work towards:

- The identification of strategic and planning priorities as well as service delivery challenges within each district.

- Use of DCFs as planning and reporting platforms.

The Joint District Approach Implementation Plan for Cape Winelands includes the following critical projects:

- Community Safety Plan
- Waste Management (priority project)
- Regional Waste Management Facility: Conduct a Section 78 investigation and implement the recommendations
- Review of Integrated Waste Management Plan
- Develop Acceptable Diversion Strategies
- Waste Management Conference
 - Managed urbanisation approach for CWDM
 - Improving Resilience
- Climate Change
- Water Security
- Energy Security
 - Financial Sustainability
 - Develop and implement a District Plan to address unemployment and related challenges
 - Working Group established to draft a Concept Paper on Data Governance
 - Inter-Governmental Relations structures mapped and recommendations proposed for rationalisation
 - Communication Plan developed and implemented
 - N1 De Doorns: Private Sector involvement in JDA

VII. RSEP/VPUU

Regional Socio-Economic Programme (RSEP) / Violence Prevention through Urban Upgrading (VPUU)



The Regional Socio-Economic Programme and Violence Prevention through Urban Upgrading Programme (**RSEP/VPUU Programme**) is an intergovernmental programme run in the Western Cape. The programme will comprise a variety of projects, driven by different role-players, including municipalities, provincial departments, the VPUU Not for Profit Company (VPUU NPC) and communities.

A core component of the programme is to promote learning and to mainstream lessons learnt, best practice and opportunities for replication in municipalities and towns.

The RSEP/VPUU Programme is about a capable state partnering with active citizens, communities and other stakeholders to plan and implement projects that improve quality of life. The majority of projects funded through the programme will be local and precinct-based, and these will mainly be urban upgrading projects that involve the development of physical infrastructure.

Infrastructure projects are supported by social projects that focus on providing activities, programmes or facilities for specific groups or address social challenges within communities, such as early childhood development, education, safety, economic development or social cohesion. All of the projects will be identified at municipal level through a collaborative process involving many stakeholders.

The scope of the actual work being undertaken under the RSEP/VPUU Programme operates at different scales and is grouped under eight streams. Under each of the streams, there are one or two overarching goals that indicate the broad intentions of the work undertaken within that stream as well as a few objectives, which indicate some of the steps that may be taken to achieve the goal(s).

An amount of R4 million was approved for implementation of RSEP projects over the next two years. The projects will focus on mobility with surfaced pedestrian routes that would provide safe and dignified access to pedestrians and cyclists from the areas of Bella Vista and N'Duli to Ceres. Through the implementation of various projects in these areas, Witzenberg will be a co-funder, as included in the 3-year capital budget.

VIII. TWINNING AGREEMENT WITH ESSEN MUNICIPALITY IN BELGIUM

Implementation of Waste Management Strategy with support from Essen Gemeente, Belgium

Witzenberg has a well-established, long-term twinning agreement with the Essen municipality in Belgium.

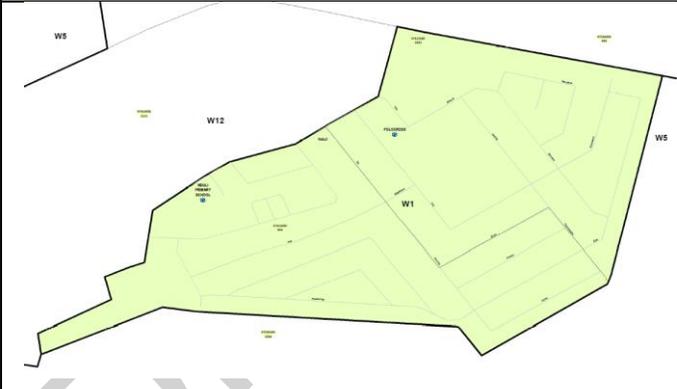
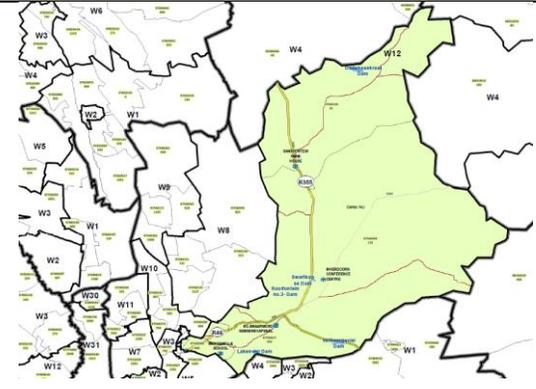
Several projects relating to youth development and the environment were implemented successfully in the past. Current projects include a Flemish programme on youth development and upgrading of open spaces. A federal programme focusing on waste management will be implemented in 2017/18.

The federal programme will support the implementation of a new Waste Management Strategy for Witzenberg, with the focus on the construction of a material recovery facility and drop-off points in each of the towns that will replace the garden refuse skips.

The value of contribution from the Belgium Federal Government amounts to 250 000Euro that will be implemented over a five-year period.

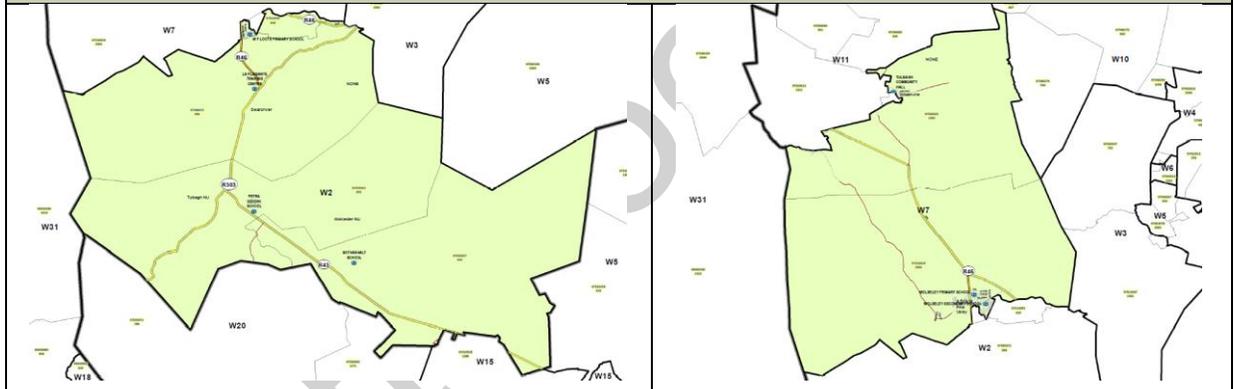
Special recognition is given to the Essen Gemeente (Council), officials and the VVSG (Vereniging van Vlaamse Stede en Genote) for their assistance and management of the programme

I. IDP PUBLIC NEEDS ANALYSIS

Wards 1 and 12	
	
<ul style="list-style-type: none"> Library services should be restored Provide street/security lights in unsafe areas More secure fencing at public facilities Upgrading of older streetlights Better dialogue in future with the youth Water resources for small farmers Policies must be communicated with the community Safe “walk way” / bridge between N’Duli and Vredebes Ongoing programmes on speed control 	<ul style="list-style-type: none"> Skips programme needs to be sustained Sewer network needs to be improved Sports grounds needs to be restored/ upgraded Electrical theft needs to be clamped down Mini CBD to be developed in N’Duli Implementation of recycling projects/ programmes NYDA and EPWP needs to be linked Transfer of title deeds

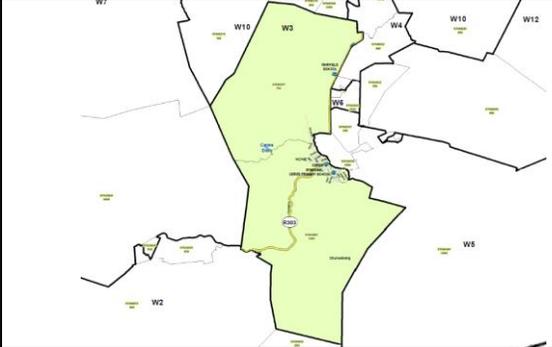
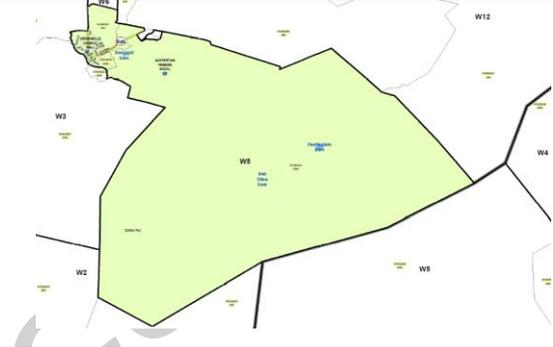
<p>Combat erosion on sidewalks and streets (rehabilitation)</p> <p>Community facilities need to be upgraded</p> <p>Rehabilitation of graveyard and fencing</p> <p>More prepaid electricity selling points</p> <p>Mobile Clinic Services – Tankwa Karroo Area</p> <p>Maintenance of roads</p> <p>Satellite connectivity in rural areas, emergency and law enforcement connectivity</p> <p>Television connectivity for rural areas</p> <p>Resource farm watch</p> <p>Information signage along gravel roads in Tankwa Karroo Area</p> <p>Television and network connectivity in the Tankwa Karroo Area</p> <p>Livestock Theft Unit to have more Programms in the Tankwa Karroo Area</p>	<p>JOJO Tank subsidies from small farmers</p> <p>Rehabilitation of playgrounds and parks</p> <p>Development programmes for women and persons with disabilities</p> <p>Police station for N’Duli</p> <p>Hostel facilities for primary school children in Tankwa Karroo Area</p> <p>ABET facilities in the Rural Areas</p> <p>Substance abuse in rural farming areas</p> <p>Rest areas on rural roads, maintenance, district to stop cutting down trees</p> <p>District Municipality to rehabilitate rest areas along farming main routes</p> <p>Solar/renewable energy for farm houses</p> <p>Firefighting volunteers</p> <p>Water Security Programms for communities living in the Tankwa Karroo Area</p>
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Wards 2 and 7

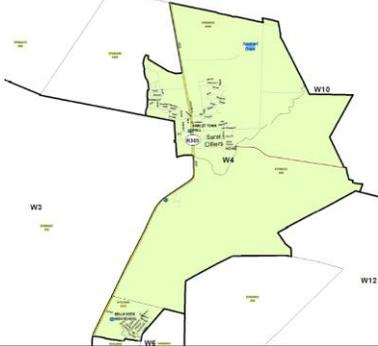
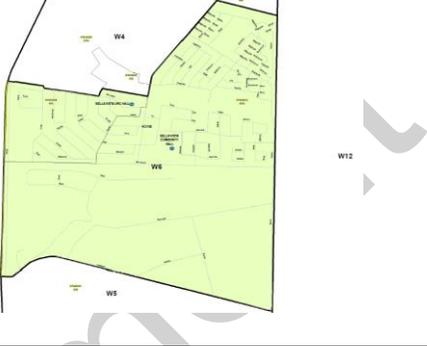


<p>Pine Valley library and swimming pool</p> <p>Bathroom facilities in the graveyard areas</p> <p>Secure fencing at the graveyard</p> <p>Relook Indigent Policy</p> <p>Substance abuse escalating under scholars</p> <p>Illegal shebeens and off-sales</p> <p>Dilapidated houses used for criminal offences</p> <p>Job creation programmes</p> <p>Back yard dwellers still a problem, housing need</p> <p>Foreigners’ activities (illegal) still a problem</p> <p>Bathroom facilities at informal settlements</p> <p>Wolseley requires a fire station</p> <p>Neighbourhood watches in all areas RDP houses are being sold to foreigners</p> <p>Drop-off and pick-up points at die Bossie, as you enter Wolseley</p>	<p>The Municipality are requested to establish more platforms apart from the Ward Committees to better communicate with communities e.g. street committees, block committees</p> <p>The water canal in Wolseley still a safety concern</p> <p>A concern on the education levels of Breederiver farming area, a need for training programs for people in these rural areas</p> <p>More Tourism programs to be rolled out</p> <p>Upgrading of the Wolseley entrance landscape/signage</p> <p>Building a playpark in Kluitjieskraal and Pine Valley</p>
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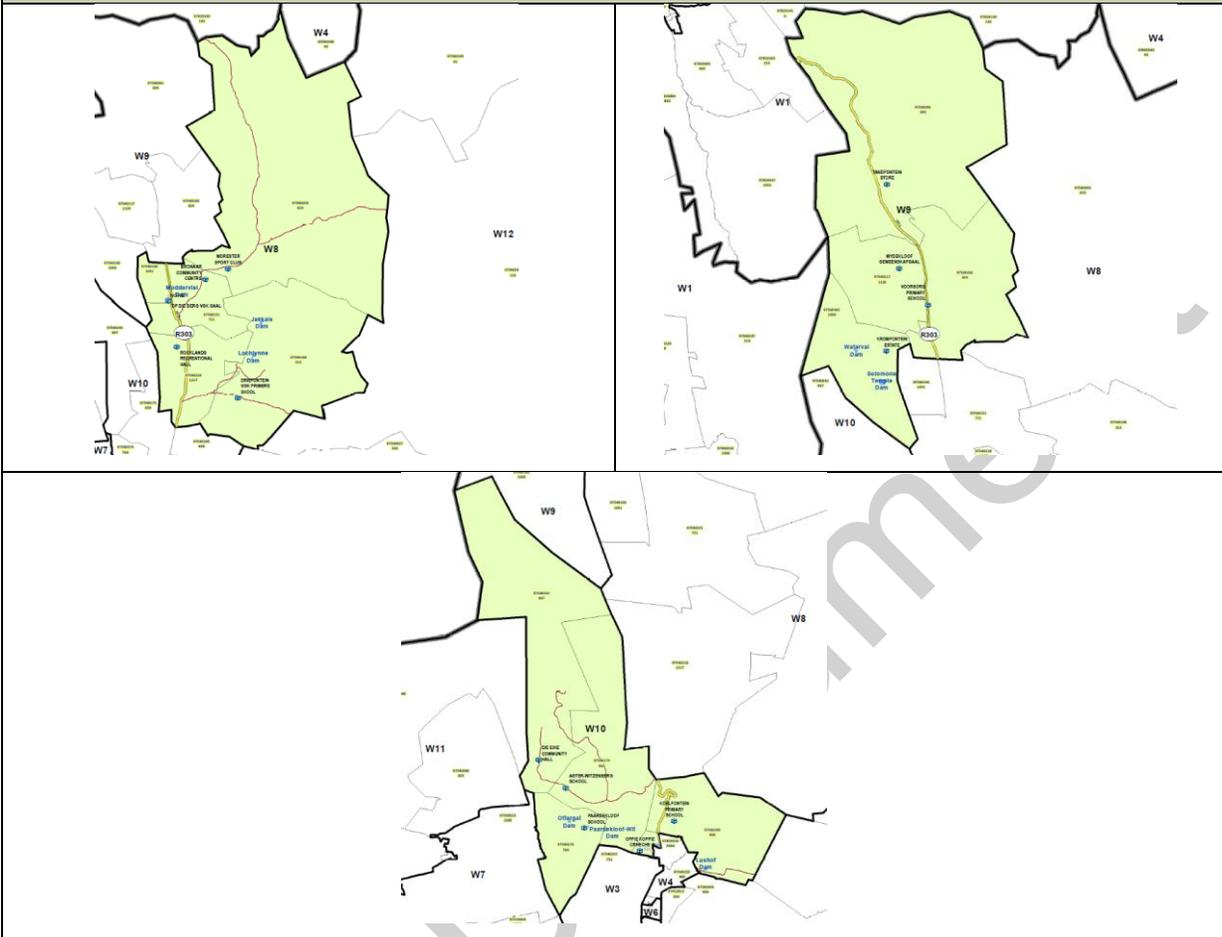
<p>Communal and church plots at Kluitjieskraal</p> <p>Mobile library service for the Breederiver area</p> <p>Homeless shelter</p> <p>The piece of land between Kluitjies Kraal and Pine Valley to be developed, or be made available for development e.g. food gardens, small scale farming</p> <p>ECD centers to be formalised</p> <p>Skills development programs in the Agri sector</p>	<p>Upgrading and maintenance of Montana Sports grounds</p> <p>Recreational facilities needed at swimming pool</p> <p>Taxi rank placements to be investigated</p> <p>Public bathroom facilities in the CBD</p>
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Wards 3 and 5	
	
<p>Playgrounds for the northeastern part of the Rooikamp area</p> <p>Animal control a big problem, dogs and stray animals / problem has escalated</p> <p>Clarity on the Eiland housing scheme</p> <p>Better/more speed calming efforts</p> <p>Street signage to be upgraded</p> <p>Playground/field in Fabriek Str to be fenced</p> <p>Mainmast light/ high-beam floodlights to be installed at parks and walk way areas</p> <p>Rotational skip system to be developed</p> <p>Completion of Lyell Str sports grounds, to accommodate more sport codes – Sector departments need to assist</p> <p>Gap housing developments</p> <p>Free broadband and WiFi hotspots</p> <p>Establishment of CPFs in all areas and more regular SAPS patrols/ high crime still a problem</p> <p>Library in Lyell Street to be upgraded/ modernised</p> <p>Recreational facilities similar to neighbouring municipalities</p> <p>Sidewalks to be tarred or paved</p> <p>Walkway bridge over railway line dilapidated and unsafe</p>	<p>Owen Street unsafe due to poor street lighting</p> <p>Owen Street walkway to be developed, as this has become a main taxi route, unsafe for pedestrians</p> <p>Inspection/policing of shops, occupants use as accommodation</p> <p>Walkway to be developed from the nature reserve, past the pine forest</p> <p>Homeless people problem getting out of hand</p> <p>Stormwater network a problem</p> <p>Walkway and lights from Egoli to Albert Crescent behind houses</p> <p>Railway line to be cleaned frequently, better quality fence</p> <p>Weekends the Town Main Roads have too much traffic</p> <p>Gambling taking place on street corners, SAPS need to act</p> <p>Bathroom facilities needed in cemeteries</p> <p>Better lighting needed along walkway to the Hospital</p> <p>Bus shelters for scholars on the outside rural roads</p>

<p>Streetlights to be upgraded, streetlights that are lower than the trees, outdated Community “Clean Green” programmes for the Rooikamp area</p>	
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Wards 4 and 6	
	
<p>Community hall for Phases 3, 4 and 5 Backyard dwellers still a problem – housing need Sports facilities for Phases 3, 4 and 5 High dropout rate of scholars a problem Business hub/mini CBD for Kliprug area Better controlled refuse removal in Phases areas Effective placement of skips Availability of church sites Not all dwellings connected to main sewer line Ongoing speed control programmes Animal control in all areas Xhosa medium school for PA Hamlet area More electrical selling points, even at Thusong Business hub/mini CBD for Bella Vista More prepaid electricity selling points Bus and taxi shelters for scholars</p>	<p>Service suspensions to be clearly communicated to consumers Clamp down on illegal dumping of refuse Upgrade of Bella Vista Community Hall Danger of heavy duty transport in Panorama St Sewer network a problem at graveyard Development of youth centre at one of municipal facilities Land availability for small farmers Off-ramp lanes at Bella Vista entrances Gap housing developments Major need for pavilions at sports grounds Need a walkway around Jakaranda, Vrede Street and Mooi Uitsig School Bella Vista clinic too small Thusong Centre open on Saturdays from 09:00 to 12:00 Walk way needed from Mooi Uitsig School to Vrede Street Gang activity becoming a problem Vandalization of Municipal property</p>

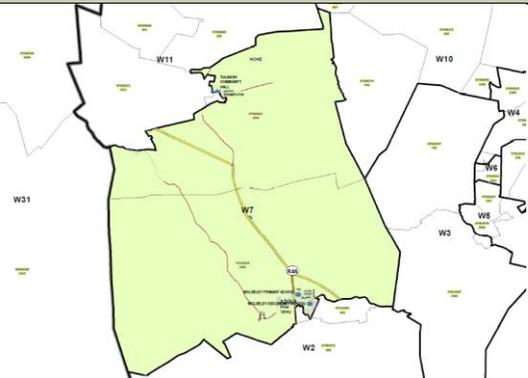
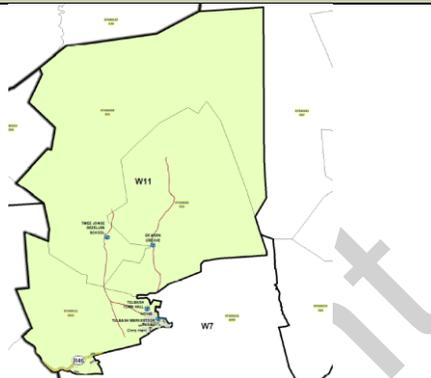
Wards 8, 9 and 10



Clinic for the Agter Witzenberg area
 More effective mobile clinic services in rural farming areas
 Ambulance services still a problem
 SAPS service must be intensified
 Bus and taxi shelters along main routes
 Fire station for Op-die-Berg and also to service surrounding areas
 Crime also escalating – CPF
 Sports grounds need secure fencing
 The location public ablutions facilities in the CBD area
 Speed calming still a problem
 Illegal house shops need to be regulated
 Illegal shebeens need to be closed
 Playgrounds and parks are unsafe
 Business development support programmes
 There are still streets that need tarring; Grond, Bokveld Street, etc.
 Upgrading of the R303 Gydo Pass

Backyard dwellers still a problem
 Tourism/ ecotourism to be promoted in the area
 Law enforcement officers to be appointed for these wards
 Christmas and holiday lights to be budgeted for Op-die-Berg
 River rehabilitation programme to be sustained
 No pavement curbs along main CBD routes
 Tarring of CBD open spaces and sidewalks
 Swimming pool needed for Op-die-Berg
 Subsidised water storage tanks for all houses
 Better quality street/security lights
 Investigation needed regarding trees in CBD area
 Spotlights floodlights needed at walkway over the foot bridge
 More municipal services to be rendered at Op Die Berg offices

Wards 7 and 11

	
<p>Replacement and maintenance of roads Substance abuse a problem in Tulbagh area Small-scale farmers need land for their animals Animal control must be intensified Sector departments need to assist with the establishment of sports facilities in farming areas Water shortage a problem during summer months Small business development opportunities Gap housing developments Traffic Services for Tulbagh Illegal house shops need to be regulated Upgrading of street lights Parks and playgrounds to be upgraded Better ablution facilities for schools on farms Libraries to be open on Saturday mornings Control the influx and illegal structures</p>	<p>Illegal shebeens need to be closed Storm water network in Tulbagh needs to be maintained regularly The use of local contractors for municipal work Sewerage network in Chris Hani area needs to be maintained regularly River rehabilitation programmes to be sustained Safety of Woman still a concern, - House of Safe Keeping Tourism campaigns to be developed to attract more tourists Speed calming needed along main street walkway routs Roll out of programs for people with disabilities More ablution facilities needed in Chris Hani area, and ASLA Camp Scholar road safety to be looked at, school road/street crossings; traffic signage to be put up,</p>

4 KEY PERFORMANCE AREAS

Witzenberg Municipality has identified four key performance areas that group related functions and activities into focused units. Strategic objectives have been developed for each of the KPAs that are further broken down

into programmes, projects and activities. Key performance indicators will indicate performance and progress on our strategic objectives over the five-year IDP term. Note that the KPAs do not relate to directorates as currently being used in the municipality.

KPA Essential Services include the following functions:

- Water Services
- Sanitation Services
- Roads and Storm water
- Transport Management
- Electrical Services
- Street lighting
- Solid waste management and collection



KPA Governance includes the following functions:

- Human Resources
- Administration
- Information Technology
- Marketing and Communication
- Internal Audit and Risk Management
- Performance Management
- Traffic and law enforcement
- Building Control
- Town Planning
- Financial administration
- Income
- Supply Chain Management
- Integrated Development Planning
- Legal and property management
- Council



KPA Communal includes the following functions:

- Environmental Management
- Open Spaces
- Air and noise pollution
- Trading regulations
- Amusement facilities
- Cemeteries



- Fencing
- Amenities
- Sport facilities
- Parks and Recreation

KPA **Socio-Economic Support** includes the following functions:

- Social Development
- Local Economic Development
- Indigent support
- Housing
- Job creation

New School in Tulbagh



Key performance area 1:

ESSENTIAL SERVICES

OBJECTIVE 1.1:

SUSTAINABLE PROVISION AND MAINTENANCE OF BASIC SERVICES

OBJECTIVE 1.2:

PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS THROUGH IMPROVED SERVICES



Key Performance Area 1

A. ESSENTIAL SERVICES

I. OBJECTIVE 1.1: SUSTAINABLE PROVISION AND MAINTENANCE OF BASIC SERVICES INFRASTRUCTURE

An important emphasis for the municipality is to ensure that basic services infrastructure is provided and upgraded to support areas of growth. The further maintenance of existing infrastructure will ensure the sustainable

provision of services. This will happen by means of the following programmes:

■ PROGRAMME 1.1 (A): UPGRADING OF BULK RESOURCES AND INFRASTRUCTURE

Water Sources, storage and purification

The main resources for **Ceres** are the Koekedouw dam with a capacity of 17 million m³ of which the municipality is entitled to 10 million m³. Current usage is 3,9 million m³ p/a. At the current population growth rate of 2,67%, the current supply will be sufficient for the next 20 years, excluding supplementation from our boreholes. Emergency boreholes can supply 20% of our ADD. Water quality from Koekedouw is good and is only chlorinated before distribution.

Two reservoirs (3 and 5 MI) serve as storage reservoirs to the distribution network of 114 km with four supply zones (Bella Vista, N'Duli, Ceres main supply zone and Ceres central PRV zone). The network includes a 2 X 2 MI service reservoirs, a booster pump station to the pressure tower at Bella Vista (500kl) as well as a 750 kl and a 4,5 MI service reservoir at N'Duli. All the bulk infrastructure for the planned housing projects have been completed and are in operation.

Moordenaarskloof and Tierkloof are the main resources for the supply of water to **Tulbagh** at present. Construction has been completed to provide an additional 1,2 x 10⁶ m³/a from the Klein Berg River. Additional boreholes were drilled adjacent to Nuwekloof pass but the yields are insufficient for supply to the town of Tulbagh.

Moordenaarskloof is evenly shared with two other users (SAPCO and Kruysvallei). The existing storage dam arise insufficient and requires the implementation of water restrictions on an annual basis. Funding for the construction of the Waverenskroon dam has been approved from DWS, and the project is currently at the implementation stage (construction).

The purification plant consists of five slow gravity sand filters as well as a chlorination system. Two reservoirs (800 kl and 1 MI) serve as clear water storage reservoirs to the distribution network of 29 km with two pressure zones. The network includes a booster pump station to the pressure tower (500 kl). A new reservoir will have to be constructed when private residential housing projects are implemented.

Wolseley receives its water supply from the Tierkloof weir. Purification consists of pressure filters and chlorination. The Ceres Road Reservoir (680 kl) and newly constructed 6 MI Wolseley reservoir serve as storage reservoirs to the distribution network of 44 km with two pressure zones. The network includes a 4.5 MI services reservoir (Stamper Street Reservoir), which has been resealed to prevent losses, and a booster pump station. An additional pump station

enables the transfer of irrigation water during periods of low flow from the Artois canal to this reservoir. The absence of a storage dam for Wolseley places the town at risk during periods of severe drought. The bulk supply line from the Tierkloof weir is at risk of collapsing due to age and is in need of replacement.

Prince Alfred’s Hamlet’s water sources consist of the Wabooms River weir, a fountain, three boreholes as well as a link through the agricultural pipe network of the Koekedouw Dam. Due to the quality of the raw water, only chlorination is required. Four 500 kl reservoirs

serve as storage reservoirs to the distribution network of 32 km with only one pressure zone.

Op-die-Berg has three water sources, a fountain and two boreholes. Due to the quality of the water, only chlorination is required. Three reservoirs as follows: 50kl, 60kl and 500kl serve as storage reservoirs to the distribution network of 6 km with only one pressure zone. A new reservoir is required with the recent construction of 250 RDP houses. The absence of a storage dam places the town at risk during periods of severe drought.

<i>Infrastructure Investment</i>			
<i>Project Name</i>	<i>Area</i>	<i>Budget</i>	<i>Year</i>
<i>Water Network Replacement</i>	<i>Witzenberg</i>	<i>R 1 00 000</i>	<i>2019/2020</i>
		<i>R 1 500 000</i>	<i>2022/2023</i>
<i>Sewer network replacement</i>	<i>Witzenberg</i>	<i>R 1 500 000</i>	<i>2022/2023</i>
<i>Storage Dam</i>	<i>Tulbagh</i>	<i>R 17 931 304</i>	<i>2021/2022</i>
		<i>R 16 729 565</i>	<i>2022/2023</i>
<i>Vredebes Water Bulk Pipeline: Phase H</i>	<i>Ceres</i>	<i>R 476 300</i>	<i>2020/2021</i>
<i>Nduli Housing Water</i>	<i>Nduli</i>	<i>R 9 488 500</i>	<i>2020/2021</i>
<i>Nduli Infill Internal Sewer</i>	<i>Nduli</i>	<i>R 2820 000</i>	<i>2022/2023</i>
<i>Nduli Infill Internal Water</i>	<i>Nduli</i>	<i>R 2 820 000</i>	<i>2022/2023</i>
<i>New reservoir at Op-die-Berg</i>	<i>Op-die-Berg</i>	<i>R 2 854 582</i>	<i>2022/2023</i>
<i>Tierhokskloof pipe line upgrade</i>	<i>Wolseley</i>	<i>R 11 739 374</i>	<i>2022.2023</i>

Achievements

Waste water treatment works and pump stations
Sewage and industrial effluent are collected from consumers via a sewer system and treated at the **Ceres** wastewater treatment plant. The plant services the areas of Ceres, N’Duli, Bella Vista and

Critical actions

Proceed with construction of Tulbagh storage dam

Prince Alfred’s Hamlet. The sewer system includes nine booster pump stations. A portion of the treated effluent is used for irrigation. The **Tulbagh** wastewater treatment plant was

upgraded in 2015 and the system includes three booster pump stations. The **Wolseley** Wastewater treatment plant was upgraded in 2014 and the system includes six booster pump stations. The **Op-die-Berg** wastewater treatment

plant serves approximately 75% of the consumers and the rest are serviced with septic tanks. Septic tanks are emptied by the municipality on request.

PLANT	SIZE (ML/DAY)	TECHNOLOGY	OPERATIONAL FLOW (% of design capacity)
<i>CERES WWTW</i>	<i>8.5</i>	<i>Activated Sludge</i>	<i>64</i>
<i>ODB WWTW</i>	<i>0.308</i>	<i>Activated Sludge</i>	<i>78</i>
<i>WOLSELEY WWTW</i>	<i>3.6</i>	<i>Activated Sludge</i>	<i>25</i>
<i>TULBAGH WWTW</i>	<i>2.46</i>	<i>Activated Sludge</i>	<i>43</i>

The effectiveness of the plants is measured through the quality of waste water discharge with all plants achieving targets in 2017/18. The Op-die-Berg plant requires an upgrade of

sandfilters as the quality of discharge decreases, especially during winter months due to insufficient evaporation.

Infrastructure Investment: Sanitation			
Project Name	Area	Budget	Year
<i>Refurbishment WWTW</i>	<i>Wolseley</i>	<i>R 600 000</i>	<i>2019/2020</i>
		<i>R 1 500 000</i>	<i>2020/2021</i>
<i>Sewer Network Replacement</i>	<i>Witzenberg</i>	<i>R 1 000 000</i>	<i>2019/2020</i>
		<i>R 500 000</i>	<i>2020/2021</i>
<i>Security Upgrades</i>	<i>Witzenberg</i>	<i>R 300 000</i>	<i>2019/2020</i>
		<i>R 300 000</i>	<i>2020/2021</i>
<i>Vredebes Sewer Bulk Pipeline: Phase H</i>	<i>Ceres</i>	<i>R 739 584</i>	<i>2020/2021</i>
<i>Nduli Housing Sanitation</i>	<i>Nduli</i>	<i>R 9 488 500</i>	<i>2020/2021</i>
<i>Nduli Infill Internal Sewerage</i>	<i>Nduli</i>	<i>R 11 320 000</i>	<i>2021/2022</i>
<i>Sewer pump replacement</i>	<i>Witzenberg</i>	<i>R 200 000</i>	<i>2019/2020</i>

Achievements

Electricity bulk supply and substations

Witzenberg Municipality is the main provider of electrical services to the domestic and agricultural economy within its area of jurisdiction, whilst Ceres itself is synonymous with 'world-class fruit'.

Without a sufficient and sustainable electricity supply, this economy finds itself in dire straits. The hard-hitting facts are that Witzenberg Municipality is for all intents and purposes running at its NMD (Notified Maximum Demand) of 46,2 MVA (total). In fact, NMD was exceeded in 2019/2020 as well as the current 21/22. The current Eskom backbone network does not permit an increase of this NMD until such time as their backbone network has been upgraded. The implications thereof are eight years and R250 million, meaning that 2030 is the earliest our NMD can be upgraded. Eskom however originally moved this date from 2022 to 2030 and more recently back to 2025. Time will however show when the upgrade really happens.

A conservative estimate of 2,5% growth per annum is that Witzenberg Municipality's load will be in excess of 50 MVA by then.

The realistic estimate however includes agriculture's own estimate for their industry alone to be 2,5% in addition to the natural growth of Witzenberg mentioned above. This then is a projected growth, realistically, of 5% per annum over the next ten years. By this estimate Witzenberg Municipality's load will be 90+ MVA by 2030. The reality however is that Eskom's inability to supply capacity has had a huge negative effect on the economy of Witzenberg. The intermittent load-shedding also adding to our woes.

The following initiatives were implemented to assist over the short term:

- The Witzenberg Municipality installed power factor correction equipment at the Ceres main electrical substation,

which effectively provides us with an additional 1 Mva of electricity.

- Although Eskom cannot currently increase Witzenberg's NMD, an application for an additional 5 MVA was however submitted in September 2019. This is deemed a short/medium term solution.
- Council has approved more than 5 MWp of solar panels for its consumers, although this is now limited in terms of a Council decision.

Over the short term (1-2 years), the above interventions will assist Witzenberg to provide in its customers' growing demand. Should Eskom not be in a position to complete the upgrade of their bulk electricity by 2030, the Witzenberg Municipality and its agricultural economy will be brought to its knees because of Eskom's inability to provide an increased Notified Maximum Demand.

On the municipal side Witzenberg has three main areas of supply with four Eskom intake points as follows:

- The **Ceres** electrical network receives its bulk electricity from Eskom via two 11kV bulk metering points at Eskom's Ceres Power Station (northwest of the urban area) and Bon Chretien (northeast of the urban area) substation, current NMD is 36,5 MVA.
- The **Tulbagh** electrical network receives its bulk electricity from Eskom via one 11kV bulk metering point at Eskom's Tulbagh substation, current NMD is 4,5 MVA.
- The **Wolseley** electrical network receives its bulk from Eskom via a single 11kV bulk metering point at Eskom's Wolseley substation, current NMD is 5,2 MVA.

It remains the duty of any municipality to pursue all avenues of revenue enhancement in order to ensure the provision of the full bouquet of services to all its residents in a sustainable manner. Electricity provision to the un-

electrified rural areas of Witzenberg municipal area is a huge untapped resource that the municipality is unable to exploit due to the current Eskom NMD constraints. In terms of the municipality's NERSA approved distribution licence, the municipal supply area is:

“The municipal area of WITZENBERG. Customers being supplied by Eskom or any other Licensed Distributor at the date of

commencement of this licence are excluded from this licence”

This implies that all un-electrified areas are considered ‘green field’ supply areas for the municipality and that Eskom is not allowed to supply electricity to these areas without the express permission of the municipality.

Load forecast

Below is a table depicting the current and immediate future growth.

	Ceres	Tulbagh	Wolseley
NMD	36.5 MVA NMD (41.5) Highest Registered 38.3 (Mar 20)	4.5 MVA NMD Highest Registered 4.03 (Mar 19)	5.2 MVA NMD Highest Registered 4.9 MVA (June 21)
Developments proceeding	<ul style="list-style-type: none"> Vredebes development (2850 RDP housing units) 5.2 MVA Bella Fruta 1 MVA Golfing estate dev (slow growth) 0.5 MVA Morceaux veg processing 0,5 MVA Erf 9602 Ceres Mall 1 MVA <p>[8.3 MVA]</p>	<ul style="list-style-type: none"> Informal settlement growth 1 MVA <p>[1 MVA]</p>	<ul style="list-style-type: none"> Pine Valley 2H (120 houses) 0,5 MVA Grassroots– 1,5 MVA (Currently in application phase) <p>[2 MVA]</p>
Developments on 'hold'	<ul style="list-style-type: none"> Kleinbegin (220 RDP housing units) 0.5 MVA Mazoe (270 RDP housing units) 0.8 MVA Belmont Development 0,5 MVA <p>[1.8 MVA]</p>	<ul style="list-style-type: none"> Dioby (315 housing units) 1 MVA Waverenskroon (1350 housing units / Commercial 18 970m² / Institutional 20 775 m² / Recreation 24 400m²) 1.5 MVA <p>[2.5 MVA]</p>	<ul style="list-style-type: none"> VV4 1 MVA (Phased) Goeddevonden (269 units security/frail care) 1 MVA <p>[2 MVA]</p>
	Total 10.1 MVA	Total 3.5 MVA	Total 4 MVA



Proposed interventions

Eskom supplies the Ceres area with a 132 kV line that has, due to consistent growth in demand, reached its capacity in 2014. A moratorium on all

new demand is currently in place. Upgrading the existing supply will consist of four phases with an associated cost of R250 million.

Critical actions

- *Continued communication with Eskom and role-players on the urgent upgrade of Eskom bulk supply to the value of R250m*
- *Implementation of the Illegal Connection policy to reduce losses and increase income from electricity.*

Management of landfill sites

The provision and operation of landfill sites in the Witzenberg Municipality have reached critical proportions due to drastically increased operating costs and permit conditions of existing sites, available landfill space and increasingly strict legislation to adhere to.

The **Ceres** landfill site has been closed since 1999 as a permit was not issued due to the nature of soil conditions that could lead to underground water pollution. Rehabilitation is however still outstanding at a cost of R 4,6m.

The **Prince Alfred's Hamlet** site is licensed for builders' rubble and garden refuse only, with the same geo-hydrological issues as the Ceres site. All builders' rubble and garden refuse from Ceres are dumped here. Vandalism and theft play a major role in the operation of the site as fences are stolen and infrastructure vandalised. Illegal entry also has the result that fires periodically break out at the site. Rehabilitation is however still outstanding at a cost of R54,3m.

The **Op-die-Berg** site needs to be closed in the near future due to high operating costs. Rehabilitation is however still outstanding at a cost of R6,1m.

The **Wolseley** site is licensed for general waste, garden refuse and builders' rubble and have sufficient space up to 2026. The municipality was forced to close the site, after the adjacent informal community burnt down the offices and damaged equipment, and it is not foreseen that the site will be opened again in the near future. Rehabilitation is however still outstanding at a cost of R28,2m.

The **Tulbagh** site has sufficient airspace for 3 months and a variation to the licence was applied for, but a court order was granted against the application. The court order indicated that the municipality has to resubmit its waste variation license with certain updates to the MEC to reconsider the amendment of our waste variation license.. If this Waste Variation License is not approved we will have to transport our solid waste to either Worcester or Drakenstein at high transport costs. The Tulbagh site needs to be upgraded to the value of R3,1m to comply with DEADP findings. Rehabilitation is however still outstanding at a cost of R19,3m.

The table below indicates the waste volumes generated per town:

<u>Town</u>	<u>Ton/annum</u>
<i>Tulbagh</i>	4 284
<i>Wolseley</i>	4 887
<i>Op-die-Berg</i>	3 083
<i>Prince Alfred's Hamlet</i>	2 781
<i>Ceres</i>	9 664
TOTAL	24 699

Witzenberg Municipality is in the process of developing a **long-term strategy for waste**

management as a whole. The strategy will be required to address the following issues:

Component	Activity	Description
Waste avoidance	Public awareness	The municipality developed and implemented a public awareness programme to promote waste avoidance and waste minimisation at source.
Waste collection	Optimise collection System	The municipality to optimise its waste collection resources.
Waste diversion	Recycling	The municipality should cooperate with the private recyclers in the municipal area instead of competing with them. Source-separated recyclables could be collected by the private recyclers after a competitive bidding process (tender). A wet MRF will be constructed at Ceres over the next 2 financial years. A waste drop off site is being constructed at Wolseley.
	Composting of green waste	The municipality should extend its current garden waste separation system to ban all garden waste from the domestic waste stream, thereby also capturing the fine garden waste (grass cuttings) for the composting process. A chipping and composting facility should be developed at the existing Prince Alfred's Hamlet garden waste site.
	Crushing of builder's rubble	Builder's rubble should be stored until a size stockpile is created to justify the mobilisation of a crusher. Such a storage area can spatially be provided at the centrally located proposed transfer facility or until then, at the Tulbagh landfill area.
	Food waste	The quantity of food waste in Witzenberg is too low to economically justify anaerobic digestion, but the food waste fraction could be composted with the garden waste. This would require source separation of food waste, but it is recommended that this activity be postponed until the composting of green waste has been successfully implemented. A zero waste to landfill pilot is currently being done at Tulbagh.
	Waste-to-energy	Witzenberg's waste volumes are too low to economically justify waste-to-energy technologies.
Waste disposal	Disposal at licensed landfill	Witzenberg Municipality has the option to either utilise the proposed new regional landfill near Worcester or to further develop the existing Tulbagh landfill. It is recommended that the regional initiative be supported because the transport cost would be the incentive to maximise the diversion of waste from landfill. A centrally located transfer facility should be established near Wolseley where the collected waste, after diversion technologies have been applied, would be transferred to long-haul vehicles.

Investigate usage of **regional landfill sites**. The development of a regional landfill site at Worcester is currently in process with the purpose to accommodate the municipalities of Witzenberg, Breede Valley (Worcester) and Langeberg (Robertson, Ashton, Montagu).

The operation of a regional site should see a decrease in operating costs, but transport costs should determine if such a shift would be viable.

TABLE: CAPITAL AND OPERATIONAL COST REQUIREMENTS

Activity	Capital Cost	Annual Operational Cost	Timeline
Public awareness programme		Approximately R300 000	Completed
Waste Collection System	R11 500 000	R5 395 392	The procurement of the new RELs can be phased in over 3 years
Recycling		Approximately R660,000	Advertise a 3-year tender for the collection of source-separated recyclables in 2020/2021
Composting	R3 748 000	Approximately R2 300 000	Develop composting facility at PAH site in 2021/22
Crushing		Approximately R520 000	Commence immediately with separation and stockpiling of builder's rubble at Tulbagh landfill
Food waste separation			Zero waste to landfill Pilot currently running at Tulbagh
Regional waste disposal	Landfill = R7 227 232 Transfer facility = R14 420 000	Landfill = R1 667 709 Transfer = R2 073 165	Transfer facility (MRF) to be constructed in 2020/22 as it is the anticipated commissioning date of the regional landfill
Other	4 public drop-offs = R14 840 000 Rehab Ceres = R4 607 860 Rehab Wolseley = R28 287 038 Rehab Op-die-Berg = R6 138 630 Rehab PAH = R54 364 245 Rehab Tulbagh = R19 324 622	4 public drop-offs = R8 580 000	The public drop-offs should be constructed before the local landfill closure. The rehabilitation of the closed landfills can be scheduled to meet the budget. Drop off currently being constructed at Wolseley.

Witzenberg Municipality has a long-term twinning agreement with Essen Municipality in Belgium. As part of their Federal Government Programme, an application was approved for intellectual assistance and funding for the abovementioned strategy and related infrastructure such as the material recovery

facility. The project will further assist with the establishment of drop-off points (transfer stations) in all towns that would replace the existing skip system. Additional funding for the MRF and one drop-off was approved MIG and own funding.

PROGRAMME 1.1 (B): UPGRADE AND MAINTENANCE OF NETWORK INFRASTRUCTURE

Water and sanitation networks

The Witzenberg urban area is serviced through 224 km of water networks and 199 km of sewer networks with pipes varying in diameter. All urban areas have access to a water connection point with the exception of the informal areas of Tulbagh, Wolseley and N'Duli, which are supplied with communal water points. All urban areas have access to a sewerage connection point with the exception of approximately 25% of the Op-die-Berg and Prince Alfred's Hamlet consumers that are not connected to a network but use septic tanks that are emptied on request. The informal areas are provided with communal toilets. Septic tanks are serviced by two sewerage

trucks over an area of 10,753 km² that entails mainly rural areas.

Normal maintenance and repair has increased drastically over the past couple of years due to the ageing of networks. A pipe replacement programme and upgrade of pump stations programme are being implemented and budgeted for on an annual basis. The increasing number of pipe breakages also has an influence on water losses, although water losses have decreased significantly over the past couple of years due to several interventions that were implemented.

Achievements

Electrical networks

Ongoing maintenance of the network is essential to safeguard network reliability and sustainability and to ensure safe working conditions for employees and consumer safety. The cable network of **Ceres** is considered sufficient to handle a reasonable capacity increase over the foreseeable short to medium term.

In the case of both **Wolseley** and **Tulbagh**, the cable capacity is 2,38 MVA, which is insufficient to handle the Maximum Notified Demand and the 35 mm cables should be replaced with 70 mm cables. Ageing infrastructure considered very outdated and even dangerous to operate are, e.g., oil circuit breakers which are estimated to be up to 50 years old and spares are not available. Old outdoor switchgear is susceptible to water ingress.

The **electrical masterplan** was reviewed in 2019 as it was last done in 2011. Witzenberg has

developed a **Small-scale Embedded Generation (SSEG)** plan that will support the management of renewable energy production in the municipal jurisdiction. The municipality will continue with upgrading and installing street and public lighting to ensure a safe environment.

However, continued cable theft and vandalism pose a threat to the sustainable and safe provisioning of electricity and street lighting.

Illegal connections, especially in areas such as N'Duli and Pine Valley (Wolseley), pose a major threat in terms of electrical losses, loss of income and public safety if not properly addressed. Although electricity losses are well managed at 10,5% annually it remains just above the 10% norm set by the Department of Energy, losses in areas such as N'Duli remain out of control, at times exceeding 85% mainly due to illegal

connections with the result that only 15% of electricity supplied to the area is metered.

Especially in die winter, the N'Duli associated network trips due to overload. This constant

tripping obviously has a frustratingly detrimental effect on the consumers with legal connections.

<i>Infrastructure Investment</i>			
<i>Project Name</i>	<i>Area</i>	<i>Budget</i>	<i>Year</i>
<i>Replacement of MV equipment</i>	<i>All towns</i>	<i>R5,2m</i>	<i>2020/23</i>
<i>MV Capital reinvestment upgrades</i>	<i>All towns</i>	<i>R1m</i>	<i>2020/23</i>
<i>Upgrade LV cables</i>	<i>All towns</i>	<i>R1,2m</i>	<i>2020/23</i>

Achievements

Solid waste collection

All formal urban residential erven receive a **weekly door-to-door waste collection** service with a wheelie-bin system being implemented in 2016/17 for business. The implementation of the wheelie-bin system was necessary to ensure business pays for the amount of waste generated, as it was problematic with the provision of black bags in the past. The system further encourages recycling as business will save on waste removal costs when waste is collected by private recycling companies. It also addresses the problem of black bags and waste in boxes being left on pavements for collection that created pollution and unsightly streets. A new Compactor was procured in 2018/19 budget.

The **minimisation of waste** by private households is encouraged through public awareness and educational programmes. The strategic placement of large recycle bins at especially shopping centres and schools will be further expanded to support waste minimisation and

recycling. The cost-effectiveness of recycling is still problematic as Witzenberg has low populations with limited volumes of waste generated. To increase the cost-effectiveness of the business, private companies have engaged with commercial farmers and the agri-industry to collect waste to increase volumes.

Approximately 70 skips are distributed throughout towns for the **collection of garden refuse**. An additional skip truck was procured in 2016 to alleviate backlogs, but illegal dumping, dumping of household waste in skips and overflowing skips still remain an immense challenge. The municipality appointed additional law enforcement officers in 2016/17 to assist with curbing of illegal dumping.

Witzenberg will further implement a **waste management strategy** as mentioned under Programme 1.1 Sustainable provision and maintenance of basic services infrastructure – Managing of landfill sites that will include the

Critical actions

- Continued communication with Eskom and role-players on the urgent upgrade of Eskom bulk supply to the value of R250m
- Implementation of the Illegal Connection policy to reduce losses and increase income from electricity.

placement of **drop-off points** (transfer stations) to replace the skips. The first drop-off point in Wolseley is being constructed this financial year, drop off points will be strategically placed in all towns with permanent personnel. A thorough **public awareness campaign** with ward committees and door-to-door visits by “~~Youth Working on Waste~~” Waste Ambassadors (~~Programme by Department of Environmental Affairs~~) will ensure public buy-in. The project is partly funded with the assistance of **Essen Municipality in Belgium** with whom Witzenberg has a long-term twinning agreement.

The volumes of garden waste generated by the public are however insufficient to cost-effectively

implement a composting facility and it is foreseen that Witzenberg will enter a **partnership with local private composting companies**. The strategy will also seek to implement more cost-effective operational methods as it is expected that the establishment of new RDP housing projects will put more pressure on the existing workforce and vehicles. Over the past 15 years, **residential households increased by approximately 30%** and it is expected that the trend will continue over the next 10 years mainly due to the implementation of RDP housing projects. The existing workforce and vehicles will therefore have to be increased to ensure a sustainable service.

■ PROGRAMME 1.1 (C): TRANSPORT MANAGEMENT AND ROAD MAINTENANCE

Integrated Transport planning

This transport field is responsible for transport planning, road planning, traffic engineering and implementation of the Integrated Transport Plan (ITP) with the streets and stormwater infrastructure that include the upgrade, rehabilitation and maintenance of road infrastructure, stormwater drainage and the adequacy of traffic signage and road markings and public transport infrastructure.

The Witzenberg Local Integrated Transport Plan 2010-2015 was adopted in 14 December 2010, with the Witzenberg Local Integrated Transport Plan (LITP) 2022-2027 being reviewed prepared as part of the Cape Winelands District Integrated Transport Plan (DITP) 2022- 2027.

Roads Master Planning

A new Roads Master Plan was approved by Council in February 2021.

The Witzenberg area has been experiencing urban development growth in the recent years. It is essential that all development planning be guided by a predetermined Roads Master Plan.

The Vision for Witzenberg LM Roads Master Plan was formulated to be “To provide a safe, reliable, effective and efficient road and transport system to serve the public of Witzenberg Municipality”.

The municipal road network is in good condition, 59% of road network being in a very

good to good condition, 30% being in fair condition with 11% being poor and very poor. Out of the 204.8km of road, 91% is black top roads, 2% is block paved and 7% is gravel roads. The proposed maintenance cost over 2-3years is R42.4 mil.

Five bridges and 3 major culverts were assessed as part of the RRAMS project. The maintenance cost of these structures without professional fees were estimated to be R1.59 mil.

Traffic counts were done on 108 intersections. The AM & PM peak hours were extracted, and operational analysis were done for the current

scenario and geometry. Only six intersections operated with an approach lower than LOS D.

Potentially dangerous intersections on Vos Street (R303) and Voortrekker Street (R46) were identified by others and further investigated.

Minibus taxis is the main source of public transport within Witzenberg LM, in the absence of a public bus service. There is a need to consolidate the various taxi ranks in Ceres.

A host of new pedestrian walkways were identified as well as the required maintenance on existing facilities. In the town of Ceres, kerbs at pedestrian crossings must be dropped to improve universal access.

Precinct planning were previously done in Ceres and Tulbagh. A variety of projects were proposed to connect nodes with general beautifying of the area, improve vehicular, pedestrian and cycle movements. The proposed cost for Ceres was R56 mil and R7.2 mil for Tulbagh.

New spatial plans from the 2020 SDF were used to assess new roads to be developed. Various new bridge connections were also identified in Ceres and Tulbagh.

The six intersections which previously exceeded LOS D, were further analysed at a 3.7% traffic growth over the next 5 years. Some proposal is made in terms of the upgrading of these intersections. An additional two intersections in Nduli which did not exceed the LOS D were also analysed with a growth of 3.7% over the next 5 years, as these intersections are expected to see a rapid growth in traffic volumes upon completion of the Vredebos development.

Stormwater Master Planning

The site for the new taxi rank has been identified and should be pursued within the short to medium term. Negotiations with the property owner must precede any formal planning.

Pedestrian and cycle facilities should be a requirement up to Class 4 roads which are generally bus or taxi routes. Class 5 roads may however be fitted with walkways or cycling lanes, if it serves public land-uses like schools, hospitals or community buildings.

Freight routes and by-pass routes were identified by previous studies. The initial survey, planning and environmental approvals should be sought in the short to medium term. Mention is made of a Petroport truck stop facility outside Ceres. This would give the trucks a place to overnight and eliminate the current illegal parking within the Witzenberg LM towns.

Master Planning is key to provide long term steering of projects, with the SDF and IDP planning for a shorter term. Municipal Grants like MIG is key to the sustainability of municipal projects. Developer contributions should be used to augment the bulk infrastructure where required.

The strategy for prioritising projects would be;

- All maintenance and repair actions should happen over the short and medium term;
- All small to medium size capital projects should happen over the short and medium term;
- All project likely to fall outside of this scope should happen over the long term;
- The initial work for the long-term projects (survey, planning and environmental), should be done over the short to medium term;

The Witzenberg area has been experiencing urban development growth in the recent years. It is essential that all development planning be guided by a predetermined Stormwater Plan.

The Vision for Witzenberg LM Stormwater Plan was formulated to be “To provide a database for the Witzenberg Municipality where all stormwater data can be viewed, queried, stored, added, maintained and expanded.

The Stormwater Master Plans must identify upgrades to the existing stormwater system and propose new infrastructure in order to meet current and future infrastructure needs to accommodate growth. It must include a funding model and a programme for the implementation of all the projects identified and prioritized. It must evaluate the long-term viability of existing infrastructure to cope with expansion and augmentation.”

The Witzenberg LED Strategy (2004) stated that flooding of stormwater pipes is common in winter as these pipes are not inspected for blockages in the summer as required. The Draft Reviewed IDP 2019-2020 indicated that some areas within the Witzenberg Municipality have inadequate stormwater systems.

The existing stormwater infrastructure within Witzenberg is made up of 68.6 km of reticulation and 35.6 km of open channel.

The condition of the stormwater infrastructure was assessed based on blockage and structural integrity. 92% were found to be less than 25% blocked, 3% were found to be partially blocked, and 5% were full of material (litter or debris). 46% of the structures were in a good condition, 39% were found to be in fair condition, and 15% were found to be in poor (damaged or broken) condition.

For the study area 28% of the Witzenberg PCSWMM model (existing minor system) require new stormwater infrastructure

(upgrades, replacements and additional stormwater systems).

Pipe replacement and new minor systems for resolving the problem areas are proposed in this report, together with preliminary cost estimates. Costs have been calculated for each conduit that requires upgrading or new infrastructure to increase the capacity of the existing stormwater network.

The total cost estimate for the installation and upgrading of the local minor stormwater network to either the 1:2 year and 1:5 year return period standard amounts to R180.8 million, excluding long-term upgrade proposals, and R190.2 million including long-term upgrade proposals.

The hydrological analyses have indicated that the future developments requires the inclusion of detention facilities in the modelling in order to reduce the estimated post-development flood peaks to the predevelopment flood peaks.

Where practically possible, developments should be required to accommodate the difference between the pre and post-development run-offs up to the 1:50 year flood, on the development. This will reduce major and minor stormwater run-off and improve water quality.

The detention ponds modelled and proposed to be implemented to reduce the future peak floods within Witzenberg Municipal area. The high level cost estimate to construct these detention ponds amounts to R159.9 million. The bulk stormwater infrastructure required to connect the future developments to existing watercourses or the existing stormwater network amounts to R19.7 million. The proposed bulk stormwater
The main concern is that developments within Ceres and Wolseley are within the 1:50 Koekedow Flood lines.

<i>Infrastructure Investment</i>			
<i>Project Name</i>	<i>Area</i>	<i>Budget</i>	<i>Year</i>
<i>Upgrade Van Breda bridge</i>	<i>Ceres</i>	<i>R50m</i>	<i>2021/22, 2022/2023</i>
<i>Pedestrian Sidewalks Rooikamp</i>	<i>Ceres</i>	<i>R0.5m</i>	<i>2022/23</i>
<i>Nduli Infill Internal Roads</i>	<i>Vredebess</i>	<i>R2.82m</i>	<i>2022/23</i>
<i>Nduli Infill Internal Storm water</i>	<i>Vredebess</i>	<i>R2.82m</i>	<i>2022/23</i>

II. OBJECTIVE 1.2: PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS THROUGH IMPROVED SERVICES

The Constitution of South Africa sets out in Section 152.1 the responsibilities of local government with the emphasis on the provision of services to communities in a sustainable manner. The provision of services to formal billed households is covered under the previous strategic objective.

The provision of services to informal settlements create another type of challenge as informal communities are usually made up of the more vulnerable groupings with limited access to services, which usually consist of communal infrastructure.

It is for this reason that Witzenberg has identified informal settlements as one of its

PROGRAMME 1.2 (A): IMPLEMENTATION OF HUMAN SETTLEMENT PLAN (SERVICED SITES)

Serviced sites are funded by the Department of Human Settlements under the Upgrading of Informal Settlements Programme at approximately R60 000 per site. Services included are a water connection, toilet with washbasin and surfaced roads.

Electrical networks are funded by the Department of Energy. Serviced sites projects were recently completed at Prince Alfred's Hamlet (242 sites) and Pine Valley, Wolseley (158 sites). Although 605 serviced sites were completed in 2016/17 in Vredebess with a further 635 sites planned for 2018/19, these sites are earmarked for the construction of top structures. It is expected that serviced sites will be developed in the N'Duli informal settlement for beneficiaries who would not qualify for a housing subsidy at the Vredebess development.

At this stage the number of non-qualifiers is unknown as surveys are presently in process

strategic objectives to ensure that the provision of services and upgrade of informal areas receive priority attention. This objective addresses the provision of services to existing informal settlements and the upgrade of informal areas through the Department of Human Settlements programme for the development of serviced sites.

The implementation of housing programmes such as RDP and FLISP is discussed under the Strategic Objective – "Support the poor and vulnerable through programmes and policy" as it relates to the construction of top structures.

amongst the approximately 1096 families living in the N'Duli informal settlement. The N'Duli housing project were planned to be implemented in 2021/22 to ensure alignment with the Vredebess construction of houses but due to the delay in construction on Vredebess the N'Duli project could not start yet. It is expected that some of the approved qualified beneficiaries in the N'Duli informal settlement will be accommodated at Vredebess. The informal areas in N'Duli are planned to be upgraded for top structures for those that qualify as well as serviced sites for the non-qualifiers.

The provision of serviced sites for non-qualifiers does create a problem as a number of the non-qualifiers are foreign citizens with the result that these can't be upgraded with top structures in the future. It is further experienced in areas such as Prince Alfred's Hamlet and Pine Valley where serviced sites were occupied in the past, that the sites are occupied by more than one family, in some cases as many as six families, which also

hampers the upgrade to top structures as the additional families will have to be accommodated in a new project. A service provider was appointed by the DoHS so assist the municipality with the enumeration

of the informal settlements in Tulbagh and N’duli over the period 1 April 2019 to 31 March 2021.

▪ **PROGRAMME 1.2 (B): PROVISION AND MAINTENANCE OF COMMUNAL SERVICES**

The informal areas of N’Duli, Pine Valley and Tulbagh are serviced with communal toilets and water points.

The table below gives an indication of the number households and services ratio:

Informal household with communal services

<i>Informal area</i>	<i>Households</i>	<i>Water points</i>	<i>Toilets</i>
<i>N’Duli, Ceres</i>	1114	25	14
<i>Tulbagh</i>	1725	102	145(including chemical toilets)
<i>Pine Valley, Wolseley</i>	17909	9	43 in total Only 15 in working condition

Note: The number of service points as at end of June 2020. Tulbagh service points include serviced sites occupied by more than one household.

The aforementioned informal areas have limited access to an electrical network. The main reason being that the Department of Energy does not fund electrical networks in informal areas. The upgrade of informal areas to serviced sites is however funded. The maintenance of the communal facilities is managed by the housing section. Due to limited capacity and on-going vandalism, facilities are not always in a working order with blockages resulting in sewer overflows that lead to unhygienic conditions. It remains one

of the biggest challenges for the Housing Department to provide education on the hygiene and usage of the public facilities. These conditions are further examples of the urgent need to upgrade the informal settlements. Refuse bags are distributed for weekly door-to-door collections. The system is not always effective with illegal dumping and littering ongoing. Skips are also placed at some areas with regular cleaning operations by the cleansing department.

▪ **PROGRAMME 1.2 (C): MANAGEMENT AND CONTROL OF INFORMAL SETTLEMENTS AND ILLEGAL OCCUPATION**

The programme focuses on the management and control of informal settlements in relation to in-migration and unlawful occupation especially in the informal settlements of N’Duli, Tulbagh and Pine Valley (Wolseley). The growth of informal settlements is monitored through a bi-annual count by officials from the Housing Department. The demolishing of illegal structures through a legal process is however costly and time consuming. Capacity of law

enforcers is limited and they have to work after hours and over weekends. Eight additional EPWP workers were utilised from 16 December 2018 to assist the housing officials and law enforcement to demolish illegal structures.

Two additional EPWP workers were appointed as from 1 April 2018 to assist with the cleaning of ASLA Camp p and these contract are still ongoing.

Key Performance Area 2

GOVERNANCE

OBJECTIVE 2.1:

SUPPORT INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

OBJECTIVE 2.2:

ENSURE FINANCIAL VIABILITY

OBJECTIVE 2.3:

MAINTAIN AND STRENGTHEN RELATIONS WITH INTERNATIONAL – AND INTER-GOVERNMENTAL PARTNERS AS WELL AS THE LOCAL COMMUNITY



B. GOVERNANCE

I. OBJECTIVE 2.1 SUPPORT INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

■ PROGRAMME 2.1 (A) HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

The Witzenberg Municipality employs 561 officials (30 June 2016) (permanent and temporary employees) excluding councillors, who individually and collectively contribute to the achievement of the municipality's objectives.

The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function. There were 49 vacant positions at the end 2015/16, resulting in a vacancy rate of 5,7%. Measurements are to

be put in place to ensure that vacant positions are filled as soon as possible for service delivery to continue.

Witzenberg has put in place a set of human resource (HR) management and development processes, including performance management, personal development plans and workplace skills planning, all of which guide staff training and development. These also deliver effective talent management by creating a 'fit for purpose' organisation that is service delivery-oriented.

Performance management

The TASK process needs to be completed as a matter of urgency with proper job descriptions for all positions on the approved organogram. Witzenberg will further start with the roll-out of operating procedures in certain departments with evaluation measures to ensure effective

personnel performance management. The latter will ensure more effective disciplinary action, and policies and measures will be put in place to ensure that disciplinary actions are timeously finalised.

Equity

The Employment Equity Act (1998), Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a

designated employer. The national performance indicator also refers to: "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".

EE targets/Actual by racial classification

Development

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable

way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

▪ PROGRAMME 2.1 (B): LAW ENFORCEMENT AND TRAFFIC

Witzenberg aims to expand partnerships with communities, the private sector and other departments and spheres of government to improve safety and security. The aims of the Traffic Department Law Enforcement Department are as follows:

- Reduce road accident fatalities within the region and increase service delivery to all the towns within Witzenberg.
- Develop road safety initiatives and programmes aimed at educational institutions from primary to tertiary level.
- Ensure increased legal compliance to through enforcement of municipal by-laws and traffic regulations.
- Implement the Violence Prevention through Urban Upgrading (VPUU) programme
- Develop strategies to reduce road fatalities within Witzenberg

VPUU is a systemic approach to neighbourhood upgrades. It is a multilateral collaboration between Witzenberg, the Provincial Government and residents of a specific geographic area. VPUU aims to prevent violence in these areas and, consequently, to improve the quality of life of the residents. The goals include a general increase in the safety of the beneficiary population, upgrades to neighbourhood facilities, and economic and community development.

We are acutely aware that the Traffic Department is understaffed, which impacts negatively on the department's ability to effectively deal with traffic violations within the municipal jurisdictional area. It is therefore critical that the law enforcement personnel (traffic component) be progressively expanded over the next five years. The traffic infrastructure also needs to be upgraded to comply with the provincial and national regulations and requirements. It is also envisaged to purchase new traffic vehicles over

the IDP term in order to render the department competitive in combating traffic-related offences. Responding to traffic-related offences as well as general law enforcement matters is not only a municipal traffic function, but also includes positive action from other law enforcement agencies. Intergovernmental relations will thus be strengthened to combat crime effectively within the Witzenberg area and to promote a proactive stance to public safety. It is further envisaged that a specialised traffic officers' component (fast response unit) be established that will lead the municipality's zero tolerance approach to speeding, reckless, negligent and drunk driving. Strategies will include specialised operations to apprehend offenders and start a name-and-shame campaign.

During October 2020 Witzenberg Municipality, together with the Department of Community Safety recruited seven peace officers to assist with the enforcement COVID 19 regulations, these learners are to be utilised on twelve month learner ship program assist the municipality render more effective and efficient by-law enforcement within Witzenberg. Coupled with the intended expansion of the fleet of traffic vehicles, the visibility and effectiveness of traffic services in all the responsible areas of Witzenberg, especially the outer towns, will improve due to this initiative.

The gradual implementation of the amended organogram will streamline the different work components and not only improve the level of service in all spheres of the department, but also present career opportunities.

During the course of the second and third quarter of the 2020 resources within the uniform component was strained mainly due to the COVID 19 Disaster Management Act and the enforcement of said regulations. Currently most

of the services are decentralised to Ceres and needs to be expanded to the other towns within Witzenberg.

The intended expansion of the law enforcement component and the increased number of prosecutions, coupled with the possible impounding of items, pose a storage dilemma because at present there is no storage facility for impounded items. The long-term goal is to make available suitably secure storage facilities for such impoundments, which will in turn curb the present continuum of violations. For the period June 2020 until January 2021, 5 020

traffic cases, 40 arrest 58 vehicles were suspended by traffic officers. In addition for same period Law Enforcement Officers issued 789 violations with 23 arrest.

The Witzenberg Traffic Department is gradually expanding its services and operations, within all the towns however a decentralised approach will enhance service delivery to the various communities. However, this can only be done with expert planning, coupled with experienced management and the availability of adequate resources and financial provision.

■ PROGRAMME 2.1 (C): SPATIAL AND TOWN PLANNING

The **Spatial Planning and Land Use Management Act** (Act 16 of 2013)(SPLUMA) brought about a new planning system which was implemented on 1 July 2015. The SPLUMA replaced the old 1985 Ordinance that was found to be unconstitutional. The most far-reaching changes are the following:

- Municipalities needed to regulate their own planning function within the legislative framework (SPLUMA) set by National Government. To this end the Witzenberg Land Use Planning By-Law was approved by Council and gazetted on 21 August 2015.
- Municipalities had to establish a Municipal Planning Tribunal (MPT) in order to determine land use and development applications. Witzenberg Council appointed the MPT members on 26 November 2015, consisting of 5 members; 3 internal and 2 external.
- Municipalities must adopt a single land use scheme within five years of implementation of the SPLUMA.
- The executive authority of the municipality is the appeal authority.
- Developments that will have an effect on provincial planning and agriculture will also need approval from the Provincial Department of Environmental Affairs and Development Planning.

Spatial Development Framework

Legislation requires that the Municipality adopt an SDF concurrently with the adoption of the IDP, which SDF must give spatial expression to the goals and objectives of the IDP.

Consultants were appointed early in 2019 to review the SDF. Council approved the process plan on 31 July 2019.

Public engagements were held between 18 and 25 November 2019 at venues located in each of the towns. The draft SDF was also advertised in the press for public comment until 31 January 2020, and the Provincial Gazette with the closing date 30 March 2020.

Pursuant to section 13 of the Western Cape Land Use Planning Act, 2014 the draft SDF was presented to the Minister for comment on 4 February 2020. Comment was received from the Minister's Head of Department: Environmental Affairs and Development Planning on 5 February 2020.

On 27 May 2020 the final SDF was adopted by Council.

■

Single Land Use Scheme

Under the previous planning system, the municipality had three zoning schemes. The Spatial Planning and Land Use Management Act, 2013 stipulates in Section 24(1) that a municipality must adopt a single land use scheme for its entire municipal area within a year of the commencement of said Act.

Consequently, on 30 September 2019, Council adopted the Zoning Scheme By-law.

Precinct Planning

The 2020 Municipal Spatial Development Framework (MSDF) sets out spatial policy, plans, proposals, guidelines, and implementation measures for Witzenberg Municipality as a whole and individual settlements within the Municipality. The individual town plans in turn each identify priority areas where more detailed planning, such as precinct plans, are required. Priority Focus Area

1 for Ceres was identified as the area between Ceres, Bella Vista and Nduli, where future growth should be accommodated in a structured and integrated manner.

This process to compile a precinct plan for the area of Ceres, Bella Vista and Nduli was initiated as an extension to the MSDF 2019/20 process.

During the month of August and September 2020 the draft document was finalized through the development of a concept and first draft proposals. These proposals were submitted to municipal officials for inputs.

Workshops with Council took place on 23 February 2021. It is envisaged that the plan will be adopted mid-2021.



PROGRAMME 2.1 (D): ADMINISTRATION

The Administration Section aims to ensure good governance, administrative transparency and openness. To promote clean and sound administration and to ensure access and

information in respect of Council resolutions, minutes, policies and by-laws. Witzenberg has started to implement a paperless policy to reduce use of paper with Council agendas and minutes.

PROGRAMME 2.1 (E): FLEET MANAGEMENT

Witzenberg will develop a vehicle replacement policy that will entail the effective maintenance of vehicular resources and a well-planned

replacement programme for ageing vehicle fleets spanning five, 10 and 15 years. Witzenberg is currently in the process of investigating the

financial implications of long-term leasing. A vehicle tracking system will be implemented

during 2017/18 to ensure effective monitoring and cost-effective usage of the municipal fleet.

▪ **PROGRAMME 2.1 (F): TRANSPARENT GOVERNMENT (OVERSIGHT)**

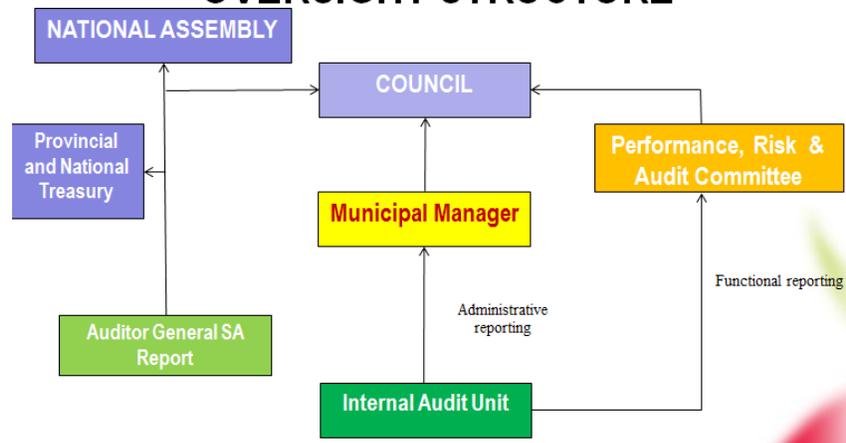
According to Section 62(c) of the MFMA, the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control and **internal audit** operating in accordance with any prescribed norms and standards

Section 165 further states that a municipality must have an internal audit unit that advises the accounting officer and reports to the audit

committee on the implementation of the internal audit plan and matters relating to -

- internal audit and internal controls; accounting procedures and practices;
- risk and risk management and performance management;
- loss control; and compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.

OVERSIGHT STRUCTURE



The Witzenberg Internal Audit unit must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation’s governance, operations and information systems regarding the:

- reliability and integrity of financial and operational information
- effectiveness and efficiency of operations and programmes
- safeguarding of assets; and
- compliance with laws, regulations, polices, procedures and contracts.

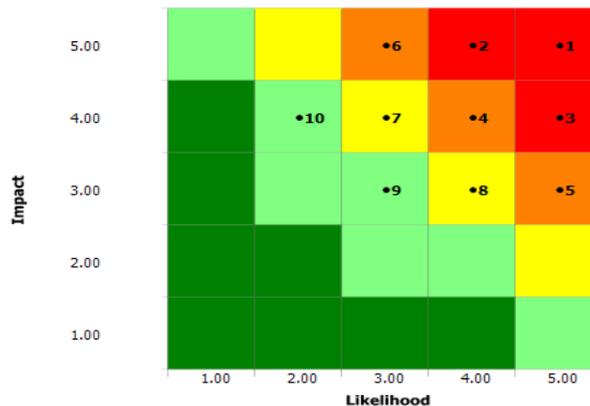
Internal Audit assists the organisation in maintaining effective controls (of which management is the custodian) by evaluating the effectiveness and efficiency and by promoting continuous improvement. A “fraud hotline” (0800 701 701) has been implemented and is communicated on a regular basis through newsletters.

Council takes an interest in **Risk Management** to the extent necessary to obtain assurance that properly established and functioning systems of risk management are in place to protect Witzenberg Municipality against significant risks.

Council has to report to the community on the municipality's system of internal control. This provides comfort that the municipality is protected

against significant risks to ensure the achievement of objectives as detailed in the Service Delivery and Budget Improvement Plan (SDBIP).

Inherent risk heat map for Witzenberg Municipality indicating the top major risks applicable.



Title	II	IL	IR	Pt
Major unplanned not disaster related interruptions to service deliver	5.0	5.0	25.0	1
Inadequate supply for electricity to meet existing and future demands	5.0	4.0	20.0	2
Un-recoverability of outstanding receivables	5.0	4.0	20.0	2
Uneconomical utilization of assets (Klipriver Park)	4.0	5.0	20.0	3
Poor growth in revenue base	4.0	5.0	20.0	3
Non-compliance to rehabilitate closed landfill site	4.0	5.0	20.0	3
Deteriorating electrical infrastructure	4.0	5.0	20.0	3
Deteriorating water and sanitation pipe infrastructure	4.0	5.0	20.0	3
Solid waste management ineffective	4.0	5.0	20.0	3
Inability to implement provincial approved budgeted housing projects	4.0	5.0	20.0	3
Increase in unaccounted water and electricity losses	4.0	5.0	20.0	3
Inability to create a safe environment for communities	4.0	5.0	20.0	3
Escalation in vulnerable households	4.0	5.0	20.0	3
Deteriorating road infrastructure	4.0	5.0	20.0	3
Community is dissatisfied with slow progress towards services delivery	4.0	5.0	20.0	3
Growth in informal settlements	4.0	5.0	20.0	3

II – Inherent Impact; IL – Inherent Likelihood; IR – Inherent Rating; RR – Residual Rating; Pt – Map Indicator.

PROGRAMME 2.1 (G): DISASTER MANAGEMENT AND FIREFIGHTING

2.1.1 Fire and Rescue Services

The CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (ACT 108 OF 1996) establishes fire-fighting services as a Local Government matter. The FIRE BRIGADE SERVICES ACT (99 OF 1987) provides for the Witzenberg Municipality as a local authority to establish and maintain a fire brigade service for the following different purpose:

a. Preventing the outbreak or spread of a fire;

- Fighting or extinguishing a fire;
- The protection of life or property against a fire or other threatening danger;
- The rescue of life or property from a fire or other danger;
- Subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or
- The performance of any other function connected with any of the matters

referred to in paragraphs (a) to (e).

The Witzenberg Municipality therefore has the duty to perform the following firefighting functions:

- Coordination and regulation of local authority fire services, designated fire authorities and volunteer fire associations;
- Development of specialised fire services capacity to deal with specialised fire risks prevalent in the area such as veld fires, chemical incidents, informal settlement fires, etc.;
- Facilitation and coordination of the training and development of practitioners;
- Development and facilitation of the implementation of standardised municipal By-laws;
- Coordinate planning for the provision of fire safety and prevention;
- Development, support and implementation of community-based fire safety and Prevention programs;
- Preventing the outbreak and or spread of a fire;
- The provision of information, publicity, training, education and encouragement in respect of the steps to be taken to prevent fires and death or injury by fire;
- Conduct regular and random fire safety inspections;
- Provide advice on the means of escape from buildings and other property in case of fire;
- Fighting and extinguishing a fire; by making arrangements amongst others for having sufficient staff, equipment and vehicles at its disposal to deal with the fire risks in its area of jurisdiction;
- Provide for call taking and dispatching facilities to deal with incoming calls to

report emergencies and summoning personnel and resources amongst others;

- Control and stabilisation of dangerous goods incidents;
- Protection of life and or property against fire or other related danger;
- Rescue of life and or property from fire or another form of entrapment;
- Rendering of an emergency medical care.
- Participation in special events planning;
- Provision of fire resilience training to fire practitioners and civil society at large;
- Conducting fire risk assessments;
- Provision of training and to fire services practitioners;

The SOUTH AFRICAN NATIONAL STANDARD for COMMUNITY PROTECTION AGAINST FIRE, SANS 10090:2018, is a measurement tool that indicates whether a fire service is meeting the minimum mandatory community fire protection standard, which in turn is indicative of whether a fire authority is indeed contributing to the objects of local government. The Witzenberg Municipality Fire and Rescue Service is currently classified as a category 5(b) which mean that we meet the performance criteria for staff availability and appliance availability by only 35% to 45%.

2.1.2 Disaster Management Services

DISASTER MANAGEMENT ACT (57 OF 2005), Sections 52 and 53 require each municipality and municipal entity to prepare a Disaster Management Plan (DMP). The Witzenberg municipality has a legislated duty to:

- Establish a functional Disaster Management Centre.
- Appoint of a Head of Centre and suitably qualified persons.
- Responsible for the implementation and maintenance of an all-hazard, full-spectrum comprehensive disaster management programme, ensuring:

- Prevention
- Mitigation
- Preparedness
- Response.
- Rehabilitation and reconstruction
- Monitor progress with post-disaster recovery & rehabilitation.
- Serve as repository of and conduit for, disaster information.
- Be the advisory and consultative body on disaster issues.
- Make recommendations regarding DM funding.
- Make recommendations on legislation affecting DM.

- Promote the recruitment, training and participation of volunteers in DM.
- Promote disaster management capacity building, training and education throughout the republic, including in schools.
- Promote research into all aspects of disaster management.

Liaise and coordinate its activities with other relevant DM Centres.

II. OBJECTIVE 2.2: ENSURE FINANCIAL VIABILITY

The objective is to ensure that Witzenberg Municipality is financially viable over the short term and sustainable over the long term, while tariff increases are kept as low as possible to ensure that tariffs are affordable to the community at large and competitive to ensure that new businesses and/or industries are attracted.

The development of plots and building of RDP houses are challenges to the financial viability and sustainability of Witzenberg Municipality as most of the beneficiaries will qualify for indigent support and will not contribute financially to the municipality, but will be entitled to municipal services. The current workforce also needs to be extended to ensure service delivery to the new houses.

The maximum electricity demand of the Witzenberg Municipality reached the maximum supply by Eskom. Increased demand can only be supplied by Eskom in 2030. The lack of available electricity supply has a negative effect on economic growth, which also has an effect on the creation of work opportunities and the financial viability and sustainability of the municipality.

The collection rate of the municipality has decreased from 94% to 88%. This was primarily due to credit control measures not being implemented as a form of Covid-19 relief to the community. It is expected that the collection rate will increase again as we have started to implement credit control measures and have thus estimated that the budgeted collection rate for the new financial year will reach 91%.

▪ PROGRAMME 2.2 (A): INCOME AND DEBT MANAGEMENT

The revenue must be increased to ensure that Witzenberg Municipality can meet all its

financial obligations and to improve service delivery. A policy providing for rebates on

municipal services is available to new businesses/industries or extension of existing businesses/industries where new jobs are created.

New businesses and/or industries will not only increase the revenue base of the municipality but will also assist in reducing unemployment – one of the largest challenges for Witzenberg Municipality.

Witzenberg Municipality's revenue stream is modelled on a combination of past trends, forecasted economic and fiscal conditions. The revenue sources are monitored and determined to ensure sustainable medium-term to long-term cash flows.

Consumers are billed once a month for services rendered. In addition to the current practice of

printing and mailing, technology will be utilised to implement an e-billing solution (**Citizen Mobile Portal**), using e-mail technology to make invoices more accessible and to encourage online transacting for citizens with internet access. Witzenberg will implement a Geospatial Information System to display billing information on maps to determine whether all users receive accounts and to easily view outstanding discrepancies.

The biggest problems exist in the towns of N'Duli, Prince Alfred's Hamlet and Op-die-Berg. The main reason being that effective debt collection through the cutting of electricity can't be implemented as Op-die-Berg and Prince Alfred's Hamlet are serviced by Eskom and in N'Duli illegal electricity connections can't be addressed due to safety issues of personnel.

Critical Actions

Strict implementation of debt policies

▪ **PROGRAMME 2.2 (B): EXPENDITURE MANAGEMENT**

The financial goal was to pay off the external long-term loans and to finance new infra-structure. The bulk of the loans were redeemed and the future interest and redemption burden has been reduced significantly. The salary budget was kept below

30% of total expenditure. Controls are in place to mitigate the possibility of unauthorised, irregular and fruitless and wasteful expenditure being incurred.

▪ **PROGRAMME 2.2 (C): SUPPLY CHAIN**

Witzenberg Municipality is a large procurer of goods and services and as such it has enormous buying power to support economic growth through procurement. The supply chain unit will be revising their policies and procedures to ensure that goods and services are first secured locally.

Unfortunately current legislation does not provide for any preference for local suppliers. The municipality will ensure that local SMMEs and local businesses are adequately empowered to provide these goods and services.

▪ PROGRAMME 2.2 (D): MSCOA

The Municipal Standard Chart of Accounts (MSCOA) regulation will be implemented from 1 July 2017. To achieve this, the 2017/2018 budget must be tabled in the MSCOA format. The tendency of National Treasury to move the goalpost makes it even more difficult to achieve compliance with the regulation.

Critical Actions

Develop Procurement Plan by May each year

III. OBJECTIVE 2.3: MAINTAIN AND STRENGTHEN RELATIONS WITH INTERNATIONAL AND INTER-GOVERNMENTAL PARTNERS AND THE LOCAL COMMUNITY

▪ PROGRAMME 2.3 (A): COMMUNICATION AND MARKETING

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the community to improve the lives of all.

Good customer care is of fundamental importance to government organisations due to their constant interaction with members of the public. All local government entities strive to uphold the following constitutional ideals towards the development of acceptable policy and legislative framework regarding service delivery in public service:

- Promoting and maintaining high standards of professional ethics.
- Providing service impartially, fairly, equitably and without bias.
- Utilising resources efficiently and effectively.
- Responding to people's needs; citizens are encouraged to participate in policy making.

- Rendering accountable, transparent, and development-oriented public administration.

The Witzenberg Municipality Communication Strategy is a vital document which illustrates the views of local residents regarding communication as well as their perceptions of the municipality. Many of the views expressed display dissatisfaction with aspects related to elements beyond the scope of local government, such as access to housing, employment opportunities, education and healthcare.

However, local government acts as the conduit to expedite issues of this nature to the correct government entities, while supporting and investing in various programmes aimed at skills development, youth development, social development and short-term temporary employment. Levels of literacy and education, understanding of language, public apathy, knowledge of government processes and access to communication tools can also affect how the public formulates perceptions of local government and can potentially hamper how local government communicates and assimilates information, especially within rural environs.

A successful communication strategy therefore links local demographics to the municipality's programme for the year, and influences budgetary expenditure according to the needs of the public. The aims of Witzenberg Municipality's Marketing and Communication Department are:

- To integrate communication.
 - To offer service that communicates commitment, loyalty and interest.
 - To generate content that engages the public with openness and positivity.
 - To become proactive with communication instead of reactive.
- To make ease of access to communication and relaying information easier for the public.
 - To effectively engage with international stakeholders and clients.
 - To perform oversight and development of tourism expenditure and activities to promote the various towns within the municipality.
 - To manage operations for contact centre query management and emergency services relay.

Communication is managed in the following ways:

▪ PROGRAMME 2.3 (B): INTEGRATED COMMUNICATION TECHNOLOGY

Witzenberg is in the process of developing an IT Governance Policy and will implement the following projects over the next five years:

Wide Area Network:

The establishment of a high speed backbone linking Ceres, Tulbagh, Wolseley and Op-die-Berg using AirFiber Micro towers. This will increase our network speed from 0,5 Mbps to 700Mbps which will greatly improve our footprint in these towns. Phase 1 is already completed. Phase 2 will be the upgrading of all client sites. Phase 3 configuration and qOs.

Disaster Recovery Site:

We have established a DR site at Traffic Services where we replicate from our live site. At the moment we are using virtualisation to replicate

and synchronise our mission critical servers including our exchange, file, document servers. We are planning to increase these to include all servers. On completion of the WAN backbone, the movement of the site to Wolseley and the upgrading of the equipment to centralised storage. This project is critical as it would ensure business contingency during a disaster.

Citizen Mobile Portal:

We need to be able to provide all services to customers on a digital platform accessible via Mobile device or a PC/Laptop. This will include internet portals or mobile apps where users can access their accounts, perform payments, apply for services, fault reporting, procure prepaid services, refuse removal programmes, etc.

▪ PROGRAMME 2.3 (C): BUILDING STRATEGIC PARTNERSHIPS

Witzenberg is committed to working closely with the provincial and national spheres of government to put the needs of our community first. To achieve this, we engage with Provincial- and National Government on various formal and informal platforms.

Witzenberg will formally engage Province and other municipalities through the Premier's Coordinating Forum at a political level, as well as by means of the IDP indabas and MTECH committees at an administrative level. Witzenberg is an active partner in the

Consolidated Rural Development Programme (CRDP) with regular engagements with the Department of Rural development in this regard.

Witzenberg will continue with a long-term twinning agreement with Belgium Municipality, Essen.

The **Thusong Centre** is a decentralised government access hub available to the public, allowing easier access to government services such as Social Development, Home Affairs, etc., eliminating the need for clients to travel great distances to their closest office.

Being a public hub, this building experiences high volumes of public visitors, placing much pressure on the building. The government stakeholders making use of the building are tenants to the municipality and the rental generated is used to manage the overheads of the centre. As a result,

Several projects relating to youth development and the environment were implemented successfully in the past. Current projects include a Flemish Programme on Youth development and upgrading of open spaces. A Federal Programme focusing on Waste Management will be implemented in 2017/18.

a frequent expenditure for this building is maintenance. There are also capital requirements at this site, as we need to reinforce the security of the building as well as look into the expansion of the centre to accommodate more offices for rental, and provide space in the form of a sports hall for training and conferencing, recreation, cultural or sports activities for the youth and the aged.

The staff at the site is appointed on a temporary basis and we require an administrator to be appointed on a permanent basis in order to address the needs of this facility.

Key Performance Area 3

COMMUNAL SERVICES

OBJECTIVE 3.1:

PROVIDE AND MAINTAIN FACILITIES AND AN ENVIRONMENT THAT MAKE CITIZENS FEEL AT HOME.



C. COMMUNAL SERVICES

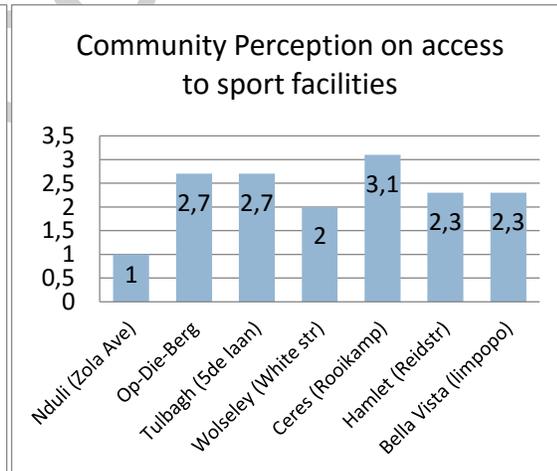
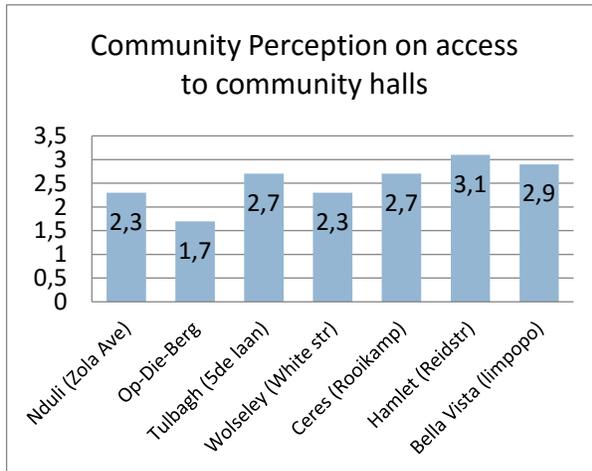
I. OBJECTIVE 3.1: PROVIDE AND MAINTAIN FACILITIES AND AN ENVIRONMENT THAT MAKE CITIZENS FEEL AT HOME

PROGRAMME 3.1 (A): UPGRADING AND MAINTENANCE OF FACILITIES

Backlogs in repairs and maintenance (reactive maintenance) will be addressed, and proactive maintenance programmes for ageing infrastructure (community facilities, cemeteries, park equipment, small plant and machinery) will be investigated and implemented to meet minimum maintenance standards. The municipality aims to maintain all 55 community parks to the set standards. A five-year budgeted maintenance for communal facilities will be developed with standard operating procedures to ensure a cost-effective management of facilities.

Witzenberg will continue partnerships with local sport forums and will continue with the establishment of new sport forums in all towns. The planning and development of sport facilities will be done accordingly the Sport Master Plan.

Witzenberg has implemented a community satisfaction survey for public facilities and amenities and achieved an overall score of a “fair” perception on facilities from the community. The survey is an important tool to determine perceptions across communities and where focus and attention are required.



Perception scores: 1-poor, 2-fair, 3-good, 4-very good, 5-excellent

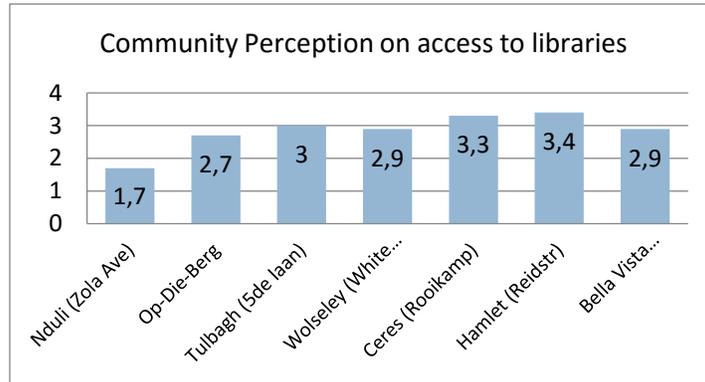
To address the escalating city burial demand resulting from population growth and over capacity of existing **cemeteries**, an approximate total of 4 ha of land is required for new cemeteries. It is especially the areas of Ceres, Bella Vista, N’Duli and Op-die-Berg that are in urgent need. To address the escalating burial demand, Witzenberg will identify suitable land and establish new burial sites for the areas as

mentioned. Due to scarce suitable land, the possibility exists that a regional burial site might be developed for the greater Ceres area. The cemeteries of Wolseley and Tulbagh can be extended but proper fencing is required to cope with increasing vandalism and theft. Witzenberg will also implement an electronic booking system for burials.

Libraries are generally in a good state in terms of equipment with the exception of the John Steyn Library where urgent upgrading is required.

The libraries' core functions are primarily the:

- dissemination of information
- collection building of local, indigenous and international material
- provision of reference services
- creating awareness campaigns through exhibitions
- preserving and maintaining assets



Perception scores: 1-poor, 2- fair, 3-good, 4-very good, 5-excellent

▪ **PROGRAMME 3.1 (B): ENVIRONMENTAL MANAGEMENT**

Nature reserves, Critical Biodiversity areas (CBAs) and Ecological Support Areas (ESAs) under the jurisdiction of the Witzenberg municipality must be maintained/restored and degraded areas must be rehabilitated to sustain biodiversity patterns and processes and the functionality of ecosystem services. The lack of capacity to manage the mentioned areas give effect to illegal dumping, illegal land occupation, uncontrolled fires, loss of endemic and indigenous vegetation due to overgrazing of livestock, illegal or overharvesting of indigenous vegetation, illegal sand mining, erosion, pollution and fire hazards due to high density of invasive alien vegetation poses a major threat to the Witzenberg natural environment. The development of nature reserve management plans followed with the appointment of a nature reserve management team for protected areas is essential to ensure the conservation and sustainability of our natural environment.

Stewardship agreements between the municipality and other governmental institutions (Cape Nature) or private entities will also assist to ensure the conservation of CBA's. Law enforcement needs to expand to include monitoring of protected areas and commonage areas. Invasive alien vegetation is controlled and managed in terms of the control plans for the Ceres Mountain Fynbos nature reserve (CMFNR) and the Wolseley, Prince Alfred Hamlet and Op-Die-Berg commonage. Draft Invasive alien species control plans for the Prince Alfred Hamlet and Op-Die-Berg commonages have been developed and to ensure effective implementation of these plans, external funding is essential. Biological control methods will also be implemented for invasive aquatic and terrestrial plants. The main goal of the alien vegetation projects is to conserve water at mountain catchment areas, water source areas and riverbanks and also to conserve and promote

biodiversity in the Witzenberg. Ceres Business Initiative (CBI) funds follow-up alien clearing and areas of low infestation projects in the CMFNR. The Environmental section is continuously liaising with national and international funders to support alien vegetation clearing projects in the Witzenberg area. Rivers in our urban areas are degrading due to illegal dumping, illegal water extractions, illegal land occupation, erosion, agricultural and industrial activities. Monitoring and awareness programs in conjunction with governmental institutions must be implemented with farmers, local community, factories and private owners to ensure the conservation and sustainability of our river ecosystems. Specialist studies have to be done to identify erosion control methods at rivers and rehabilitation at the Dwars River will continuously be implemented. Environmental education will be supported through the “Green Fingers” project in conjunction with Cape Nature with the focus on “learning respect for the nature”. Other awareness campaigns include Arbor Week and Water Week.

Air quality

Principal functions of municipalities as per National Framework for AQM

Air Quality is a function of all spheres of government, ranging from local, district, provincial and national government. The setting of municipal standards for emissions from point, non-point or mobile sources in respect of identified substances or mixtures of substances in ambient air, which through ambient concentrations, bioaccumulation, deposition or in any other way present a threat to health, wellbeing or the environment in the municipality. Municipalities have to monitor ambient air quality and point, non-point and mobile source emissions. The second generation Air Quality Management Plan review was approved by Council on 30 September 2020. The review takes

place every five years. It is important to expand the plan parallel with economic growth and spatial development. It is therefore imperative that the plan be included in the IDP. Air Quality have budgetary implications as air emission monitoring appliances in this field is expensive and needs to be budgeted for. Work on the Air Quality By-law for the Municipality has been completed and needs to be approved by Council. The municipality is also in need of audio measuring equipment for the control of noise in its jurisdiction in terms of the Western Cape Noise Control Regulations PN200/2013. Monitoring of compliance in respect of offensive odors caused by any activity is essential for the compilation of an atmospheric impact report. A new approach will be taken towards the development of an emissions inventory for unlisted fuel burning appliances in the Witzenberg Municipality.

Wellbeing of communities

The application and regulation of the requirements of Section 24 of the Constitution must be complied with to ensure an environment that is not harmful to any person’s health or wellbeing. Offensive odours, noise and dust by means of the use of monitoring equipment should be prioritized. The municipality currently does not own any monitoring equipment, thus there is a need for obtaining measuring equipment to combat offences in this regard sufficiently and thereby secure the wellbeing and safety of all inhabitants.

Roaming animals

Roaming animals are still problematic in some residential areas and of great concern for the municipality. Despite of efforts to control the problems, there are still many challenges. The Municipality currently employs 21 animal monitors in Ceres, Nduli, Tulbagh, PA Hamlet and Wolseley which brought some relief to a certain extent in combatting the problems. These problems varies from lack of land for grazing, keeping of too many animals by emerging farmers, ability to feed their animals and the lack

of supervising their animals. Further problems of roaming animals occurs after working hours when these animals goes into the residential areas, entering private properties, destroying peoples gardens and also creates unsafe situations for residents and vehicles. The absence

of an impoundment facility in the Municipal jurisdiction, hampers the successful control of these animals.

Draft Document

Key Performance Area 4:

SOCIO-ECONOMIC SUPPORT SERVICES

OBJECTIVE 4.1:

SUPPORT THE POOR AND VULNERABLE THROUGH PROGRAMMES AND POLICY

OBJECTIVE 4.2:

CREATE AN ENABLING ENVIRONMENT TO SUPPORT LOCAL ECONOMY



Witzenberg Day for the Aged

D. SOCIO-ECONOMIC SUPPORT SERVICES

I. OBJECTIVE 4.1: SUPPORT THE POOR AND VULNERABLE THROUGH PROGRAMMES AND POLICY

PROGRAMME 4.1 (A): SOCIAL DEVELOPMENT PROGRAMMES

Witzenberg is committed to the development of its **youth**, and recognises the important part they play in society. Young people living in Witzenberg face a number of challenges on a daily basis: Not only are youth unemployment levels high, but substance abuse, particularly drug abuse, is on the increase. In order to facilitate youth development and support, Witzenberg will improve its capacity to deliver on its various programmes. The programme interventions supporting youth development are multifaceted, taking into account the many challenges facing the youth.

An Implementation protocol has been signed with Western Cape Department of Social Development for the implementation of projects and initiatives in the Witzenberg Municipal area. The Protocol aims to address gaps in social development in the Witzenberg Municipal area. The Implementation Protocol agreement declare the Municipality and the Department of Social Development's shared commitment to the following in the context of social and community development:

- Building strategic partnerships towards developing communities in the Witzenberg Municipal precinct
- Promotion of the ideals of integrated governance
- Integrated, sustainable and community centred policies and programmes
- Co-ordination of shared work areas, responsibilities, skills and capacity, resources and concerns
- The Witzenberg Municipality & Department of Social Development will support, within its available resources, the following initiatives, with a special focus on Gender Based

Violence (GBV) in building sustainable communities:

- Gender Based Violence
- Substance Abuse
- Disability Programmes
- Early Childhood Development
- Homelessness
- Community Development
- Youth Development

A Joint District Approach (JDA) Social Cluster has been established that will aim to facilitate discussion around social development service delivery aspects in the various Municipal towns of Witzenberg. It will also aim to address developmental gaps in areas in order that a collaborative approach can be implemented, therefore strengthening initiatives across Government service delivery Departments and ensuring the majority of needs of the most vulnerable can be met. The JDA Social cluster meets quarterly and will be focussed on action and not duplication. The members of the Social cluster will encompass all relevant social development service delivery orientated government departments and related stakeholders.

The following major youth programmes will be implemented, in association with Government, private sector and public organisations:

- Skills development, including personal assessment, development plans and career pathing, entrepreneurial skills, income opportunity skills, technical training and computer skills development.
- Youth programmes with the focus on building physically, emotionally and spiritually healthy citizens who can contribute meaningfully to the

community in a socio-economic context by means of nation-building programmes

- Establishing partnerships with private, public and government sector to strengthen youth initiatives for bigger, collaborative impact
- Identifying youth recreational infrastructure needs and funding opportunities for implementation
- Capacity building in the fields of organisational development, leadership skills training, moral regeneration and train-the-trainer initiatives.
- Greater awareness of youth at risk, teenage pregnancy, HIV/Aids, substance abuse, the risks of gang involvement, etc.
- Getting youth involved in public participation processes
- Creating platforms for youth to engage around topical issues that affect them, so that they can take ownership and advocate for change, where necessary.
- Putting practical monitoring and evaluation mechanisms in place to ensure that programmes and interventions are relevant and that those doing youth work are held accountable.
- Innovative IT development solutions to facilitate access.
- Creating linkages between corporate entities and assessed youth with a view to possible permanent employment.
- Essen Witzenberg Youth Placement Programme – identified youth will be trained and placed at host companies to gain experience in Plumbing
- Creating platforms and opportunities for the youth to grow in various art forms such as dancing, drama and craft skills
- Linking the youth with skills training opportunities such as artisan related training

Substance abuse is a priority area, given the high incidence of drug and alcohol abuse in Witzenberg. The substance abuse programme focuses on prevention, intervention, suppression and coordination services with other spheres of government.

HIV is a reality in Witzenberg and thus the HIV programme focuses on awareness, early intervention and prevention, in association with Department of Health and other stakeholders

Poverty alleviation requires a targeted effort to care for the marginalised and vulnerable in Witzenberg. Given the current economic environment of ever-higher unemployment and the increasing number of residents living below the poverty line, indigent programmes and other economic enabling measures require urgent attention. The main thrust of the programme is to facilitate the resources and conditions required to satisfy poor communities' physical, social and psychological needs. The current focus of the programme is to support food production and security through the establishment and maintenance of food gardens. Food gardens help improve household food security and people's nutritional status, and also offer an opportunity for a group of people to come together and produce food collectively.

People living with disabilities programme recognises the various challenges experienced by people with disabilities. Witzenberg focuses on awareness-raising initiatives concerning disability in order to break down the barriers and promote and foster social integration and opportunities for persons with disabilities. The programme interventions are aimed at empowering and promoting a fully inclusive society for persons with disabilities. Support to caregivers and parents of disabled children is another goal of this programme. Life skills, hand skills and social skills are some of the main areas of intervention for youth who are differently disabled.

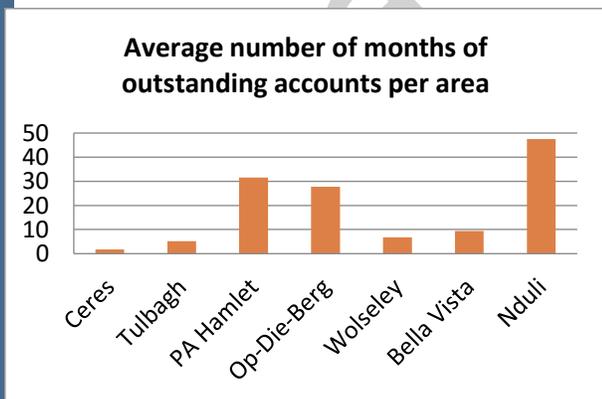
The **Gender programme** create an enabling environment that celebrates women rising above adversity, Witzenberg seeks to raise awareness of domestic and gender-based violence as well as the support services on offer to both women and men. The following programmes are provided in collaboration with numerous partner organisations:

- Women’s Day events celebrating women rising above adversity
- Training to create greater awareness of domestic and gender-based violence
- Fatherhood training programmes, which entail the training and education of young men and fathers to improve gender relations and to facilitate prevention and early intervention in respect of domestic and gender-based violence
- Awareness programme on domestic and gender-based violence during the 16 Days of Activism campaign

The **Protection of vulnerable children programme** is focused on coordinating services of all NGOs/FBOs and government departments in the field of working with children and their families.

▪ **PROGRAMME 4.1 (B): INDIGENT SUPPORT**

Witzenberg supports the poor through its Indigent Policy and subsidises municipal services to approved households with an income of R3 000 or less per month or R5 000 or less. The total subsidy value per month is approximately R1, 8m. The outstanding debt of indigents of around R20m remains a challenge as no credit control procedures are currently implemented against

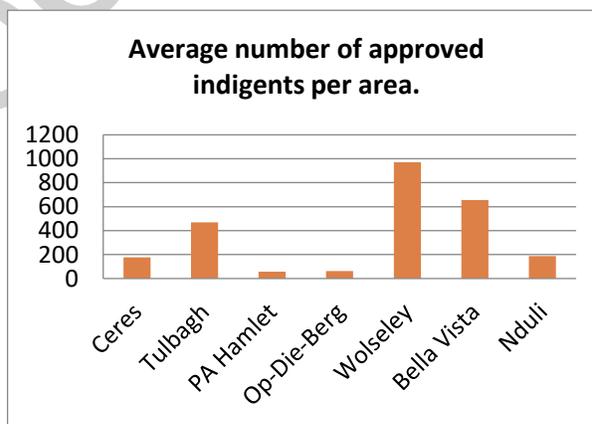


indigents.

- Awareness and prevention of child abuse and child neglect.
- Fire, water and road safety awareness campaigns in collaboration with the relevant stakeholders.
- Support and assistance to other departments/stakeholders working with children.

The **Early childhood development (ECD)** programme supports quality ECD services with a variety of development components, such as ECD training, expansion and awareness, as well as the construction of ECD facilities. This also includes supporting and strengthening the role and function of the Witzenberg ECD Forum.

The table below gives an indication of the number



of indigents per area. The low numbers for areas such as Prince Alfred’s Hamlet, Op-die-Berg and N’Duli are particularly clear. The main reason being the ineffectiveness of debt control measures as discussed under programme 2.2(a). The table above indicates the outstanding debt per area to show how it compares with the number of indigents per area.

▪ **PROGRAMME 4.1 (C): HOUSING PROGRAMME**

One of the Witzenberg’s biggest challenges relates to growing informality – the expansion of informal settlements and the rising number of households living in makeshift shelters in backyards. Witzenberg needs to ensure integrated sustainable human settlements and access to housing for those in need in an incremental manner.

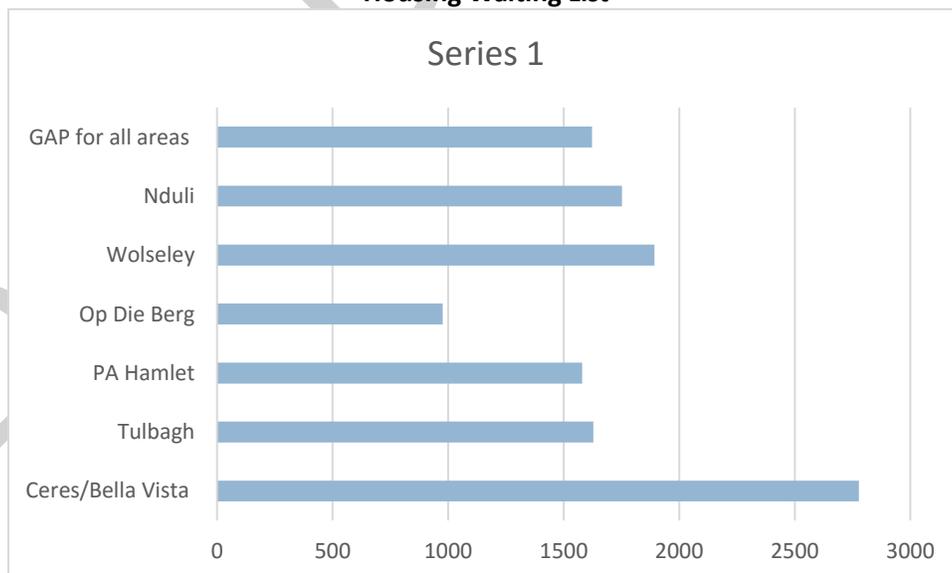


Interventions will require significant additional capital investment, together with a fundamental reconsideration of how to deliver more opportunities to access housing in an incremental,

more rapid and more integrated, sustainable manner. Key elements for successful urban restructuring include higher-density housing developments in well-located areas, major improvements in public transport to link fragmented places, and higher employment levels in townships and informal settlements.

The table below gives an indication of the number of people on the municipals housing waiting list. Although the statistics includes farm residents and people from informal settlements, it is expected that the need might be much higher. The total of people on the waiting list amounts to approximately 8 277 with the agricultural sector indicating that the need of farm dwellers to obtain houses could also amount to approximately 9 000. There are approximately 17 000 residential consumers that receives services from the municipality and if the need indicated are to be accommodated all towns in the Witzenberg will have to be doubled. Currently the existing resources and infrastructure are not available to accommodate such a growth and it is not expected that it would be able in the near to medium future.

Housing Waiting List



	Ceres/Bella Vista	Tulbagh	PA Hamlet	Op Die Berg	Wolseley	Nduli	GAP for all areas
Series 1	2777	1629	1580	977	1893	1752	1623

Witzenberg will implement the following projects over the next couple of years:

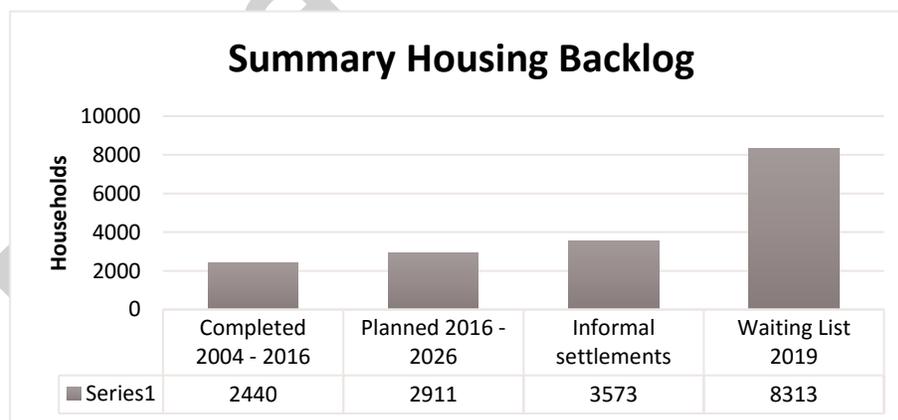
Project	2018/19			2019/20			2020/21		
	Sites	Houses	Funds	Sites	Houses	Funds	Sites	Houses	Funds
Vredebes (2911)		30	R3.9 m		200 (IRDP) 50 (FLIPS)	R26 m R3 m R12 m	200	200 (IRDP) 50 (FLIPS)	R26 m R3 m R12m
N'Duli (planning money only)	0	0							R558

Dependant on the allocation of funding from Provincial Government.

Gap (affordable) housing

The term 'gap housing' refers to houses that are provided to households earning between R3 501 and R22 000 per month, who are not provided for by the private sector or the state. The number of people seeking homes in the R150 000 to R350 000 price range has been growing steadily in the past years. The municipality recognises the critical importance of supplying houses within this price range for the proper functioning of the

overall residential housing market. In this spirit, Witzenberg has undertaken the sale of serviced plots at reduced prices to enable buyers to build their own homes on a piecemeal basis via access to short-term loans or with employer assistance. The table below gives an indication of progress made in terms of the provision of housing over the past couple of years and the planning for the future.



Resources and bulk infrastructure remains a major challenge in achieving planned targets. Witzenberg is in process of implementing the Bella Vista (307 units) and Vredebes (2 800 units)

housing projects. Both these projects require significant bulk infrastructure upgrades. The Bella Vista project were completed in 2017 with the Vredebes project being developed over the next

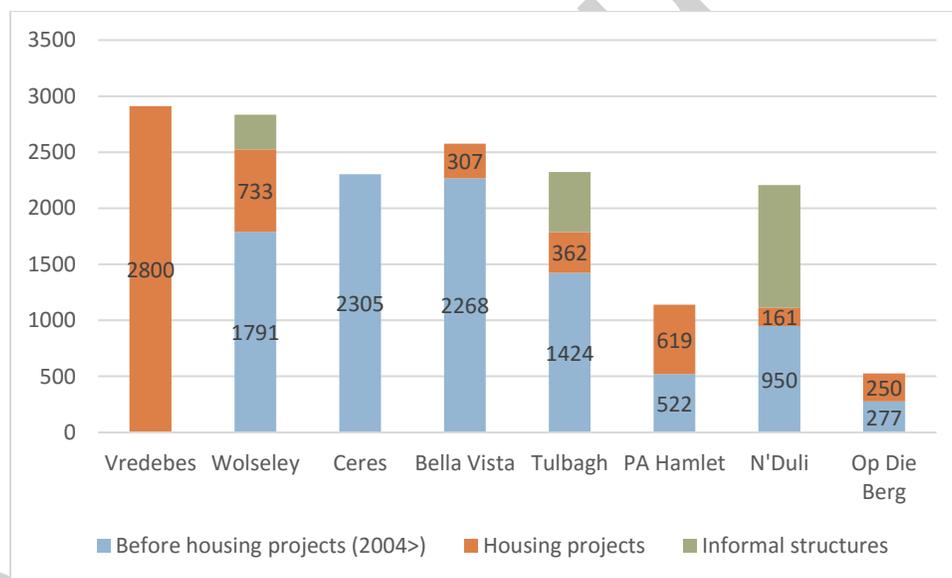
couple of years depending on the availability of funding to complete bulk infrastructure.

All bulk water and sanitation infrastructure required should be completed by 2018 with the construction of houses can start. The upgrading of the adjacent R44, bus routes, bulk stormwater, and link road however require in the access of R150m. It should also be noted that the project's electricity requirements are approximately 5MVA of which Eskom cannot supply due to insufficient bulk capacity as discussed under Programme 1.1(a).

Witzenberg is committed to creating sustainable, integrated human settlements rather than merely

providing low-cost housing. The Vredebes project when completed will have a significant influence on the municipal financial viability, service delivery, transport network and Ceres CBD. The Provincial Government will assist Witzenberg through the Regional Social and Economic Programme (RSEP) to develop an implementation plan for Vredebes to ensure an integrated and sustainable community. The main focus would be to ensure the buy-in of all sectors such as education, social and economic development, security, etc. and to align the construction of houses with the availability of social and technical infrastructure.

The table below gives an indication of the size of Vredebes. It also provides the number of beneficiaries per town over the past couple of years.



Rental stock disposal programme

During the 1980s, government initiated the discount benefit scheme to encourage tenants and sales debtors to acquire ownership of their saleable housing units. An asset management improvement programme will soon be finalised, which will enable Witzenberg to better manage and maintain its assets especially in terms of rental stock. To meet this need, Witzenberg will assess

the possible sale or transfer of rental stock to clearly identified beneficiaries according to prescripts of the National Housing Codes. This will allow for a sense of ownership for community members and support economic independence for beneficiaries. Approximately 240 of these rental units are earmarked for transfer to tenants over the next three years.

Achievements

▪ PROGRAMME 4.1 (D): JOB CREATION

The Expanded Public Works Programme (EPWP) is a national government programme that aims to provide social protection through the creation of jobs. The programme's mandate is "to contribute to development by providing work opportunities to poor and unemployed people in the labour-intensive delivery of public and community assets and services". EPWP programmes in Witzenberg will complement existing municipal service delivery and will also aim to provide unemployed persons with experience in environmental cleaning initiatives, infrastructure and maintenance projects, as well as social sector programmes. An existing operating procedure are regularly updated that would include the maintenance of an unemployed database for job

seekers to be utilised with EPWP recruitment. The Department of Public Works Conditional Grant will be utilised to complement service delivery in the municipality, such as assistance to youth, maintenance of parks, rivers and open spaces, neighbourhoods, the various CBD (Central Business District), as well as road & storm water maintenance. There is also a focus on maintenance projects where unemployed persons can grow in their skills and obtain experience. At the same time municipal infrastructure are being maintained on a regular basis. Workers on the programme can also benefit from training initiatives (where funding is available). The Municipality will aim to prioritize persons with disabilities, youth and women.

II. OBJECTIVE 4.2: CREATE AN ENABLING ENVIRONMENT TO SUPPORT LOCAL ECONOMY

▪ PROGRAMME 4.2 (A): LOCAL ECONOMIC DEVELOPMENT

Witzenberg Municipality is committed to support local economic development not only through various programmes but also through the construction and upgrading of infrastructure. Witzenberg developed an Investment Incentive and retention policy framework in 2014. The Witzenberg Local Economic Development Strategy is currently in its final stages of review. The implementation of the existing strategy is measured on a bi-annual basis.

Witzenberg Municipality has supported SMME developments through the following projects.

- SEDA Small Enterprise Development training
- Registration of businesses on municipal, provincial and national supply chain databases
- Meetings with business forums platforms
- Supply chain workshops
- CWDM seed funding support
- Linkage with Departmental funding opportunities
- Providing information on National Department and Provincial Department funding opportunities to SMMEs, as well as assisting with funding applications
- Linking SMME's with Departmental funding opportunities
- Development of a Small Business Hub in Prince Alfred's Hamlet & Skoonvlei Industrial Area

- Development of a Policy for management of business property for local economic purposes with its aim of capacitating previous disadvantaged communities

SMME support & other interventions that are currently being implemented or planned for 2022/2023 are as follows:

- Investigate the development of dignified and accessible trading facilities for established entrepreneurs and informal traders
- Review of informal trader (street traders and spaza shops) by-law
- Tourism improvement: Develop and profile (branding) Ceres as a family destination
- Ceres tourism business plan
- Upgrade existing municipal tourism facilities
- Review of LED strategy
- Link SMMEs to be absorbed in value chains of local economy
- Establish and strengthen existing communication platform with informal traders in each area
- Awareness on social marketing and technological marketing benefits for SMME's
- Facilitating mentorship opportunities with SMME's
- Focused input regarding Municipal procurement opportunities for SMME's
- Informal trader support programmes
- Supporting informal recyclers
- Supporting and strengthening of SMME Business forums
- CBI (Ceres Business Initiative) entrepreneurial programme

Witzenberg agriculture has indicated that an anticipated growth of the primary agri-sector of between 5% - 8% is expected over the next five years. It was further indicated that secondary processing will grow by more than 10%. Such growth expectations will have a significant influence on Witzenberg in terms of the following:

- Need for serviced industrial land for agro-processing plants
- Increased need for bulk services such as water, sanitation and electricity
- Increased road usage especially by heavy vehicles
- Increased job availability
- In-migration of workers leading to expansion of informal areas
- Increased income for municipality on rates and taxes
- Increased dependant on indigent subsidy during off-season

A major threat that would undermine the expected economic and specifically agriculture sector related growth is the unavailability of electricity due to bulk provision incapacity of Eskom as discussed under Programme 1.1(a), as well as the ongoing water scarcity. Witzenberg Municipality and the Department of Economic Development and Tourism (DEDAT) is currently in discussion with ESKOM in regards to fast tracking electrical provision capacity, that will unlock further economic development in Witzenberg, which will lead to increased economic output, job creation and skills transfer.

Tourism

Witzenberg Municipality has a service level agreement (SLA) with three local tourism associations that conduct marketing of the municipal area and local established businesses in order to draw investment and trade to the area. Local businesses join as members of the local tourism authorities to participate in the marketing initiative. Membership holds businesses accountable to ethical norms and standards for the industry, and to a code of conduct.

Their functions include:

- Marketing the area, events and activities.
- Creating opportunities for transformation, niching, diversification and support of new stakeholders.
- Ensuring that tourism development remains on trend.
- Promotion and development of Accessible Tourism.
- To enlist new members and plan for the growth of both operations and market.

As per our SLA with Witzenberg Tourism, which is an external entity to Witzenberg Municipality, we have the following strategic priorities:

- Promotion of our towns as travel destinations and as film and photoshoot locations (with attractive scenes in farm and desert areas, mountains, snow, and skylines.)
- Promotion and protection of the local towns, events and the municipal brand.
- Promotion of conservation and Green Tourism. Provision of statistical research and data outputs.
- Promotion of Agri-Tourism.
- The growth and expansion of tourism.

Witzenberg Tourism runs educational packages with schools, front of house staff, and local stores to promote clientele service. The entity also sources courses such as first aid training, communication, administration and hospitality to help local businesses improve their output and skill levels.

Tourism aims to market Witzenberg Municipality as an affordable holiday destination with activities for the entire family. Tourism liaises with district, provincial and national stakeholders to develop the Witzenberg brand through attraction of tourists, awareness campaigns, roadshows, expos, events and festivals. Tourism further aims to train and skill local entrepreneurs to meet tourism-related demands, and provide the requisite services and products necessary to promote local trade and economic development.

Part of the municipality's agreement with Witzenberg Tourism is to expand the broad demographic of tourism to encompass culture, heritage, diversity and transformation. We aim to develop two new travel routes within Witzenberg to promote social cohesion as well as introduce formal trade to township and rural areas.

Witzenberg Tourism has produced tear-off maps which are distributed to points of sale with high traffic, providing location and contact details of local tourist attractions. They have also produced a joint brochure called the Witzenberg Meander, covering activities throughout the municipality.

Tourism bureaus for Wolseley, Ceres and Tulbagh also created their own brochures with niche marketing of their sectors in conjunction with social media promotion through Facebook and websites. Witzenberg Tourism has been successful in marketing the destination to visitors within South Africa as an affordable and picturesque location for weddings, snow tourism, heritage tourism, agri-tourism, wine tourism, adventure tourism, cultural tourism, sports tourism and rural tourism.

Witzenberg Tourism also conducts quarterly educational visits of the areas to tourism authorities outside of our borders as well as to journalists, media groups and bloggers, in order to review and publicise the activities and services offered in the area. A significant area of focus in the IDP for tourism is access to qualitative and quantitative research, specific to our area.

Ceres Business Initiative

The Ceres Business Initiative was originally founded as the Ceres Chamber of Commerce in 1936. The institution represents various business and enterprise areas in the Witzenberg area. The Witzenberg Municipality has a good relation with the CBI and plays an important supporting role in achieving the following goals of CBI:

- Building bridges between the municipality & the business community.
- Ensure that the town is clean & safe

- **PROGRAMME 4.2 (B): UTILISING MUNICIPAL AND PUBLIC PROPERTY TO SUPPORT ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT**

Witzenberg completed a land audit in 2009 indicating all municipal and public properties. These properties are categorised with the focus on underutilised properties. The land audit is updated regularly and an implementation plan was developed with annual implementation targets. The purpose is mainly to sell or make available underutilised municipal property to leverage growth, support economic development and job creation with the focus on sustainable development especially in poor communities.

Economic benefits include:

- small-business development through support initiatives stimulating local economic activity and possible job creation
- the creation of potential opportunity streams through mixed-use activities
- encouraging and enhancing entrepreneurship across various key sectors.

Witzenberg will, in conjunction with the Department of Rural Development and Land Reform and the Department of Agriculture, investigate the utilisation of **commonage land as part of the Agri-Park development**. The main purpose would be to grow the local economy, job

INTERNAL MONITORING AND REPORTING

Measuring of performance on Strategic Objectives is measured through the Service Delivery and Budget Implementation Plan as included in Chapter 7. The results are published in the Annual Report.

- Accomplish economic growth, create opportunities for entrepreneurs
- To consult with the municipality regarding service delivery.

CBI has initiated several opportunities for small and upcoming entrepreneurs with support from its members and other role-players.

creation and empowerment of the previously disadvantaged.

The investigation should give an indication of the preferred commodity as determined by soil conditions and available markets, but also water availability and support by existing commercial farmers.

Large tracks of commonage has been identified as Critical Biodiversity Areas. These areas are however not managed and protected as it is being overgrazed and illegal dumping occurs in some areas.

It is therefore necessary to investigate if the land



Departmental indicators are included in the Departmental SDBIP with monthly internal reporting to managers

5 MANAGEMENT AND GOVERNANCE

A. COUNCIL STRUCTURE

WARD COUNCILLORS

 Ward 1 - ANC Andile Lufamile Gill	Ward 2 – Vacant	 Ward 3 - DA Dirk Swart
 Ward 4 - DA Joachem Jacobus Visagie	 Ward 5 - DA Hendrik Johannes Smit	 Ward 6 - DA Karriem Adams
 Ward 7 - ANC Jacob Zalie	 Ward 8 - DA Gwen Judith Franse	 Ward 9 - ANC Mxolisi Joseph Ndaba
 Ward 10 - DA Sophia de Bruin	 Ward 11 - DA Elizabeth Mary Sidego	 Ward 12 - ANC Khanyiso Yisa

PR COUNCILLORS

 ANC	 ANC	 ANC
 PA	 VFP	 WP
 DA	 GOOD	 WA
 ICOSA	 EFF	

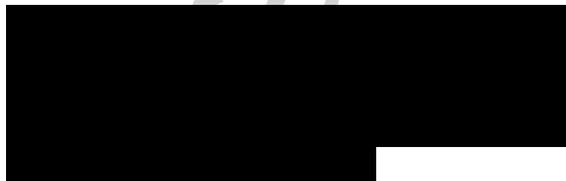
B. COMMITTEE SYSTEM

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C. AUDIT COMMITTEE

Members of the Performance, Risk and Audit Committee	
<p>Mr J George (Chairperson) 2 Dickens Close, Somerset Park, Van der Stel, SOMERSET-WEST 7130 Telephone: Facsimile: Cell: (062) 655-0455 E-mail: jonathang@quantumadvisory.co.za</p>	<p>Mr Jean Basson (Deputy Chairperson) PO Box 220 11 De Keur Street KOUÉ BOKKEVELD 6836 / SANLAM Building, Voortrekker Street, Ceres Telephone: (023) 317-0946 (H) Facsimile: (086) 541-9273 Cell: (083) 412-8783 E-mail: jeanba@just.property</p>
<p>Mr Ameen Amod 5th Floor, 56 Shortmarket Street, CAPE TOWN 8001 Telephone: (021) 488-9500 (076) 426-4251 (PA) Facsimile: (086) 508-9221 Cell: (083) 212-9221 E-mail: ameen@mtselect.co.za E-mail 2: ameenamod@mweb.co.za</p>	<p>Mr Tsepo Lesihla 24 Coatbridge Crescent Parklands MILNERTON RURAL 7441 Telephone: (021) 407-6431 (W) (021) 556-1010 (H) Facsimile: Cell: (079) 849-2732 E-mail: tsepo@maqheka.com</p>
<p>Mr. SA Redelinghuys 24 Bree Street, PRINCE ALFRED'S HAMLET Telephone and facsimile: (023) 313-3554 Cell: (083) 270 4801 E-mail: fanusr@gmail.com</p>	

D. ESTABLISHMENT OF WARD COMMITTEES



E. MACRO MANAGEMENT



Monwabisi Mpeluza

Director: Corporate Services

Email: monwabisi@witzenberg.gov.za



David Nasson

Municipal Manager

Email: david@witzenberg.gov.za



Joseph Barnard

Director: Technical Services

Email: joseph@witzenberg.gov.za



Cobus Kritzinger

Director: Finance

Email: cobus@witzenberg.gov.za

Directors Community Services vacant

6 STRATEGIC FINANCIAL OUTLOOK

A. EXECUTIVE SUMMARY

The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term. South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020. High-frequency data for the third quarter shows evidence of a limited economic rebound. Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024.

The main risks to the economic outlook are weaker-than-expected growth, continued

deterioration in the public finances and a failure to implement structural reforms. Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2021.

These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

South Africa was downgraded by two rating agencies. The downgrading may have a negative impact on prices of all commodities imported as well as interest rates. These economic challenges will continue to pressurise municipal revenue generation and collection levels. Hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures. Municipalities along with other sectors will play a key role in reviving and reforming the economy of a post covid-19 South Africa

B. FINANCIAL STRATEGIC APPROACH

The 2021/20 MTREF process commenced with a technical analysis of previous years' performance outcomes, an assessment of the economic outlook, and consultation with various role-players. The process encompassed the following:

- Framework for and strategic direction of the budget provided by the MAYCO
- Long-term Financial Plan presentations to Council.
- Eskom's application for electricity tariff increases to the National Energy Regulator of South Africa (NERSA).

C. FINANCIAL MODELLING AND KEY PLANNING DRIVERS

The outcome of the LTFP modelling incorporated the assumptions outlined in the paragraphs below on which the 2021/22 MTREF was compiled. The principles applied to the MTREF in determining and maintaining an affordability envelope included:

- Higher-than-inflation repairs and maintenance provision to attain nationally benchmarked levels, thereby ensuring and enhancing the preservation of Witzenberg Municipality assets;
- Higher increases to selected cost elements subjected to higher-than-average inflationary pressure, such as employee related costs;
- The assumption of a 95% capital expenditure implementation rate;
- Credible collection rates based on collection achievements to date, and also incorporating anticipated improvements in selected revenue items;
- National and provincial allocations as per the 2020 Division of Revenue Act (DORA); and
- Province's 2021/22 MTREF allocations circular to municipalities.

D. ECONOMIC OUTLOOK/EXTERNAL FACTORS

The sluggish growth experienced in the South African economy is aggravated by the drought conditions, constraints in electricity supply decline in business confidence and the Covid-19 pandemic. The value of the rand against the US dollar and Euro has declined continuously over the past three years and the covid-19 pandemic

has placed a damper on exports. The Covid-19 pandemic will have a negative impact on the export market which is a major contributor to the economy of the Witzenberg area.

Unemployment may increase during the coming months which will put the municipality under pressure in terms of collections.

E. NATIONAL AND PROVINCIAL INFLUENCES

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that Witzenberg Municipality understands and complies with the conditions stipulated in the Division of

Revenue Act (DoRA) in order to access this funding. The equitable share constitutes unconditional funding, and is designed to fund the provision of free basic services to disadvantaged communities.

F. EXPENDITURE ANALYSIS – A THREE-YEAR PREVIEW

I. GENERAL INFLATION OUTLOOK AND ITS IMPACT ON MUNICIPAL ACTIVITIES

The MFMA Budget Circular for 2020/2021 indicates the following inflation forecasts:

2021/2022	4,1%
2022/2023	4,4%
2023/2024	4,5%

II. INTEREST RATES FOR BORROWING AND INVESTMENT OF FUNDS

Changes in interest rates will not affect the budget over the medium term as the interest rates on most of the existing loans are fixed. The interest and redemption expenses will decrease as loans are being redeemed.

III. COLLECTION RATE FOR REVENUE SERVICES

The collection rate for revenue service will be under more pressure due to the weak economic outlook. Prepaid water meters will be installed to reduce the provision for impairment of water debtors.

IV. SALARY, WAGES AND RELATED STAFF EXPENSES

The increase in employee-related costs is expected to be more than the inflation forecast as per collective agreement. The 2,5% notch increase will increase the employee-related costs even further. The job descriptions of all employees are in the process of being re-evaluated – the outcome of the evaluations is still unknown but it is expected that the salaries of some employees will increase.

V. REPAIRS AND MAINTENANCE

Higher-than-inflation repairs and maintenance provision is made in the budget to attain nationally benchmarked levels, thereby ensuring and enhancing the preservation of Witzenberg Municipality assets.

VI. DEPRECIATION

Depreciation charges will increase on an annual basis due to new assets being added to the asset register through the capital budget.

G. REVENUE ANALYSIS – A THREE-YEAR PREVIEW

I. GROWTH OR DECLINE IN MUNICIPAL TAX BASE

The revenue base is growing but the rate is not sufficient to support improved service delivery. The majority of the economic development in Witzenberg occurs in the rural areas where the municipality is not the service provider. The Skoonvlei area is being developed as an industrial area with assistance from Rural Development to attract industries to the town areas and to create job opportunities.

II. MAJOR TARIFFS AND CHARGES: ECONOMIC AND TRADING SERVICES

Witzenberg Municipality strives to keep tariff increases below inflation. The three-year indicative tariffs are determined for major services to illustrate the financial effect of medium-term operational and investment plans.

III. PROPERTY RATES

Property rates revenue is used to finance municipal functions other than economic and trade services. Property rates revenue is subsidised by the surpluses from economic and trade services. Property rates tariffs are therefore increased with more than the inflation forecasts. A new valuation roll will be implemented from 1 July 2023. The average

valuations will be higher than those of the previous roll, but tariffs will be adjusted downward to limit the effect of the increased valuations. The limitations on property rates tariffs of Agricultural Property, Public Service Infrastructure and Public Benefit Organisation Property has a negative effect on the possible rates revenue.

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H. IMPACT OF NATIONAL, PROVINCIAL AND LOCAL POLICIES ON OPERATING REVENUE

I. 2021 DORA

Allocations and grants to Witzenberg Municipality are included in the DoRA.

The equitable share allocation is utilised to fund the provision of free basic services to indigent households.

The Municipal Infrastructure Grant is mainly allocated to the provision of bulk service infrastructure to new low cost housing projects.

The Regional Bulk Infrastructure Grant is earmarked for Bulk Water Storage for the Tulbagh area.

II. MAJOR PARAMETERS

The following table summarises the major parameters applied to the operating budget:

Description	Budget year 2021/2022	Budget year + 1 2022/2023	Budget year + 2 2023/2024
CPI	5.0%	5.0%	5.0%
Collection rate	91%	91%	91%
Tariff Increases:			
Rates	6%	7%	6%
Electricity - Residential	14.8%	13.0%	13.0%
Electricity - Business	17.8%	13.0%	13.0%
Water consumption - Residential	6%	6%	6%
Water consumption - Business	6%	6%	6%
Sewerage	6%	6%	6%
Refuse removal	6%	6%	5%
Equitable share allocation	R 106 mil	R 115 mil	R 117 mil
Total grant allocations	R 231 mil	R 193 mil	R 161 mil

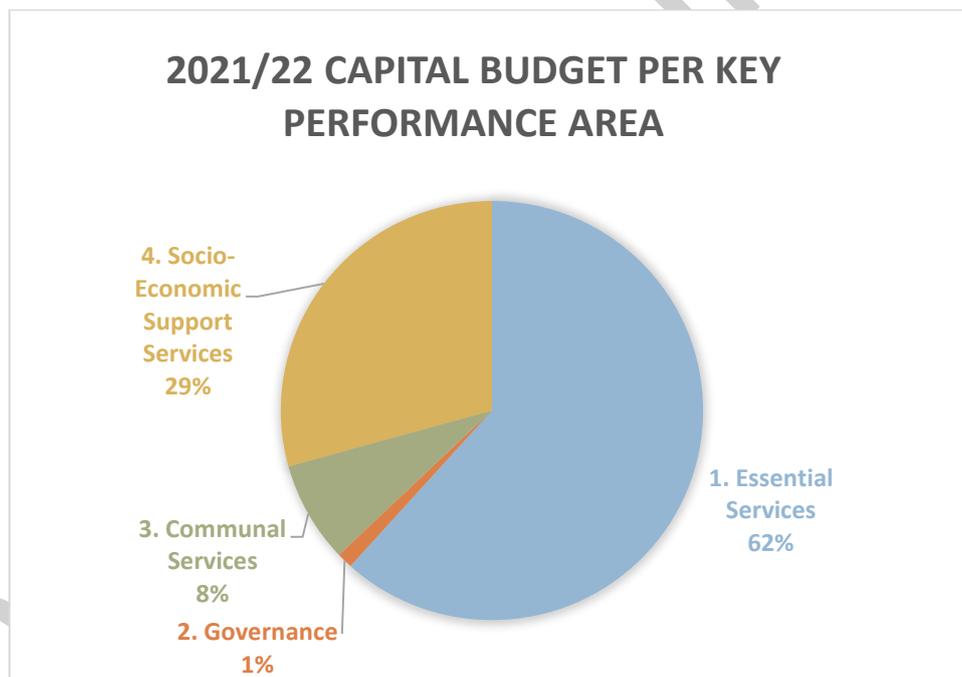
I. CAPITAL INVESTMENT FRAMEWORK

The past couple of financial years, capital investment were dominated by bulk infrastructure projects linked to especially the Vredebos subsidized housing project. The majority of the required bulk infrastructure has been completed and construction of houses and servicing of sites has commenced. No top structures will be constructed in the next two years due to the incapacity of Eskom bulk supply electricity network to Witzenberg as well as a policy change from the National Department of Housing where the focus will be more on serviced sites. It was indicated that upgrading of the electricity supply lines would only commenced by 2030. With regards to housing the focus would be on the servicing of an additional 520 sites at Vredebos with the purpose to accommodate the informal

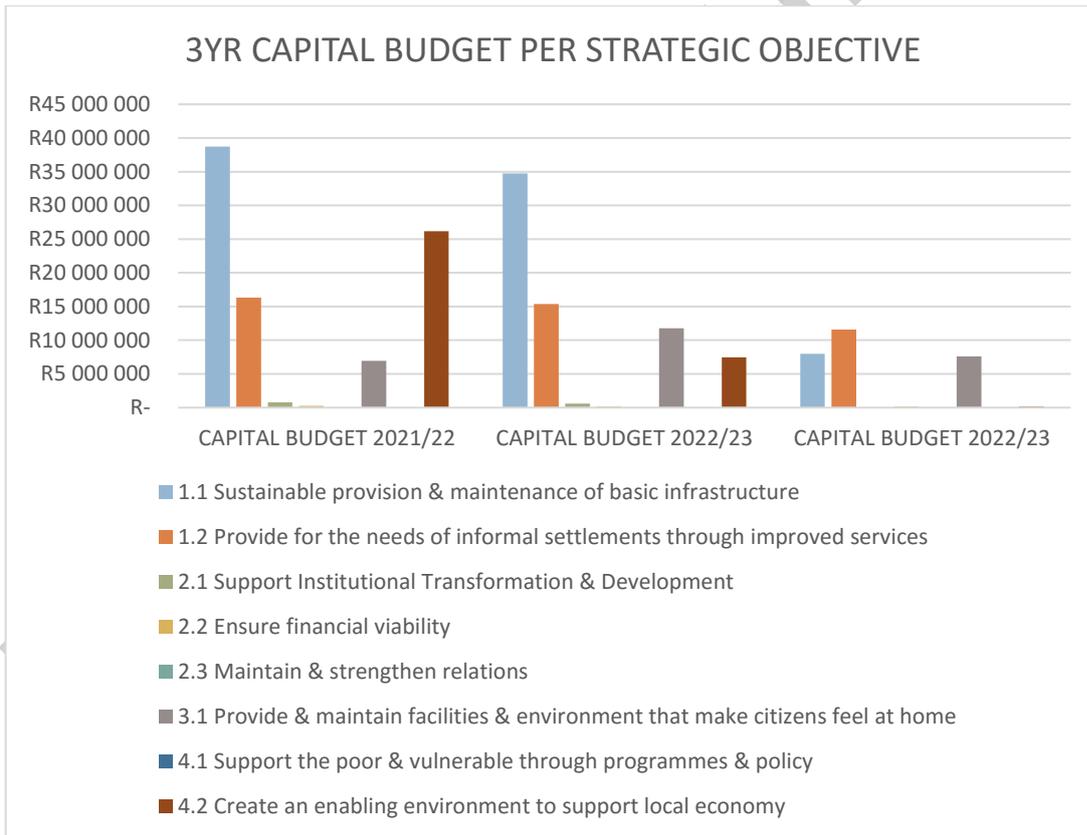
settlement at Nduli which should be upgraded the year after. Major projects mainly include the construction of a storage dam in Tulbagh that will be phased over 2 years, and other network upgrading for water/sanitation and electricity services.

The construction of a new Material Recovery Facility where solid waste will be recycled will commence as well as the upgrading of the Van Breda Bridge in Ceres.

In terms of the Witzenberg Strategic Map, the bulk of the funding is allocated to the key performance area of Essential Services with the strategic objectives related to the provision of services receiving the majority of capital funding as indicated in the graphs below.



KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE	CAPITAL BUDGET 2021/22	CAPITAL BUDGET 2022/23	CAPITAL BUDGET 2022/23
1. Essential Services	1.1 Sustainable provision & maintenance of basic infrastructure	R 38 728 053	R 34 755 742	R 8 000 000
	1.2 Provide for the needs of informal settlements through improved services	R 16 327 701	R 15 385 218	R 11 563 478
2. Governance	2.1 Support Institutional Transformation & Development	R 800 000	R 600 000	R 20 000
	2.2 Ensure financial viability	R 280 000	R 180 000	R 180 000
	2.3 Maintain & strengthen relations	R -		
3. Communal Services	3.1 Provide & maintain facilities & environment that make citizens feel at home	R 6 955 652	R 11 772 519	R 7 624 348
4. Socio-Economic Support Services	4.1 Support the poor & vulnerable through programmes & policy	R -		
	4.2 Create an enabling environment to support local economy	R 26 153 043	R 7 440 000	R 152 174
Total		R 89 244 450	R 70 133 479	R 27 540 000

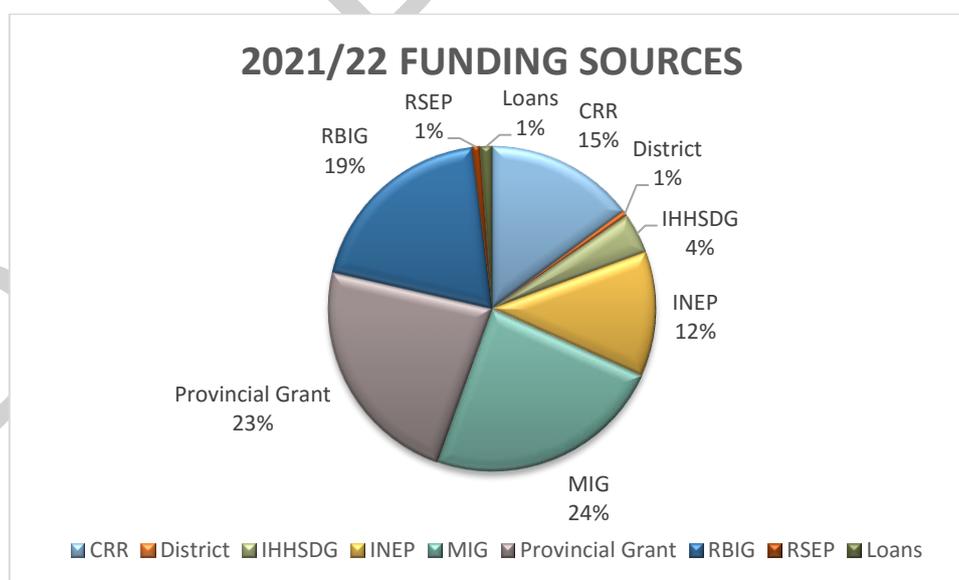


Funding Sources

The Capital Budget is funded by the following sources:

Funding Source Name		Institution	Purpose
Capital Replacement Reserve	CRR	Municipality	Mainly upgrading and equipment
Integrated Housing and Human Settlements Development Grant	IHSDG	Dept. of Human Settlements	Capital funding for internal social housing developments' infrastructure networks as well as related bulk infrastructure. <i>Funding for top structures (houses) is included in the operational budget.</i>
Municipal Infrastructure Grant	MIG	Dept. of Cooperative Governance	Infrastructure that supports the poor, mainly bulk infrastructure related to social housing projects.
Regional Bulk Infrastructure Grant	RBIG	Dept. of Water Affairs	Bulk water and sanitation related projects.
Integrated National Electrification Programme	INEP	Dept. of Energy	Electrical networks for social housing projects.
Regional Socio-Economic Programme	RSEP	Provincial Government	Socio-economic upgrading – non-motorised transport – walkways.
Twinning agreement with Essen, Belgium	Belgium	Belgium Federal Government	Support in implementation of Waste Management Strategy
CWDM	District	Cape Winelands District Municipality	Identified projects. Non-motorised Transport such as walkways & pavements
Provincial Government	Prov Grant	Western Cape Provincial Government	Various Grant related to upgrading of main roads (bridges), fire fighting vehicles, libraries

The graph below gives an indication of the contribution value of the different funding sources to the capital budget:



Detailed five-year Capital Budget

The following tables show the individual budgeted projects as allocated per ward (note that outer years are indicative and only for planning purposes)

KEY PERFORMANCE AREA: 1. ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

Department	Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Electricity Adminis	MV Substation Equipment	CRR	All	500 000	1 000 000		1 500 000	1 500 000
Electricity Adminis	Upgrade of LV Network Cables	CRR	All		1 000 000		1 000 000	1 000 000
Electricity Adminis	MV Network Equipment	CRR	All		1 000 000		1 000 000	1 000 000
Electricity Adminis	Upgrade of MV Cables	CRR	All		1 000 000		600 000	600 000
Electricity Adminis	Tools & Equipment	CRR	All				150 000	150 000
Electricity Streetli	Upgrade of Streetlights	CRR	All				350 000	350 000
Roads	Network streets	CRR	All		2 000 000		2 500 000	3 000 000
Sewerage	Aerator replacement programme	CRR	All				500 000	
Sewerage	Refurbishment WWTW	CRR	All				750 000	
Sewerage	Sewer Pumps-replacement	CRR	All				250 000	500 000
Sewerage	Sewer Network Replacement	CRR	All		1 500 000		2 000 000	1 500 000
Sewerage	Security upgrades	CRR	All				300 000	
Solid Waste Dispo	Transfer stations & related infrastructure (CRR	3	5 817 400				
Storm Water	Network - Storm Water Upgrading	CRR	All				450 000	500 000
Water Distribution	Infrastructure Management System	CRR	All				200 000	
Water Distribution	Plant & Equipment	CRR	All				50 000	
Water Distribution	Security upgrades	CRR	All				450 000	
Water Distribution	Network- Water Pipes & Valve Replaceme	CRR	All		1 500 000		2 000 000	2 500 000
Water Distribution	Tulbagh Dam	RBIG	7, 11	17 391 304	16 729 565			
Electricity Adminis	Electrical Network Refurbishment	CRR	All				1 500 000	1 500 000
Roads	Vredebes Ph1 Busroutes	MIG	5				210 436	
Solid Waste Dispo	New Material Recovery Facility/Drop Off	MIG	All	11 164 767				
Fleet Managemer	Vehicle Replacement Program	Loans	All	1 000 000	1 000 000	1 000 000		
Water Distribution	Grey Water System	CRR	All				1 500 000	1 500 000
Roads	Tools & Equipment	CRR	All				50 000	50 000
Roads	NMT Sidewalks Ceres	CRR	3,5				500 000	500 000
Solid Waste Rem	Drop-offs Transfer stations	CRR	All				2 000 000	4 000 000
Water Distribution	Op-Die-Berg Reservoir	MIG	8	2 854 582				
Water Distribution	Tulbagh Reservoir	MIG	7,11			7 000 000		
Water Distribution	Tierhokskloof bulk pipeline	MIG	2,7		8 026 177			

Strategic Objective: 1.2 Provide for the needs of Informal Settlements through improved services.

Department	Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Electricity Adminis	Vredebes Electrical Network	INEP	5	11 097 391				
Electricity Adminis	Nduli infill Electrical Network	INEP	12		2 714 783	3 478 261		
Storm Water	Vredebes New Storm water Channel & De	MIG	5	107 609				
Roads	Nduli Infill Internal Roads	IHHSDG	1,12		2 820 000			
Sewerage	Nduli Infill Internal Sewerage	IHHSDG	1,12		2 820 000			
Water Distribution	Nduli Infill Internal Water	IHHSDG	1,12		2 820 000			
Storm Water	Nduli Infill Internal Storm water	IHHSDG	1,12		2 820 000			
Roads	Vredebes Access Collector	MIG	5		1 390 435	8 085 217		
Roads	Vredebes Phase H Internal Roads	IHHSDG	5	889 371				
Water Distribution	Vredebes Phase H Internal Water	IHHSDG	5	889 371				
Storm Water	Vredebes Phase H Internal Storm Water	IHHSDG	5	889 371				
Sewerage	Vredebes Phase H Internal Sewerage	IHHSDG	5	889 371				
Electricity Streetli	Vredebes Phase H Streetlights	MIG	5	1 565 217				

KEY PERFORMANCE AREA: 2. GOVERNANCE

Strategic Objective: 2.1 Support Institutional Transformation and Development

Department	Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Dir Corp	Office Equipment	CRR	All				50 000	
Dir Comm	Office Equipment	CRR	All				30 000	
Dir Tech	Office Equipment (Director)	CRR	All				30 000	
Information Techn	IT Equipment	CRR	All	200 000	600 000		650 000	700 000
Municipal Manag	Office Equipment	CRR	All				30 000	30 000
Municipal Manag	Office Equipment	MIG	All			20 000		
Roads	Traffic Calming	CRR	All				200 000	250 000
Administrative & C	Council chambers furniture	CRR	All	600 000				

Strategic Objective: 2.2 Financial Stability

Department	Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Dir Fin	Office Equipment	CRR	All				30 000	
Finance	IT Equipment	Prov Grant	All	100 000				
Finance	IT Equipment	CRR	All	100 000	100 000	100 000		
Finance	Furniture & equipment	CRR	All	30 000	30 000	30 000		
Finance	Computer hardware	CRR	All	50 000	50 000	50 000		

Strategic Objective: 2.3 Maintain and Strengthen Relations

Department	Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Communication	Access Control - Furniture and Equipment	CRR	All					75 000
Communication	Signage & Billboards	CRR	All					80 000
Communication	Camera equipment	CRR	All				20 000	

KEY PERFORMANCE AREA: 3. COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and Maintain Facilities and Environment that make citizens feel at home

Department	Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Community Parks	Chainsaws	CRR	All				90 000	
Community Parks	Brushcutters	CRR	All				120 000	
Community Parks	Irrigation equipment for parks	CRR	All					500 000
Sport Grounds &	Containers 3x3m	CRR	All				100 000	
Community Parks	Truck 1.3 ton	CRR	All				350 000	
Cemeteries	Expanding of Cemetery	CRR	All				300 000	500 000
Fire Fighting & Pr	Capex Fire Fighting Equipment	CRR	All				350 000	
Fire Fighting & Pr	Firefighting Response Vehicle	Prov Grant	All			856 522		
Sport Grounds &	Ceres upgrade Of Leyell Str Sport Facilitie	MIG	3	5 455 652	6 843 477			
Cemeteries	New regional cemetery	MIG	All		4 819 042	6 767 826		
Community Halls	Fencing Nduli Comm Hall	CRR	1, 12					500 000
Sport Grounds &	Kliprug sportfield change rooms	CRR	4					1 500 000
Sport Grounds &	Sportsground development	CRR	All				400 000	400 000
Sport Grounds &	Resurface netball courts	CRR	All				200 000	300 000
Community Parks	Landscaping of parks	CRR	All				300 000	300 000
Community Halls	Townhalls Equipment	CRR	All		40 000			
Sport Grounds &	Sportfield equipment	CRR	All		30 000			
Community Parks	Parks equipment	CRR	All		40 000			
Public Toilets	Wolseley Public Toilets	CRR	2,7	1 000 000				
Public Toilets	Wolseley Public Toilets	District	2,7	500 000				

KEY PERFORMANCE AREA:**4. SOCIO-ECONOMIC SUPPORT SERVICES****Strategic Objective:****4.2 Create an enabling environment to support local economy**

Department	Description	Funding Source	Ward	Budget 2021_2022	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026
Roads	Upgrade Van Breda Bridge	Prov Grant	3,5	20 547 826	6 200 000	152 174		
LED	Hamlet Economic Hub	RSEP	4,1	695 652				
Roads	Rehabilitation - Streets Tulbagh	CRR	11				3 500 000	2 500 000
Resorts	Chalet Furniture	CRR	3				450 000	
Roads	Upgrade Van Breda bridge (own contribut	CRR	3,5	4 909 565	1 240 000			

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Provincial Investment

Below is a table setting out the allocations by national / municipality for the MTEF period 2022/23 – 2024/25 for Witzenberg Municipality.

Department	No of Projects	Value of Projects and Programmes (R'000)						MTEF Total
		Infrastructure Transfers - Capital	Maintenance and Repairs	New or Replaced Infrastructure	Non-Infrastructure	Rehabilitation, Renovations & Refurbishment	Upgrading and Additions	
DEA&DP (Cape Nature)	1	R0	R0	R0	R0	R0	R3 500	R3 500
Education	2	R0	R0	R57 000	R0	R0	R0	R57 000
Health	8	R0	R0	R13 225	R4 385	R22 082	R3 501	R43 193
Human Settlements	5	R26 585	R0	R0	R0	R0	R0	R26 585
Transport and Public Works	5	R0	R201886	R0	R0	R422 000	R0	R623 886
Grand Total	21	R26 585	R201 886	R70 225	R4 385	R444 082	R7 001	R754 164

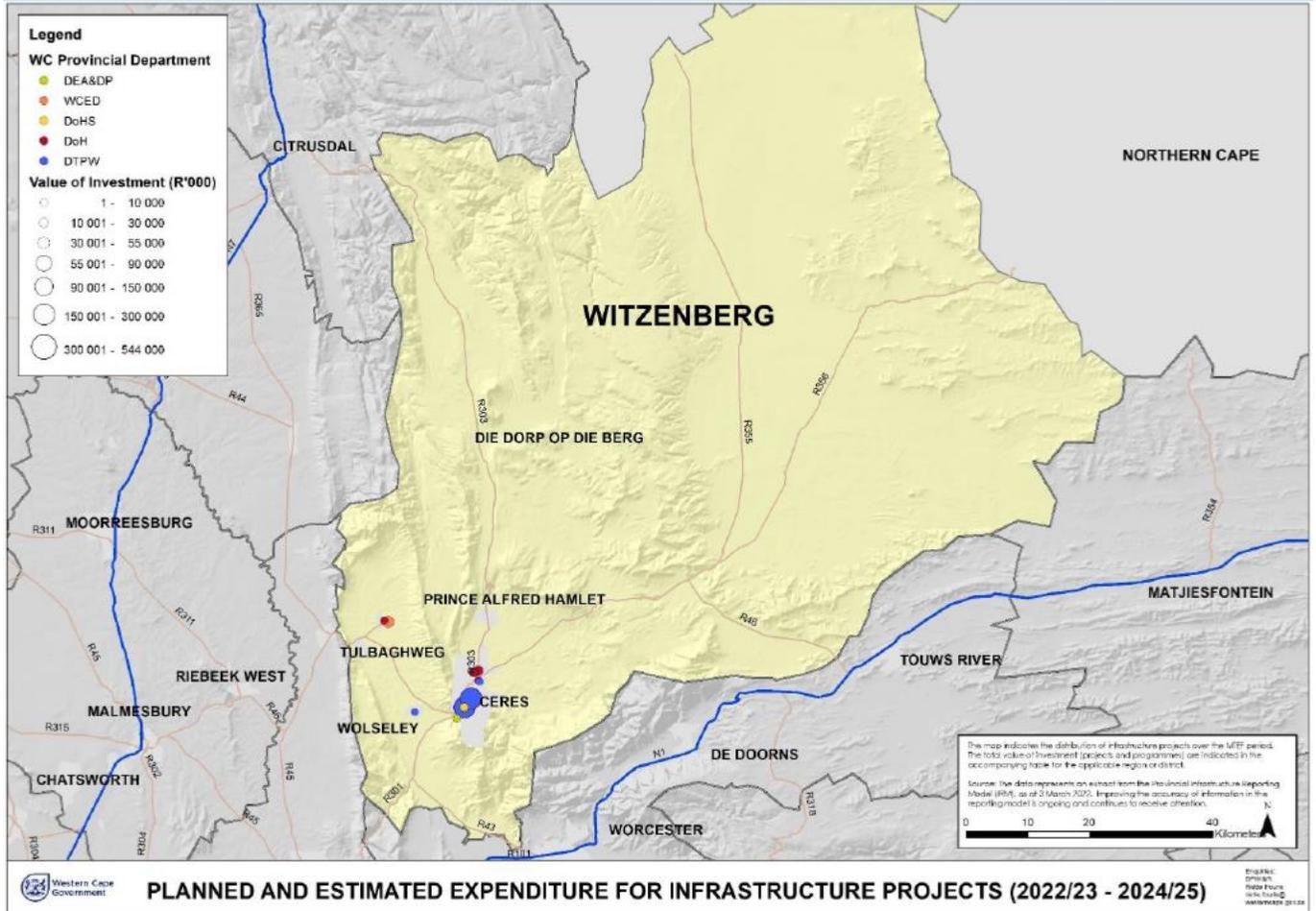
Summary: Infrastructure Projects in Witzenberg Municipality

Source: Western Cape Government: Provincial Treasury

List of Provincial Infrastructure Investment Projects in the Witzenberg Municipality for the MTEF period 2022/23 – 2024/25

Department	Nature of Investment	Project ID	Project Name	MTEF Total (Rand)
Health	Rehabilitation, Renovations & Refurbishment	203652	Ceres - Ceres FPL - Rehabilitation to accommodate dissecting area	R197 000
Health	Non-Infrastructure	184446	Ceres - Ceres Hospital - HT - New Acute Psychiatric Ward	R363 000
Health	Non-Infrastructure	184491	Tulbagh - Tulbagh Clinic - HT - Structural repair	R372 000
Human Settlements	Infrastructure Transfers - Capital	200282	Tulbagh Erven 1366 and 1435-1443 (225 sites) IRDP	R900 000
Human Settlements	Infrastructure Transfers - Capital	200515	3463 - ISSP Ceres Nduli Infills ESS (188 sites) UISP	R1 000 000
Health	Non-Infrastructure	184445	Ceres - Ceres CDC - HT - Enabling work for Hospital OPD	R1 650 000
Health	Non-Infrastructure	196126	Ceres - Ceres Hospital - HT - Hospital and Nurses Home Repairs and Renovation	R2 000 000
Human Settlements	Infrastructure Transfers - Capital	200283	Wolseley Montana Farm Workers Housing (700 sites) IRDP	R2 805 000
DEA&DP (Cape Nature)	Upgrading and Additions	205894	Wolwekloof Day Visitor Upgrade	R3 500 000
Health	Upgrading and Additions	51070	Ceres - Ceres Hospital - New Acute Psychiatric Ward	R3 501 000
Education	New or Replaced Infrastructure	195287	Ndluli PS	R7 000 000
Transport and Public Works	Maintenance and Repairs	203765	Job Creation-Clearing of Erven	R9 856 000
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	196668	C1116 Reseal Wolseley - Ceres - Touwsrivier Wolseley Ceres	R10 000 000
Human Settlements	Infrastructure Transfers - Capital	200281	Ceres Vredebes Phase H (529 services) IRDP	R10 600 000
Human Settlements	Infrastructure Transfers - Capital	200516	3463-xx01 - ISSP Ceres Nduli Infills ESS (188 services) UISP	R11 280 000
Health	New or Replaced Infrastructure	206014	Ceres - Ceres Clinic - Acquisition of building	R13 225 000
Health	Rehabilitation, Renovations & Refurbishment	51169	Ceres - Ceres Hospital - Hospital and nurses home repairs and renovations	R21 885 000
Education	New or Replaced Infrastructure	4171	Waveren SS	R50 000 000
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	206158	C1216 Reseal/rehab Ceres-Opdie Berg-Citrusdal	R154 000 000
Transport and Public Works	Maintenance and Repairs	51727	Routine Maintenance CW DM	R192 030 000
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	194697	C1116 PRMG Reseal Wolseley - Ceres - Touwsrivier	R258 000 000
Grande Total				R754 164 000

Map showing the spatial distribution of Provincial infrastructure investment projects in the Witzenberg Municipality for the MTEF period 2022/23 -2024/25



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7 PERFORMANCE MONITORING AND EVALUATION

The Municipal Systems Act requires that the IDP be reviewed every five years in line with municipal elections, with an annual review of the budget and progress. A Performance Management Policy Framework has been approved by Council.

The IDP is considered as the five-year strategic plan for the municipality and therefore provides an outline of Witzenberg Municipality's vision, mission, objectives and operational and service delivery indicators that are realistic and attainable.

The Municipal Finance Management Act 56 of 2003 (MFMA) and National Treasury MFMA Circular No. 13 requires that municipalities prepare a service delivery budget implementation plan (SDBIP) indicating how the budget and the strategic objectives of Council as included in the IDP will be implemented. The SDBIP is prepared in terms of Section 53(1)(c)(ii) of the Municipal Finance Management (MFMA), National Treasury MFMA Circular No. 13 and the Budgeting and Reporting Regulations.

The SDBIP serves as a "contract" between the administration, council and community; expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration in the applicable financial year. It provides the link between the mayor, the council (executive) and the administration, and facilitates the process for holding management accountable for its performance. It is therefore a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community to monitor the municipality's performance on a quarterly basis. The SDBIP will ensure that appropriate information is circulated internally and externally

for purposes of monitoring the implementation of the budget, the execution of projects, the performance of senior management and the achievement of the strategic objectives set by council.

The SDBIP sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services with the inputs and financial resources that will be utilised.

The SDBIP will determine the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible. Expenditure information (for capital projects and services) per municipal ward is provided so that each output can be broken down per ward, where it is possible to support ward councilors to provide feedback to their communities on progress with service delivery.

Reporting on achievements are done through a mid-year report and combined in the Annual Performance report included in the Annual Report.

The tables below indicate the following:

- Strategic Map – Strategic Objectives and linkage to Key Performance Areas.
- Five-year Scorecard – Key Performance Indicators with targets linked to the Strategic Objectives
- Definitions of Key Performance Indicators

A. STRATEGIC MAP

<i>WITZENBERG MUNICIPALITY: STRATEGIC MAP 2021/22</i>					
Vision	Mission	Municipal KPA		Pre-determined Objectives	
A municipality that cares for its community, creating growth and opportunities.	<p>The Witzenberg Municipality is committed to improve the quality of life of its community by:</p> <ul style="list-style-type: none"> - Providing & maintaing affordable services - Promoting Social & Economic Development - The effective & efficient use of resources - Effective stakeholder & community participation. 	1	Essential Services	1,1	Sustainable provision & maintenance of basic infrastructure
				1,2	Provide for the needs of informal settlements through improved services
		2	Governance	2,1	Support Institutional Transformation & Development
				2,2	Ensure financial viability.
				2,3	To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation of participative structures.
		3	Communal Services	3,1	Provide & maintain facilities that make citizens feel at home.
		4	Socio-Economic Support Services	4,1	Support the poor & vulnerable through programmes & policy
				4,2	Create an enabling environment to attract investment & support local economy.

B. 5 YEAR SCORECARD

KEY PERFORMANCE AREA: *ESSENTIAL SERVICES*

Strategic Objective: *1.1 Sustainable provision & maintenance of basic infrastructure*

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2019/20	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department	Technical	95%	98%	25%	50%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes of technical department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
TecDir3	% Expenditure on Capital Budget by Technical Directorate	Technical	50%	95%	10%	40%	60%	95%	96%	97%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the technical directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.
TecWat21	Percentage compliance with drinking water quality standards.	Technical	100%	98%	98%	98%	98%	98%	98%	98%	98%	98%	Measure of potable water sample pass rate according to the SANS 241 standard. Average of sample results. Only microbiological results of Escherichia Coli are considered in the measurement. Result should be less than 1 count per 100ml.
TecWat36	Percentage of valid water connection applications connected by reporting period end	Technical	100%	95%	95%	95%	95%	95%	95%	96%	97%	97%	This indicator reflects the percentage of residential valid water connection applications (where down payment has been received) connected, where the applicant has access to the municipal water network. Proxy measure for National Key Performance Indicator.
TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	Technical	100%	95%	95%	95%	95%	95%	95%	96%	97%	97%	This indicator reflects the percentage of residential valid sewer connection applications (where down payment has been received) connected, where the applicant has access to the municipal sewer network. Proxy measure for National Key Performance Indicator.
TecEl60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	Technical	100%	95%	95%	95%	95%	95%	95%	95%	96%	96%	This indicator reflects the percentage of residential valid electricity connection applications (where down payment has been received) connected, where the applicant has access to the municipal electrical network. Proxy measure for National Key Performance Indicator.
TecRef46	Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.	Technical	7	7	7	7	7	7	7	7	7	7	The removal of solid household waste in all formal accessible residential areas on a weekly basis in all 7 formalised towns according to a publicised programme. National Key Performance Indicator. Proxy measure for National Key Performance Indicator.

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2019/20	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
TecWat20	Decrease unaccounted water losses.	Technical	15%	18%	18%	18%	18%	18%	18%	16%	16%	16%	Unaccounted-for water (UFW) is the difference between the quantity of water supplied to the municipality's network and the metered quantity of water used by the customers. UFW has two components: (a) physical losses due to leakage from pipes, and (b) administrative losses due to illegal connections and under registration of water meters. The reduction of UFW is a crucial step to improve the financial health and to save scarce water resources.
TecEl37	Decrease unaccounted electricity losses.	Technical	10,7%	10%	10%	10%	10%	10%	10%	10%	10%	10%	Unaccounted-for electricity (UFE) is the difference between the quantity of electricity supplied to the municipality's network and the metered quantity of electricity used by the customers. UFE has two components: (a) Technical losses due to ageing/inadequate networks, and (b) administrative or non-technical losses due to illegal connections and under registration of electricity meters. The reduction of UFE is a crucial step to improve the financial health.
TecRo7	Kilometres of roads upgraded & rehabilitated	Technical	4,4	4	0	1	2	4	3	4	4	4	This indicator measures the kilometres of new roads constructed, roads upgraded & rehabilitated and resurfaced.

Strategic Objective: 1.2 Provide for the needs of informal settlements through improved

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2019/20	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
TecDir2	Number of subsidised serviced sites developed.	Technical	No target	500	0	100	300	500	0	50	50	50	A housing opportunity is incremental access to and/or delivery of one of the following Housing products: Incremental Housing which provides a serviced site with or without tenure. A serviced site is being defined as a demarcated site with access to water & sanitation services located adjacent to a road.
TecWat22	Percentage of households in demarcated informal areas with access to a water point (tap)	Technical	3	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a water point (tap). Access are being defined as households within 200m radius of a water point (tap). Certain taps may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecSan13	Percentage of households in demarcated informal areas with access to a communal toilet facility.	Technical	3	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a communal toilet facility. Access are being defined as households within 200m radius of a communal toilet facility. Certain toilets may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecRef31	Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.	Technical	3	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste. Access are being defined as households within 200m radius of a periodic waste pick-up route or skip for household waste. Certain skips may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecEl36	Percentage of houses in a subsidised housing project connected to the electrical network.	Technical	99%	95%	95%	95%	95%	95%	95%	95%	95%	95%	This indicator reflects the percentage of houses in a subsidised housing project connected to the electrical network. Proxy for National KPI.

KEY PERFORMANCE AREA: GOVERNANCE

Strategic Objective: 2.1 Support Institutional Transformation & Development

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2019/20	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	Corporate	65%	96%	25%	50%	75%	96%	96%	96%	96%	96%	A Workplace Skills Plan is a document that outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate the budget for appropriate training interventions which will address the needs arising out of Local Governments' Skills Sector Plan, the municipality's strategic requirements as contained in the IDP and the individual departmental staffing strategies and individual employees' PDP's. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. Kpi measures percentage expenditure of vote allocated towards training needs as arise from WSP. Proxy for National KPI.
CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	Corporate	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly reports on the percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan. Quarterly report submitted to Municipal Manager. National Key Performance Indicator.

Strategic Objective: 2.3 To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2019/20	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
MMIDP9	Number of IDP community engagements held.	Municipal Manager	7	14		7		14	14	14	14	14	Bi-annual community engagements as per IDP Process Plan held in each of the 7 towns.
ComSoc49	Number of meetings with inter-governmental partners.	Community	9	12	3	6	9	12	12	12	12	12	Number of Inter-Governmental meetings attended.

Strategic Objective: 2.2 Financial Viability

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2019/20	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	Finance	233	200	200	200	200	200	200	200	200	200	This indicator measures debt coverage as (total operating revenue – operating grants received) / debt service payments due within the year. This means the municipality is able to cover its debt service payments from operating revenue
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	Finance	3,3	2,8	2,8	2,8	2,8	2,8	2,8	2,8	2,8	2,8	This indicator measures: (available cash + investments) / monthly fixed operating expenditure. This indicates that with the available cash the municipality is able to pay its fixed operating expenditure for certain amount of months. Proxy for National KPI.
FinFAdm11	Financial viability expressed outstanding service debtors	Finance	71%	60%	60%	60%	60%	60%	60%	60%	60%	60%	These indicator measure service debtors to revenue (total outstanding service debtors / revenue received for services). This means that a % of revenue in the SFP is still outstanding as at year end. Proxy for National KPI.
FinDir3	Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.	Finance	Unqualified	Unqualified			1		Unqualified	Unqualified	Unqualified	Unqualified	This indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor General in determining his opinion. An unqualified audit opinion refers to the position where the auditor having completed his audit has no reservation as to the fairness of presentation of financial statements and their conformity with General Recognised Accounting Practices.
FinInc15	Increased revenue collection	Finance	88%	95%	95%	95%	95%	95%	95%	95%	95%	95%	This indicator reflects the percentage of revenue collected from service accounts delivered.
MM1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the whole of the municipality.	Municipal Manager	88%	98%	25%	50%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes for the whole of the municipality. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
MM2	Percentage spend of capital budget for the whole of the municipality.	Municipal Manager	45%	95%	10%	40%	60%	95%	96%	97%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are

KEY PERFORMANCE AREA: COMMUNAL SERVICES

Strategic Objective: 3.1 Provide & maintain facilities that make citizens feel at home.

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2019/20	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
ComAm34	Report on annual customer satisfaction survey on community facilities.	Community	1	1 Report		1			1 Report	1 Report	1 Report	1 Report	Analysis report of a community survey on community perception and satisfaction in respect of the access to and maintenance of certain community facilities.
ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	Community	54%	98%	25%	50%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes for the Community Department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
ComDir2	% Expenditure on Capital Budget by Community Directorate	Community	29%	95%	10%	40%	60%	95%	96%	97%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the community directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.

KEY PERFORMANCE AREA: SOCIO-ECONOMIC SUPPORT

Strategic Objective: 4.1 Support the poor & vulnerable through programmes & policy

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2019/20	Target 2021/22	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Definitions
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	Community	3093	4500	4500	4500	4500	4500	4500	4400	4300	4300	Refers to the number of account holders subsidised through the municipality's Indigent Policy as at the end of reporting period.
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	Community	409	400	100	200	300	400	410	410	420	420	This indicator measures the number of work opportunities created through the expanded Public Works Programme (EPWP) and contracts for temporary workers and temporary workers employed through contractors on projects. Proxy for National KPI.
ComSoc 42	Number of engagements with target groups with the implementation of social development programmes.	Community	25	20	5	10	15	20	20	20	20	20	The indicator refers to the number of engagements with target groups for the implementation social developmental programmes and /or initiatives .
ComHS14	Number of housing opportunities provided per year.	Community	199	0	0	0	0	0	0	200	100	100	A housing opportunity is incremental access to and or delivery of one of the following Housing products: Practically completed Subsidy Housing which provides a minimum 40m ² house.
ComHS15	Number of Rental Stock transferred	Community	30	30	5	10	20	30	40	50	50	50	Number of rental stock transferred to approved beneficiaries, using established criteria. Rental stock is being defined as subsidised houses constructed before 1994 (scheme houses) and leased by the municipality to identified and approved beneficiaries.

Strategic Objective: 4.2 Create an enabling environment to attract investment & support local economy.

ComLed19	Bi-annual report on investment incentives implemented.	Community	4	2 Reports		1		1	2 Reports	2 Reports	2 Reports	2 Reports	Bi-annual report on investment incentives implemented.
ComLed20	Quarterly report on the Small Business Entrepreneurs Development Programme.	Community	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly report on the Small Business Entrepreneurs Development Programme.
ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	Community	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Progress reports on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.

8 LIST OF STATUTORY, STRATEGIC AND OPERATIONAL PLANS

Operational Strategies and Sector Plans (See Annexures)

SECTOR PLAN	STATUS	ADOPTED DATE	REVIEW ED DATE	NEXT REVIEW DATE
INTEGRATED DEVELOPMENT PLAN 2017-2022	Adopted			
SPATIAL DEVELOPMENT FRAMEWORK	Adopted			
SOCIAL DEVELOPMENT PROGRAMME	Adopted			
LOCAL ECONOMIC DEVELOPMENT PLAN	Adopted			
FINANCIAL PLAN	Adopted			
DISASTER MANAGEMENT PLAN	Adopted			
WATER SERVICES DEVELOPMENT PLAN	Adopted			
AIR QUALITY MANAGEMENT	Adopted			
INTEGRATED TRANSPORT AND ROADS PLAN	Adopted			
ELECTRICITY / ENERGY MASTER PLAN	Adopted			
HOUSING PIPELINE	Adopted			
HUMAN SETTLEMENT PLAN	Adopted			
INTEGRATED WASTE MANAGEMENT PLAN	Adopted			
COMMUNICATIONS STRATEGY	Adopted			
IDP PROCESS PLAN	Adopted			
PUBLIC PARTICIPATION PROCESS PLAN	1 st Draft			
ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM	Adopted			

9 ADDENDUMS AND ANNEXURES

ADDENDUMS AND ANNEXURES	STATUS	ADOPTED DATE	REVIEW ED DATE	NEXT REVIEW DATE
MFMA CIRCULAR 88: WITZENBERG MUNICIPALITY NATIONAL INDICATORS				
MFMA CIRCULAR 88: WITZENBERG MUNICIPALITY COMPLIANCE QUESTIONS				

Draft Document

10 BIBLIOGRAPHY

- Witzenberg Municipality – Institutional Analysis
 1. Du Toit – Mr Pieter Du toit
 2. Department of Health – Ceres Hospital
 3. South African Police Services – Ceres Cluster
 4. Department of Education – Mr Sarel Brown
 5. Directorate Technical Services
 - i. Water and Sanitation
 - ii. Streets and Storm water
 - iii. Town Planning
 - iv. Solid waste
 6. Directorate Community Services
 - i. Human Settlements
 - ii. Environmental Services and Amenities
 - iii. Fire and Disaster Management
 7. Directorate Corporate Services
 - i. Information and Communications Technology
 - ii. Marketing and Communications
 - iii. Traffic Services
 - iv. Human Resources
 8. Directorate Finance
- Department of Local Government
- Provincial Treasury
- Department of Agriculture
- Department of Environmental Affairs and Development Planning
- Cape Winelands District Municipality
- Cooperative Governance and Traditional Affairs(CoGTA)
- South African Local Government Association (SALGA)
- Municipal Systems Act (No. 32 of 2000)
- Municipal Finance Management Act (No.56 of 2003)
- Municipal Structures Amendment Act (No.33 of 2000)

ANNEXURE: CIRCULAR 88

To be implemented as a pilot process in the 2021/22 financial year, intermediate cities, district and local municipalities will not be required to incorporate the indicators in their existing performance indicator tables in the IDP and SDBIP. Instead, these indicators should find expression in a dedicated Annexure to the IDP and SDBIP which clearly indicates the MFMA Circular No. 88 indicators applicable to the municipality at Tier 1 and 2 levels of readiness. For this pilot process, the applicable indicators as included in the Annexures will be monitored and reported on, on a quarterly and annual basis, to the DCOG and the provincial departments of Cooperative Governance and Traditional Affairs (COGTA). No reporting in the MSA section 46 statutory annual performance report (APR) will be required. This “parallel” pilot process will allow and encourage municipalities to plan, implement and report on the MFMA Circular No. 88 indicators, without limiting their statutory performance planning and reporting in fear of audit findings before they have not adequately institutionalized the process.

MUNICIPAL NAME: **WITZENBERG**

Outcome Indicator Planning Template:2021-22						during the pilot	
Performance indicator	Ref No. (sub)	Data element	Baseline (Annual Performance of 2020/21 estimated)	Medium term target for 2025/26	Reasons for no data, if not provided	Steps undertaken, or to be undertaken, to provide data in the future	Estimated date when data will be available
OUTCOME INDICATORS FOR ANNUAL MONITORING							
EE4.4	Percentage total electricity losses		11,0%	10,0%			
	EE4.4(1)	(1) Electricity Purchases in kWh	199989108				
	EE4.4(2)	(2) Electricity Sales in kWh	176767183				
WS3.1	Frequency of sewer blockages per 100 KMs of pipeline		2552	2700			
	WS3.1(1)	(1) Number of blockages in sewers that occurred	5088				
	WS3.1(2)	(2) Total sewer length in KMs	199				
WS3.2	Frequency of water mains failures per 100 KMs of pipeline		87	95			
	WS3.2(1)	(1) Number of water mains failures (including failures of valves and fittings	42				
	WS3.2(2)	(2) Total mains length (water) in KMs	48				
WS3.3	Frequency of unplanned water service interruptions		28	25			
	WS3.3(1)	(1) Number of unplanned water service interruptions	468				
	WS3.3(2)	(2) Total number of water service connections	16489				
WS4.1	Percentage of drinking water samples complying to SANS241		100%	98%			
	WS4.1(1)	(1) Number of water sample tests that complied with SANS 241 requirements	396				
	WS4.1(2)	(2) Total number of water samples tested	396				
WS4.2	Percentage of wastewater samples compliant to water use license conditions		85%	90%			
	WS4.2(1)	(1) Number of wastewater samples tested per determinant that meet compliance to specified water use	325				
	WS4.2(2)	(2) Total wastewater samples tested for all determinants over the municipal financial year	384				
WSS.1	Percentage of non-revenue water		17,0%	15,0%			
	WSS.1(1)	(1) Number of Kilolitres Water Purchased or Purified	4956258				
	WSS.1(2)	(2) Number of kilolitres of water sold	4113694				
WSS.2	Total water losses		170	160			
	WSS.2(1)	(1) System input volume	6708325				
	WSS.2(2)	(2) Authorised consumption	4113694				
	WSS.2(3)	(3) Number of service connections	16489				
WSS.4	Percentage of water reused		3,0%	5,0%			
	WSS.4(1)	(1) Volume of water recycled and reused (VRR)			No baseline data	System to be put in place	October 2021
	WSS.4(2)	(2) 1.a Direct use of treated municipal wastewater (not including irrigation)			No baseline data	System to be put in place	October 2021
	WSS.4(3)	(3) 1.b Direct use of treated municipal wastewater for irrigation purposes			No baseline data	System to be put in place	October 2021
	WSS.4(4)	(4) System input volume			No baseline data	System to be put in place	October 2021
ENVS.1	Recreational water quality (coastal)		Not applicable		Not applicable to this municipality		
	ENVS.1(1)	(1) Number of coastal water samples classified as "sufficient"					
	ENVS.1(2)	(2) Total number of recreational coastal water quality samples taken					
ENVS.2	Recreational water quality (inland)		Not applicable		Not applicable to this municipality		
	ENVS.2(1)	(1) Number of inland water sample tests within the 'targeted range' for intermediate contract recreational					
	ENVS.2(2)	(2) Total number of sample tests undertaken					
HS3.5	Percentage utilisation rate of community halls		2,0%	31,0%			
	HS3.5(1)	(1) Sum of hours booked across all community halls in the period of assessment	1267				
	HS3.5(2)	(2) Sum of available hours for all community halls in the period of assessment	63360				
HS3.6	Average number of library visits per library		18000	23000			
	HS3.6(1)	(1) Total number of library visits	2571				
	HS3.6(2)	(2) Count of municipal libraries	7				
HS3.7	Percentage of municipal cemetery plots available		33%	22%			
	HS3.7(1)	(1) Number of available municipal burial plots in active municipal cemeteries	5153				
	HS3.7(2)	(2) Total capacity of all burial plots in active municipal cemeteries	15646				
TR6.2	Number of potholes reported per 10kms of municipal road network		0	0			
	TR6.2(1)	(1) Number of potholes reported			No baseline data	System to be put in place	October 2021
	TR6.2(2)	(2) Kilometres of surfaced municipal road network	229				
GG1.1	Percentage of municipal skills development levy recovered		83,0%	90%			
	GG1.1(1)	(1) R-value of municipal skills development levy recovered	R 291 659,00				
	GG1.1(2)	(2) R-value of the total qualifying value of the municipal skills development levy	R 350 000,00				
GG1.2	Top management stability		72,0%	90%			
	GG1.2(1)	(1) Total sum of standard working days, in the reporting period, that each S56 and S57 post was occupied	860				
	GG1.2(2)	(2) Aggregate working days for all S56 and S57 Posts	1200				
GG2.1	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)		100,0%	100,0%			
	GG2.1(1)	(1) Functional ward committees	12				
	GG2.1(2)	(2) Total number of wards	12				
GG2.2	Attendance rate of municipal council meeting by recognised traditional and Khoi-San leaders				No recognised traditional Khoi-San leaders currently		
	GG2.2(1)	(1) Sum of the total number of recognised traditional and Khoi-San leaders in attendance at municipal	0				
	GG2.2(2)	(2) The total number of traditional and Khoi-San leaders within the municipality	0				
	GG2.2(3)	(3) Total number of Council meetings	10				
GG4.1	Percentage of councillors attending council meetings		89,0%	90%			
	GG4.1(1)	(1) The sum total of councillor attendance of all council meetings	204				
	GG4.1(2)	(2) The total number of council meetings	10				
	GG4.1(3)	(3) The total number of councillors in the municipality	23				



DRAFT BUDGET FOR

2022 / 2023 – 2024 / 2025

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1 Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant

Glossary (Continued)

MPRA – Municipal Property Rates Act (No 6 of 2004) as amended.

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

2 Mayors Report

Speaker

Aldermen

Deputy Executive Mayor

Members of the Mayoral Committee

Councillors

Representatives of Provincial Government

Municipal Manager

Directors and officials

It is my privilege to present to you the budget for the 2022 / 2023 financial year as well as the 2023 / 2024 to 2024 / 2025 medium term revenue and expenditure framework.

It remains a challenge to collect sufficient funds for improved service delivery while tariffs must still be affordable to the community. Debt collection will have to improve to make more funds available for capital expenditure for much needed maintenance and replacement of aging municipal infrastructure. The level of outstanding debt was also highlighted in the Audit Report. Strict credit control and stewardship from council will have to improve to enhance our ability to collect what is due to the municipality.

The collection rate of the municipality has decreased from 94% to 88%. We believe that the collection rate will rise again as we have started to implement credit control measures and have thus estimated that the budgeted collection rate for the new financial year will reach 92%. The inability to implement credit control measures in the Eskom supply areas of Op-Die-Berg & Prince Alfred's Hamlet is of great concern. Strategic engagements with Eskom will be required to unlock the potential revenue collection. National revenue sources such as the Equitable Share is decreasing and this will urge the municipality to explore other potential sources of income.

It is well known and documented, that the South African economy is experiencing very slow economic growth pre and post the covid-19 pandemic.

It will be of utmost importance that we collectively strive to ensure that at all times we receive value for money on every rand spent from the municipal coffers. We must ensure radical constitutional economic growth to expand billable services. It must also be noted that Capital expenditure funded from our own resources and expenditure on repairs and maintenance is very limited due to a limited to no increase in cash and cash equivalents over the past 3 year.

The municipality cash and cash equivalents is only sufficient to cover expenditure for about 3 months. A balance must be found between improving the available cash and cash equivalents and spending money on service delivery.

Community Relief Initiatives

The following financial relief to the community was introduced in previous budgets. These reliefs have contributed tremendously to the economic upliftment of the citizens of our valley. We continuously strive to increase these package of financial relief but are constraint by the limited financial resources to implement the necessary relief to all citizens. We have so far implemented the below:

- The Indigent policy's qualifying criteria has been amended to only include the income of the property owner or account holder and his or her spouse.
- Households earning between R3 000 and R5 000 rand may qualify for a rebate equal to 50% of the normal indigent subsidy
- A pensioner's rebate in terms of Property Rates.
- A general exemption of on the first R120 000 of residential property as previous.

The capital budget

The capital budget for the next financial year amounts to R77,4 million of which R 23 million is from own revenue. The rest of the capital budget is financed from Grants of R44,4 million and a proposed external loan of R10 million.

As can be seen from the aforementioned, the municipality is too reliant on Grants to fund its capital expenditure. That said we are thankful for the Grants allocated to Witzenberg Municipality.

The bulk of the proposed capital expenditure is in respect of service delivery and infrastructure.

The operating budget

The operating revenue budget for next year amounts to R 811 million of which R 606 million is from own revenue. The rest of the operating budget is financed from Grants.

Tariff implications of the annual budget

Electricity:

The increase in electricity tariffs will be 11.36% for all customers. (Guidance from NERSA on tariff adjustments is still outstanding)

Water:

The water consumption tariff increase will be $\pm 7.25\%$ for all consumers.

Rates:

The increase of Property Rates Revenue will be 7.25%. It is recommended that the ratio for bona fide farms be amended from 0.15:1 to 0.16:1. This phase-in approach for bona fide farms will be followed until the municipality reaches the maximum allowable ratio of 0.25:1 as prescribed by the Municipal Property Rates Policy. It is recommended that the phase-in approach be rapidly excelled in future years in order to keep in touch with the rapidly increasing expenditure items.

Sanitation:

The increase of Sanitation Tariffs will be 7.25%.

Refuse removal:

The average tariff increase for Refuse Removal Tariffs will be 7.25%.

Tabling:

Honourable Speaker, I recommend that the annual budget, budget related policies, tariffs and the reviewed Integrated Development Plan be approved.

COUNCILLOR HJ SMIT

EXECUTIVE MAYOR

3 Resolutions

- (a) *That the annual budget of Witzenberg Municipality for the financial year 2022/2023; and indicative for the two projected years 2023/2024 and 2024/2025, as set out in the schedules contained in Section 4, be approved:*
 - (i) *Table A2: Budgeted Financial Performance (expenditure by standard classification).*
 - (ii) *Table A3: Budgeted Financial Performance (expenditure by municipal vote).*
 - (iii) *Table A4: Budgeted Financial Performance (revenue by source).*
 - (iv) *Table A5: Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding.*
- (b) *Property rates reflected in Annexure 8.1.8(c) and any other municipal tax reflected in Annexure 8.1.8(c) are imposed for the budget year 2022/2023.*
- (c) *Tariffs and charges reflected in Annexure 8.1.8(c) are approved for the budget year 2022/2023.*
- (d) *The measurable performance objectives for revenue from each source reflected in Table A4 - Budgeted Financial Performance (revenue and expenditure) are approved for the budget year 2022/2023.*
- (e) *The measurable performance objectives for each vote reflected in SA8 are approved for the budget year 2022/2023.*
- (f) *That the new amended budget related policies be approved with implementation as from 1 July 2022:*

- (i) Tariff Policy*
- (ii) Property Rates Policy*
- (iii) Credit Control and Debt Collection Policy.*
- (iv) Cash Management and Investment Policy*
- (v) Consumer Payment Incentive Policy.*
- (vi) Municipal Supply Chain Management Policy.*
- (vii) Petty Cash Policy*
- (viii) Indigent Policy*
- (ix) Budget Policy*
- (x) Budget Virement Policy*
- (xi) Asset Management Policy*
- (xii) Funding and Reserves Policy*
- (xiii) Cellular telephone and data card policy*
- (xiv) Borrowing Policy*
- (xv) Long Term Financial Plan Policy*
- (xvi) Transport, Travel and Subsistence Allowance*
- (xvii) Post-Employment Medical Aid Contributions*
- (xviii) Infrastructure Investment Policy*
- (xviiv) Cost Containment Policy*

(g) That the reviewed Integrated Development Plan be approved

4 Executive Summary

Economic outlook

“The world economy is expected to grow by 4.4 per cent in 2022 which is slightly lower than the 4.9 per cent that was anticipated when tabling the Medium-term Budget Policy Statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global supply chains, global geopolitical risk (particularly the Russian invasion of Ukraine) and reduced fiscal and monetary policy support have limited the pace of the world’s economic recovery

The South African economy has not been shielded from these global developments; hence real GDP growth is estimated at 4.9 per cent in 2021, bouncing back from a 6.4 per cent contraction in 2020 and is projected to be followed by growth averaging 1.9 per cent over the next two years. The Western Cape GDP is expected to follow the national trajectory, expanding by 4.3 per cent in 2021, by 2.0 per cent in 2022 and by 1.9 per cent in 2023. This outlook partly reflects a slowing recovery. A more rapid implementation of economic reforms, complemented by fiscal consolidation, will ease investor concerns and support faster recovery and higher levels of economic growth over the long term. Significant risks to the economic outlook include new COVID-19 variants leading to new waves of infections, continued interruptions in power supply, rising inflation resultant from supply chain disruptions and increasing energy prices, fiscal risks as well as global economic uncertainty.” - MUNICIPAL BUDGET CIRCULAR FOR THE 2022/23 MTREF AND ASSOCIATED 2022 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS

Past performance

Witzenberg Municipality has now attained nine consecutive clean audit reports. Whilst the reports are very positive achievements one has to be honest and say that it tells the reader little about whether we have improved service delivery or even delivered on our constitutional mandate. What they do say is that the Council is reasonably honest in its operations to tax and spending on behalf of the local population.

Budget Summary

The Municipality's 2022/2023 budget amounts to R 882,4 million, represented by a Capital Budget of R 77.4 million and an Operating Budget of R805 million.

The total 2022/2023 budget (operating and capital) will be financed from own income R 606 million, Government Grants R 205 million. Debt Impairment is estimated at R46 million

Revenue / tariff increases

- The increase of Property Rates Revenue will be $\pm 7.25\%$.
- The increase of Water Consumption Tariffs will be $\pm 7.25\%$
- The increase of Sanitation Tariffs will be 7.25%.
- The average tariff increase for Refuse Removal Tariffs will be 7.25%.
- The tariff increase for Electricity Tariffs will be 11.36%

Expenditure category increases

The budgeted increase in expenditure categories are as follows:

Expenditure by Type	2021 / 2022	2022 / 2023	Increase
	R'000	R'000	R'000
Employee related costs	198 406	212 468	7%
Job Creation	7 610	5 008	-34%
Post-Employment Provisions	28 178	29 023	3%
Remuneration of councillors	11 007	12 108	10%
Depreciation & asset impairment	39 729	39 589	0%
Bulk purchases	289 789	321 346	11%

Expenditure by Type	2021 / 2022	2022 / 2023	Increase
Debt Impairment	53 750	46 085	-14%
Repairs & Maintenance	14 970	22 179	48%
Operational Projects	4 559	2 564	-44%
General Expenses	49 783	53 518	8%
Vehicle Expenditure	10 003	12 750	27%
Housing Top Structures	21 490	12 330	-43%
Bad Debt Written Off	10 000		-100%
Other Contracted Services	29 079	36 084	24%
	768 352	805 050	5%

The increase in salary expenditure is based on an expected increase of 4.9% CPI as well as the notch increase of 2.5% for qualifying employees. This is in line with the new wage agreement. The municipality has also limited the budget for Overtime & Standby expenditure and expenditure on these items will be closely monitored.

It is estimated that the increase in bulk purchases will be 11.36%. The municipality is awaiting final guidance for NERSA and will adjust the final budget accordingly.

The financing of capital expenditure from own funds (CRR) totals R 23 million. This amount is earmarked to address specific infrastructural capital investment aligned to IDP focus areas. This level is considered to be affordable over the MTREF 3-year period.

Capital investment funding from Capital Grants represents a significant portion (88%) of the Municipality's Capital Budget in 2022/2023 and consist mainly of the Provincial Housing Grant, Public Transport Infrastructure Grant, the Municipal Infrastructure Grant (MIG), Water Service Infrastructure Grant and the Regional Bulk Infrastructure Grant (RBIG)

The 2022/2023 Budget was compiled in terms of the Municipal Budget and Reporting Regulations and a phased-in process will be followed to include all information regarding the tables and supporting documentation.

Financial position and MTREF strategy

The financial position of Witzenberg Municipality is set out in Table A6: Budgeted Financial Position.

Integrated Development Plan & Priorities

The Strategic priorities as per the IDP I is available in Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue), Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure) and Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure).

Effect of the annual budget

The annual budget for 2022 / 2023 to 2024 / 2025 is disclosed in detail in 'Section 4: Annual budget tables' and in 'Annexure 2: Supporting budget tables'. Each of the summarised sections below is discussed in more detail later in this document.

Financial performance

The revenue by source for medium term revenue and expenditure framework can be summarized as follows:

Revenue by source	2021 / 2022	2022 / 2023	Increase
	R'000	R'000	R'000
Property Rates	93 662	109 884	17%
Service Charges: Electricity	332 329	353 206	6%
Service Charges: Water	45 083	53 363	18%
Service Charges: Waste Water	34 797	37 094	7%
Service Charges: Waste Management	39 841	43 839	10%
Indigent Rebate	-39 665	-39 632	0%
Rental from Fixed Assets	2 970	3 416	15%
Interest, Dividend and Rent on Land	15 690	14 224	-9%
Fines, Penalties and Forfeits	21 479	11 137	-48%

Licences or Permits	2 111	2 216	5%
Agency Services	4 046	4 249	5%
Transfers and Subsidies	218 512	204 823	-6%

The increases above do not reflect the corresponding increases in tariffs due to the following reasons:

1. The adjustment in the ratio of bona fide farmers
2. Adjustments to the number of indigents
3. Correction to the base used to calculate water revenue
4. Increase in the use of rental of facilities due to the reduction in covid-19 restrictions

The National, Provincial and District Context

The Municipality's budget must be seen within the context of the policies and financial priorities of National and Provincial Government as well as the district municipality. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Witzenberg Municipality. The Municipality alone cannot meet these challenges and we require support from the other spheres of Government through the direct and indirect allocation of resources as well as the achievement of their own policies.

The following table shows the allocations to Witzenberg Municipality as set out in the National Division of Revenue Bill.

NATIONAL ALLOCATIONS	2022 / 2023	2023 / 2024	2024 / 2025
	R'000	R'000	R'000
UNCONDITIONAL GRANTS			
EQUITABLE SHARE	121 668	132 945	145 345
CONDITIONAL GRANTS			
INFRASTRUCTURE			
MIG	25 091	26 054	27 079
INEP		4 000	4 180
RBIG	19 239		

WSIG	15 701	14 299	
SPECIFIC PURPOSE ALLOCATIONS			
LG FMG	1 550	1 550	1 550
EPWP	2 237		
NATIONAL GRANTS TOTAL	185 486	178 848	178 154

The following table shows the allocations to Witzenberg Municipality from the Provincial Government of the Western Cape:

PROVINCIAL ALLOCATIONS	2022 / 2023	2023 / 2024	2024 / 2025
	R'000	R'000	R'000
DEPARTMENT OF HUMAN SETTLEMENTS			
IHSDG		1 065	2 640
Municipal Accreditation and Capacity Building Grant	256	245	249
Informal Settlements Upgrading Partnership Grant: Provinces (beneficiaries)	11600	11280	
DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING			
Regional socio-economic project/violence prevention through urban upgrading	500		
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS			
Maintenance of proclaimed roads	1 120	7 120	120
DEPARTMENT OF CULTURAL AFFAIRS AND SPORT			
Library Services	3 311	2 729	2 852
Library services: Municipal Replacement Funding	7 206	7 307	7 635
Development of Sport & Recreation Facilities	1 029		
DEPARTMENT OF LOCAL GOVERNMENT			

Thusong Centre			150
Community Development Worker Operational Support Grant	131	131	131
Fire Service Capacity Building Grant		985	
Municipal Interventions Grant			
DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM			
Western Cape Municipal Energy Resilience Grant	1762		
GRAND TOTAL	26 915	30 862	13 777

The following table shows the allocations to Witzenberg Municipality from the Cape Winelands District Municipality

DISTRICT ALLOCATION	2022 / 2023	2023 / 2024	2024 / 2025
	R'000	R'000	R'000
Financial Assistance	500	-	-

Budget-related policies

Please refer to paragraph 9 for details of proposed amendments to the budget related policies.

5 Annual budget Tables

(These tables will be distributed at the council meeting)

- A1 Budget Summary
- A2 Budgeted Financial Performance – by standard classification
- A3 Budgeted Financial Performance – by municipal vote
- A4 Budgeted Financial Performance
- A5 Budgeted capital Expenditure by vote and Funding
- A6 Budgeted Financial Position
- A7 Budgeted Cash Flows
- A8 Cash backed reserves/accumulated surplus reconciliation
- A9 Asset Management
- A10 Basic service delivery measurement

Annual budget Supporting Tables

SA1: Supporting Detail to Budgeted Financial Performance

SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

SA3: Supporting detail to Budgeted Financial Position

SA4: Reconciliation of IDP, Strategic Objectives and Budget (Revenue)

SA5: Reconciliation of IDP, Strategic Objectives and Budget (Operating Expenditure)

SA6: Reconciliation of IDP, Strategic Objectives and Budget (Capital Expenditure)

SA7: Measurable Performance Objectives

SA8: Performance Indicators and Benchmarks

SA9: Social, Economic and Demographic Statistics and Assumptions

SA10: Funding Measurement

SA11: Property Rates Summary

SA12a: Property rates by category (current year)

SA12b: Property rates by category (budget year)

SA13: Service Tariffs by category

SA 14: Household Bills

SA15: Investment Particulars by Type
SA16: Investment Particulars by Type
SA17: Borrowing
SA18: Transfers and Grant Receipts
SA19: Expenditure on Transfers and Grant Programme
SA20: Reconciliation of Transfers, Grant Receipts and Unspent Funds
SA21: Transfers and Grants made by the Municipality
SA22: Summary Councillor and Staff Benefits
SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senior managers)
SA24: Summary of Personnel Numbers
SA25: Budgeted Monthly Revenue and Expenditure
SA26: Budgeted Monthly Revenue and Expenditure (Municipal Vote)
SA27: Budgeted Monthly Revenue and Expenditure (Standard Classification)
SA28: Budgeted Monthly Capital Expenditure (Municipal Vote)
SA29: Budgeted Monthly Capital Expenditure (Standard Classification)
SA30: Budgeted Monthly Cash Flow
SA31: Entities not required
SA32: List of External Mechanisms
SA33: Contracts having Future Budgetary Implications
SA34a: Capital Expenditure on New Assets by Asset Class
SA34b: Capital Expenditure on the Renewal of Existing Assets by Asset Class
SA34c: Repairs and Maintenance Expenditure by Asset Class
SA34d: Depreciation by Assets Class
SA35: Future Financial Implications of the Capital Budget
SA36: Detail Capital Budget
SA37: Projects Delayed from Previous Financial Years
Budget Circular 107 & 108 – only attached for noting

6 Overview of the Budget Process

6.1 Political oversight of the budget process

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget.

Section 21(1) of the MFMA states that the Mayor of a municipality must coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

This time schedule provides for political input from formal organizations such as portfolio Committees.

6.2. Schedule of Key Deadlines relating to budget and IDP process [MFMA s 21(1) (b)]

The IDP and Budget time schedule of the 2022 / 2023 budget cycle was adopted by Council during August 2021, 10 months before the start of the budget year in compliance with legislative directives.

The IDP and Budget Process Plan ensure that the role-players within the process are well prepared. All activities outlined within this document have been prepared in close inter-relation with the Framework that governs both the District and all local municipalities.

Public budget and IDP meetings will be held throughout Witzenberg and all members of the public are urged to attend.

6.3. Process used to integrate the review of the IDP and preparation of the Budget

Updating the IDP and Budget is an evolving and re-iterative process over a 10 month period. The initial parallel process commenced with the consultative process of the IDP in 2022 and the update of the MTREF to determine the affordability and sustainability framework at the same time.

6.4. Process for consultation with each group of stakeholders and outcomes

Following tabling of the draft budget in March 2022, local input will be solicited via notices published in the media. The budget documentation will be available on the municipal website: witzenberg.gov.za

Comments on the IDP/Budget will be made by the public via verbal presentations, facsimiles, emails, open days and in the form of correspondence to the municipality and will be considered for incorporation as part of the budget process.

6.5. Stakeholders involved in consultations

The tabled budget will be provided to National Treasury and Provincial Treasury in March/April 2022 for their consideration in line with S23 of the MFMA.

6.6. Process and media used to provide information on the Budget to the community

The Municipality's consultation process on its draft IDP and budget will be published in the relevant media during April/May 2022, where input from various stakeholders have been requested

Community representatives and organizations had to review the priorities given previously and to ascertain whether it has been captured as priorities during the 2022 / 2023 IDP/Budget process.

6.7. Methods employed to make the Budget document available (including websites)

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs, Fees and Charges for 2022 / 2023), advertisements will be placed in the media. The information relating to resolutions and budget documentation will be displayed at the notice boards in the municipal offices as well as libraries.

In compliance with S22 of the MFMA, the Budget documentation will be published on the municipality's website.

7 IDP Overview and Amendments

- **VISION**

A Municipality that cares for its community, creating growth and opportunities

- **MISSION**

The Witzenberg Municipality is committed to improve the quality of life of its community by:

- Providing and maintaining affordable services.

- Promoting Social and Economic Development
 - The effective and efficient use of available resources
 - Effective Stakeholder and Community participation
- **VALUE SYSTEM**
 - Driven by the aspirations of our Community, we will respect and uphold the Constitution of the Republic of South Africa.
 - We commit ourselves to the Code of Conduct for Councillors and officials in the Municipal Systems Act.
 - We commit ourselves to the principles of sound financial management.
 - **Alignment with Provincial and National Government**

Witzenberg Municipality's development plan needs to align with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are six critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF).

All these feed into and influence the Integrated Development Plan.

- **Witzenberg Municipality Budget Priorities (Key Performance areas)**

The Municipality's 2022 / 2023 to 2024 / 2025 integrated development plan focuses on four strategic focus areas. The concrete objectives for each strategic focus area have been outlined and elaborated on. These objectives will be used to further develop key performance indicators against which performance implementation monitoring and reporting will be done. The corporate scorecard outlines these indicators and targets.

The four focus areas are:

- Essential Services
- Governance
- Communal Services
- Socio-Economic Support Services

8 Measurable performance objectives and indicators

(a) KEY FINANCIAL INDICATORS AND RATIOS

Information regarding key financial indicators and ratios are provided on Supporting Table SA8.

(b) MEASURABLE PERFORMANCE OBJECTIVES

Information regarding revenue is provided as follows:

Revenue for each vote - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Revenue for each source - Table A4 Budgeted Financial Performance (revenue and expenditure)

Provision of free basic services:

- (i) Cost to the Witzenberg Municipality in rand value for each of the free basic services provided to indigent households:

DESCRIPTION	2022-2023	2023-2024	2024-2025
	R'000	R'000	R'000
Property rates	4 242	4 549	4 879
Water	3 839	3 897	3 960
Sanitation	10 054	10 783	11 565
Electricity	3 788	4 219	4 698
Refuse	8 598	9 222	9 890
Total	30 522	32 670	34 993

It is expected that indigents will increase significantly due to the Covid-19 pandemic.

More detail is provided in Table A10 Basic service delivery measurement,

(ii) Level of service to be provided

The first R 120 000 of the municipal valuation of property in Town areas are exempt from property rates.

Indigent households will receive 50 kWh of electricity and 6 kilolitre of water per month while their basic charges for water refuse and sewerage will be subsidized.

(iii) Number of households to receive free basic services

There is budgeted for 3 000 households that will receive 50 kWh electricity per month as well as 6 kilolitre water per month. Provision has also been made for households earning between R3000 and R5000 which may qualify for 50% of the indigent subsidy

A further 1700 households in informal areas receive all services excluding electricity free of charge.

9 Overview of Budget Related Policies and Amendments

The following budget related policies are tabled with the budget documentation for comments and inputs:

Budget Policy

Tariff Policy

Property Rates Policy

Credit Control and Debt Collection Policy

Cash Management and Investment Policy

Consumer Payment Incentive Policy

Petty Cash Policy

Indigent Policy

Budget Virement Policy

Asset Management Policy

Funding and Reserves Policy

Borrowing Policy

Cellular the phone and data card policy

Municipal Supply Chain Management Policy

Long Term Financial Plan Policy

Transport- travel- and subsistence allowance Policy

Post-Employment Medical Aid Contribution Policy

Infrastructure Investment Policy

Policies will be available at libraries in the municipal area and the website of the municipality.

The budget related policies were reviewed by management. The amendments recommended are explained below:

BUDGET POLICY

The aim of the policy is to set out the principles which the municipality will follow in preparing each medium term revenue and expenditure framework (budget) and the responsibilities of the mayor and officials.

It is recommended that the Budget Policy be amended and include the following provisions

New Projects may not be added during the financial year unless it falls within the ambit of unforeseen and unavoidable expenditure and/or an additional allocation received

Funds for SDBIP projects or items may not be removed from the budget through an adjustments budget process unless:

- the necessity thereof is as a consequence of funds that is no longer available or
- a significant reduction in the collection rate substantiates and justifies the removal.

TARIFF POLICY

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy.

It is also recommended that the Renewable Energy tariffs (SSEG) and or an alternative tariff, the Service charge/month/100kW of installed panels, be brought into the tariff policy. The application of one or both of these tariffs will be the discretion of the Director Technical Services in consultation with the Director Financial Services

It is also recommended that a waste recycling tariff be brought in. This tariff will be the amount the municipality will pay to sellers for each bag of 15L recycled material. It is recommended that instead of making payment to sellers, a discount be given to sellers on their municipal accounts.

A significant adjustment has been made to the water tariff 5.1.2.3 (Block C - Aimed at larger industrial clients). This adjustment was made to ensure fairness across the board and to ensure that all users pay for what they use.

A number of sundry tariffs have been removed or added to ensure relevancy. The list of these amendments are too exhaustive and amendments have been noted in the Tariff List.

PROPERTY RATES POLICY

A Rates Policy in accordance with Section 3 of the Municipal Property Rates Act (No 6 of 2004) as amended (MPRA) was approved by Council and updated on 15 June 2010.

The policy guides the annual setting of property rates.

The Municipality has reviewed the rate ratio as it is applied in terms of Bona Fide Agricultural properties. The current ratio has been adjusted to 0,16:1

The property rates tariff for agricultural/business and agricultural/industrial has been adjusted to be equivalent to in town tariffs – the R 120 000 exemption will also apply to this tariffs.

The Property Rates policy has been amended for property rates to be based on actual use and not zoning.

CREDIT CONTROL AND DEBT COLLECTION POLICY

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

Recommended to add the following to paragraph 24.10

- (iv) The cost of the replacement meters will be borne by the municipality for approved indigent customers.
- (v) The cost of the replacement meters will be borne by the municipality if the consumer defaulted by at least three occasions within a financial year. (The cost borne by the municipality will be limited to the meter and installation cost of the meter.)

CASH MANAGEMENT AND INVESTMENT POLICY

The underlying cash is managed and invested in accordance with the Municipality's approved Cash Management and Investment Policy, which is aligned with National Treasury's municipal investment regulations dated 01 April 2005.

CONSUMER PAYMENT INCENTIVE POLICY

The purpose of the policy is to encourage residents of Witzenberg to pay for services and also to promote the culture of payment amongst its citizens.

Amendments recommended:

Verified debt as at 30 June 2020 to be "parked" and written-off in instalments as the conditions are met. Verified debt accrued after 1st July 2020 to be dealt with via an acknowledgement of debt and arrangement for payment by the participant.

PETTY CASH POLICY

The policy provides for the cash purchases up to a transaction value of R 2 000.00

The policy was amended to be in line with the principles of the SCM regulations.

INDIGENT POLICY

The aim of the policy is to ensure a sound and sustainable manner to provide affordable basic services to the poor by means of assisting them financially within the legal framework of the powers and functions of the municipality in order to improve the livelihood, in an effort to create a prosperous municipality free of poverty.

It recommended that section 6.1.12 be removed.

“No Indigent application will be approved in the case of any person that lives/stay on the property who is employed by any State Department, Local Government or District Municipality, excluding EPWP type employment.”

BUDGET VIREMENT POLICY

National Treasury has advised municipalities to implement a Virement policy to ensure that funds can be shifted for of operational requirements to ensure that service delivery is not hampered.

It is proposed that the Budget Virement Policy be amended in terms of the following:

New item – 5.17.

Virements / Transfers from Repairs & Maintenance Projects are only permitted with the approval of the CFO and Municipal Manager

New item – 5.18

Virements / Transfers from Specific Operational Typical Work streams Projects are only permitted with the approval of the CFO and Municipal Manager

New item – 5.19

No virements be permitted from projects allocated to specific regions/areas without approval of the MM

New item – 5.20

No virements be permitted from projects used to measure performance in terms of the SDBIP without approval of the Mayor

New Item – 5.21

No virements be permitted for Funds allocated as grants to individuals (e.g. bursaries)

Appendix A Classification be repealed and replaced with the updated Municipal Votes as disclosed in the Budget Schedules

Appendix B Classification be repealed and replaced with the MSCOA line items

ASSET MANAGEMENT POLICY

The aim of the policy is to ensure that the assets of the municipality are properly managed and accounted for.

No amendments are recommended.

FUNDING AND RESERVE POLICY

In terms of section 8 of the Municipal Budget and Reporting Regulations each municipality must have a funding and reserves policy.

The 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.

No amendments are recommended.

BORROWING POLICY

The policy aims to set out the objectives, statutory requirements as well as guidelines for the borrowing of funds.

No amendments are recommended.

CELLULAR TELEPHONE AND DATA CARD POLICY

The policy aims to curb the expenditure on cellular telephones by setting maximum expenditure levels and providing processes to approve and/or recover expenditure above the levels.

No amendments are recommended.

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Municipality's Supply Chain Management Policy was approved by Council.

Consider the incorporation of parts of the SIPDM or the new draft FIPDM. Change the amount from R5million to R10 million for request of financial statements. Change the period of appeal from 21 days to 14 days.

LONG TERM FINANCIAL PLAN POLICY

The long term financial plan policy integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan.

No amendments are recommended.

TRAVEL MANAGEMENT POLICY

This policy applies to all Councillors and employees of Witzenberg Municipality who are travelling on official business.

Recommendation

That section 2.4. Essential User Transport Allowance be removed as the SALGA policy is used to compensate the essential users.

That the following section be replaced:

~~3.3.4.2.1. The Municipal Manager and other senior managers shall not receive any reimbursement for actual kilometres travelled within the Municipality's area of jurisdiction, insofar as such travelling expenses have already been factored into their total reimbursement package.~~

3.3.4.2.1. The Municipal Manager and other senior managers (section 56 appointments) shall receive reimbursement for actual kilometres travelled within the Municipality's area of jurisdiction, in terms of section 39 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, in accordance with the tariffs of the Department of Transport.

POST-EMPLOYMENT MEDICAL AID CONTRIBUTION POLICY

The purpose of this policy is to determine guidelines for the management of contributions to medical aids, post-employment and to determine whether an employee is entitled to the post-employment medical aid benefit.

No amendments recommended

INFRASTRUCTURE INVESTMENT POLICY

This policy sets out the process and methodology for capital investment of any nature, regardless of the funding source.

10 Overview of Budget Related By-Laws and Amendments

No amendments to any By-Laws are recommended.

11 Overview of Budget Assumptions

Expenditure

Salaries and Allowances

Provision has been made for a 4.9 % increase in salaries plus an additional notch increase (2.5%) for qualifying employees

Provision has been made for a 6% increase in councillor allowances, the councillor allowances is subject to approval of the National Minister.

General expenditure

It is assumed that costs for services will increase in line with the CPIX. The current oil price is a concern and it is expected that the fuel price hikes will have a substantial effect on expenditure. It is also assumed that the capital projects for 20201 / 2022 will be completed during the financial year as there were budgeted for the depreciation of such projects as

per general recognized accounting practice (GRAP). Depreciation on new capital expenditure is calculated at a varying rate ranging between 3 and 100 years depending on the nature of the asset.

Repairs and Maintenance

It is assumed that municipal infrastructure and assets will be maintained as per previous years and that no major breakages will take place during the financial year.

Capital costs

It is assumed that interest rates will be stable during the financial year, but the provision for capital has not been decreased.

Bulk Purchases

It is assumed that electricity tariffs of Eskom will increase by 11.36% as from 1 July 2022, as approved by NERSA.

The NERSA Tariff Guidelines for municipalities was late received and it is envisaged that the bulk cost increase will be adjusted to 11.36% for the final budget for consideration.

Income

Households

It is assumed that the total households in the municipal area (the tax base) will stay stable during the financial year. The new RDP houses to be built will be for the benefit of families residing in informal areas. The total number of households is thus not expected to increase. Care must be taken that the informal structures are removed as soon as the beneficiaries moved to the new houses.

Collection rate for municipal services

It is assumed that the collection rate (percentage of service charges recovered) for the financial year will be the same as the current payment rate.

In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends. The Municipality's collection rate is set at an average of 91%. Adequate provision is made for non-recovery.

Grants

It is assumed that the National and Provincial grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2022 / 2023 financial year.

Indigents

It is assumed that the number of indigents will increase to an estimated 5000 during the financial year due to Covid-19 pandemic. This significant increase is also due the additional rebate the municipality is offering to households earning between R3 000 and R5 000

Efficiencies and cost containment measures

The municipality is committed through its applications and strengthening of its existing internal controls, policies and through the use of technology to ensure that the resources at its disposal will be used to the best of its ability. Cost containment measures has been implemented and operational expenses such travelling cost, catering services and consultant services are managed within the parameters of the Cost containment measures.

12 Overview of Budget Funding

Summary

The operating budget for 2022 / 2023 will be financed as follows:

	2021 / 2022	2022 / 2023	Increase
	R'000	R'000	R'000
Charged for electricity, water, refuse and sewerage	412 385	447 871	9%
Property Rates	93 662	109 884	17%
Provincial and National Operating Grants	148 041	149 721	1%
Sundry charges / Other	62 134	48 656	-22%
Total Operating Revenue excl. Capital Transfers	716 222	756 132	6%

The capital budget for 2021/ 2022 to 2023 / 2024 will be financed as follows:

	2022/2023	2023 / 2024	2024 / 2025
	R'000	R'000	R'000
Own Funds (Capital Replacement Reserves)	23 084	3 680	28800
Grants	44 347	26 795	25 821
Borrowing	10 000		
Total Capital Budget	77 431	30 475	54 621

Reserves

All the reserves of the municipality are not cash funded. The process to accumulate sufficient funds is a long term process as tariff increases must be kept to a minimum, and service delivery must be continued.

Sustainability of municipality

The way that the budget is funded will ensure that the municipality will be sustainable on the short term. The full effect of huge increases in electricity tariffs may on the long run impact negatively on the sustainability of the municipality. This is a huge concern for the municipality and the municipality has no control over the increases approved by NERSA.

Impact on rates and tariffs

The way that the budget is funded will ensure that, except for electricity, refuse removal and water tariffs, service tariff increases will be $\pm 6\%$. Property rates tariffs will increase with $\pm 6\%$. The municipality has no control over the increases of electricity tariffs and the proposed 14.59% increase in electricity tariffs is subjected to NERSA approval.

Property valuations, rates, tariffs and other charges

The rates tariffs as well as tariffs for electricity, water, refuse, sewage together with the sundry tariffs are listed in Section B – Tariffs. The tariff increases are also indicated.

Collection Rate

Income levels for service charges and rates for the budget year were based on the following revised collection rates due to the impact of the Covid-19 pandemic:

Rates	95.0%
Electricity	98.0%
Water	73.0%
Sanitation	61.0%
Refuse	70.0%

Planned savings and efficiencies

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

Overtime

Standby
Operational Cost
Contracted Services
Materials & Supplies

Contributions and donations received

There was not budgeted for any contributions and donations to be received.

Planned proceeds of sale of assets

The municipality envisage no sale of fixed property during the 2022 / 2023 financial year.

Planned use of previous year's cash backed accumulated surplus

Where cash backed accumulated surplus is available, the municipality will utilise it to fund the budget.

Particulars of existing and any new borrowing proposed to be raised

There is no new borrowing proposed.

13 Expenditure on allocations and grant programmes

Particulars of budgeted allocations and grants

Please refer to Supporting Table SA19: Expenditure on transfers and grant programme.

14 Allocations or grants made by the Municipality

Please refer to Supporting Table SA21 Transfers and grants made by the municipality.

15 Councillor allowances and employee benefits

Costs to Municipality:

Councillors allowances (excluding cell phone and mobile data) – Budgeted amounts

Position	2022 / 2023 R
Speaker (1)	757 983
Executive Mayor (1)	947 481
Deputy Executive Mayor (1)	757 983
Executive Committee (4)	2 842 441
Chairperson MPAC (1)	384 798
Other Councillors (15)	4 497 633
TOTAL	10 188 319

Senior Managers (Including performance bonus provision) (budgeted amount)

Position	2022 / 2023 R
Municipal Manager	1 964 740
Director: Corporate Services	1 606 079
Director: Community Services	1 606 079

Director: Technical Services	1 606 079
Chief Financial Officer	1 606 079
TOTAL Senior Management	8 389 056
All other staff	237 815 568

Number of Councillors 23

Number of Senior Managers employed 4

(Vacancy: Director Community Services)

Details of employee numbers can be obtained on Supporting Table SA24: Summary of personnel numbers.

16 Monthly targets for revenue, expenditure and cash flow

The monthly targets for revenue and expenditure are provided in Supporting Table SA25 Budgeted monthly revenue and expenditure.

The monthly targets for cash flows are provided in Supporting Table SA30 Budgeted monthly cash flow.

17 Capital spending detail

Information/detail regarding capital projects by vote is provided in Supporting Table SA36: Detailed capital budget.

18 Legislation compliance status

Witzenberg Municipality complies in general with legislation applicable to municipalities.

19 Municipal Manager's quality certification

Quality Certificate

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the budget and supporting documentations are consistent with the Integrated Development Plan of the municipality.

Print name Mr D NASSON

Municipal Manager of WITZENBERG MUNICIPALITY.

Signature: _____

Date: _____

CAPITAL BUDGET - MTREF 2022-2023

77 430 601,13 30 474 782,61 54 621 409,57

Directorate	Department	Description	Funding Source	Ward	Budget		Budget	
					2022	2023	2023	2024
Corporate	Dir Corp	Office Equipment	CRR	All				50 000
Corporate	Dir Comm	Office Equipment	CRR	All				30 000
Corporate	Dir Fin	Office Equipment	CRR	All				30 000
Corporate	Dir Tech	Office Equipment (Director)	CRR	All				30 000
Technical	Electricity Administration	Nduli infill Electrical Network	INEP	1, 12			4 000 000	4 180 000
Technical	Electricity Administration	MV Substation Equipment	CRR	All	1 000 000			1 500 000
Technical	Electricity Administration	Upgrade of LV Network Cables	CRR	All	1 000 000			1 000 000
Technical	Electricity Administration	MV Network Equipment	CRR	All	1 000 000			1 000 000
Technical	Electricity Administration	Upgrade of MV Cables	CRR	All	1 000 000			600 000
Technical	Electricity Administration	Tools & Equipment	CRR	All				150 000
Technical	Electricity Streetlights	Upgrade of Streetlights	CRR	All				350 000
Corporate	Information Technology	IT Equipment	CRR	All	600 000			650 000
Corporate	Municipal Manager	Office Equipment	CRR	All				30 000
Community	Community Parks	Chainsaws	CRR	All				90 000
Community	Community Parks	Brushcutters	CRR	All				120 000
Corporate	Municipal Manager	Office Equipment	MIG	All	40 000			
Technical	Roads	Network streets	CRR	All	2 000 000			2 500 000
Technical	Roads	Upgrade Van Breda Bridge	Prov Grant	3,5	6 200 000	152 174		
Technical	Roads	Traffic Calming	CRR	All				200 000
Technical	Sewerage	Aerator replacement programme	CRR	All				500 000
Technical	Sewerage	Refurbishment WWTW	CRR	All				750 000
Technical	Sewerage	Sewer Pumps-replacement	CRR	All				250 000
Technical	Sewerage	Sewer Network Replacement	CRR	All	1 500 000			2 000 000
Technical	Sewerage	Security upgrades Pumpstations	CRR	All	1 000 000			300 000
Technical	Storm Water	Network - Storm Water Upgrading	CRR	All				450 000
Technical	Water Distribution	Infrastructure Management System	CRR	All				200 000
Technical	Water Distribution	Plant & Equipment	CRR	All				50 000
Technical	Water Distribution	Security upgrades	CRR	All				450 000
Technical	Water Distribution	Network- Water Pipes & Valve Replacement	CRR	All	1 500 000			2 000 000
Technical	Water Distribution	Tulbagh Dam	RBIG	7, 11	16 729 565			
Community	Sport Grounds & Stadiums	Containers 3x3m	CRR	All				100 000
Community	Community Parks	Truck 1.3 ton	CRR	All				350 000
Community	Cemeteries	Expanding of Cemetery	CRR	All				300 000
Community	Fire Fighting & Protection	Capex Fire Fighting Equipment	CRR	All				350 000
Community	Fire Fighting & Protection	Firefighting Response Vehicle	Prov Grant	All		856 522		

CAPITAL BUDGET - MTREF 2022-2023

77 430 601,13 30 474 782,61 54 621 409,57

Directorate	Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Community	Sport Grounds & Stadiums	Ceres upgrade Of Leyell Str Sport Facilities	MIG	3	6 354 740		
Community	Sport Grounds & Stadiums	Vredebes sportsgrounds	MIG				1 000 000
Technical	Electricity Administration	Electrical Network Refurbishment	CRR	All			1 500 000
Technical	Fleet Management	Vehicle Replacement Program	CRR	All	1 000 000	1 000 000	
Technical	Water Distribution	Grey Water System	CRR	All			1 500 000
Technical	Roads	Rehabilitation - Streets Tulbagh	CRR	11			3 500 000
Community	Cemeteries	New regional cemetery	MIG	All		4 956 522	5 000 000
Community	Sport Grounds & Stadiums	Sportsground development	CRR	All			400 000
Community	Sport Grounds & Stadiums	Resurface netball courts	CRR	All			200 000
Community	Community Parks	Landscaping of parks	CRR	All			300 000
Community	Resorts	Chalet Furniture	CRR	3			450 000
Corporate	Communication	Camera equipment	CRR	All			20 000
Technical	Roads	Upgrade Van Breda bridge (own contribution)	CRR	3,5	5 817 400		

CAPITAL BUDGET - MTREF 2022-2023

77 430 601,13 30 474 782,61 54 621 409,57

Directorate	Department	Description	Funding Source	Ward	Budget		Budget	
					2022	2023	2023	2024
Technical	Roads	Tools & Equipment	CRR	All				50 000
Technical	Roads	NMT Sidewalks Ceres	CRR	3,5				500 000
Technical	Solid Waste Removal	Drop-offs Transfer stations	CRR	All			2 000 000	4 000 000
Technical	Water Distribution	Op-Die-Berg Reservoir	MIG	8	2 854 582			
Technical	Water Distribution	Tulbagh Reservoir	MIG	7,11			3 635 303	3 641 410
Technical	Water Distribution	Tierhokskloof bulk pipeline	MIG	2,7	11 667 792			
Technical	Water Distribution	Tierhokskloof bulk pipeline (own contribution)	CRR	2,7	2 956 522			
Technical	Roads	Vredebes Access Collector	MIG	5			13 194 263	
Technical	Roads	Road Maintenance & Upgrading	MIG					12 000 000
Finance	Finance	Furniture & equipment	CRR	All	100 000		100 000	
Finance	Finance	Furniture & equipment	CRR	All	30 000		30 000	
Finance	Finance	Computer hardware	CRR	All	50 000		50 000	
Community	Community Halls & Facilities	Townhalls Equipment	CRR	All	40 000			
Community	Sport Grounds & Stadiums	Sportfield equipment	CRR	All	30 000			
Community	Community Parks	Parks equipment	CRR	All	40 000			
Technical	Public Toilets	Wolseley Public Toilets	District	2,7	500 000			
Technical	Solid Waste	Drop-offs Transfer stations_Tulbagh/Hamlet/	LOAN		6 000 000			
All		Tools & Equipment	CRR	All	400 000			
Community	Library	Library Nduli	CRR	All	10 000			
Community	Library	Library Swimming Pool	CRR	All	10 000			
Community	Housing	Fencing of Trichard str Flats	CRR	3			500 000	
Technical	Water Distribution	Tulbagh Dam	CRR		2 000 000			
Technical	Solid Waste	Fecing Landfill site	LOAN		4 000 000			

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
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1. Property rates and other municipal taxes

R 0.00983	R 0.00983		1.1. Property rates		R 0.01054	7.25%	R 0.01130	7.25%	R 0.01212	7.25%	R 0.01054
R 0.00983	R 0.00983		1.1.1. Residential Property	0.0%	R 0.01054	7.25%	R 0.01130	7.25%	R 0.01212	7.25%	R 0.01054
R 0.01775	R 0.01775		1.1.2. Informal Settlements	0.0%	R 0.01903	7.25%	R 0.02041	7.25%	R 0.02189	7.25%	R 0.01903
R 0.01727	R 0.01727		1.1.3. Business/Commercial Property	0.0%	R 0.01852	7.25%	R 0.01986	7.25%	R 0.02130	7.25%	R 0.01852
			1.1.4. Industrial Property	0.0%							
			1.1.5. Agricultural Properties:								
R 0.00135	R 0.00135		1.1.5.1. Bona fida Agricultural	0.0%	R 0.00145	7.25%	R 0.00156	7.25%	R 0.00167	7.25%	R 0.00145
R 0.01400	R 0.01400		1.1.5.2. Agricultural/Business	0.0%	R 0.01903	35.95%	R 0.02041	7.25%	R 0.02189	7.25%	R 0.01903
R 0.01400	R 0.01400		1.1.5.3. Agricultural/Industrial	0.0%	R 0.01852	32.30%	R 0.01986	7.25%	R 0.02130	7.25%	R 0.01852
R 0.01607	R 0.01607		1.1.6. State owned Property	0.0%	R 0.01723	7.25%	R 0.01848	7.25%	R 0.01982	7.25%	R 0.01723
R 0.01477	R 0.01477		1.1.7. Vacant Land - Urban	0.0%	R 0.01584	7.25%	R 0.01699	7.25%	R 0.01822	7.25%	R 0.01584
R 0.00245	R 0.00245		1.1.8. Public Service Infrastructure	0.0%	R 0.00263	7.25%	R 0.00282	7.25%	R 0.00303	7.25%	R 0.00263
R 0.00245	R 0.00245		1.1.9. Public Benefit Organisations	0.0%	R 0.00263	7.25%	R 0.00282	7.25%	R 0.00303	7.25%	R 0.00263
R 0.01228	R 0.01228		1.1.10. Building clauses	0.0%	R 0.01317	7.25%	R 0.01412	7.25%	R 0.01515	7.25%	R 0.01317
R 0.00492	R 0.00492		1.1.11. Residential Property - Qualifying Pensioners	0.0%	R 0.00528	7.25%	R 0.00566	7.25%	R 0.00607	7.25%	R 0.00528

Pensioners may qualify for a rebate of 50% on residential property in terms of councils policy.

Exemption

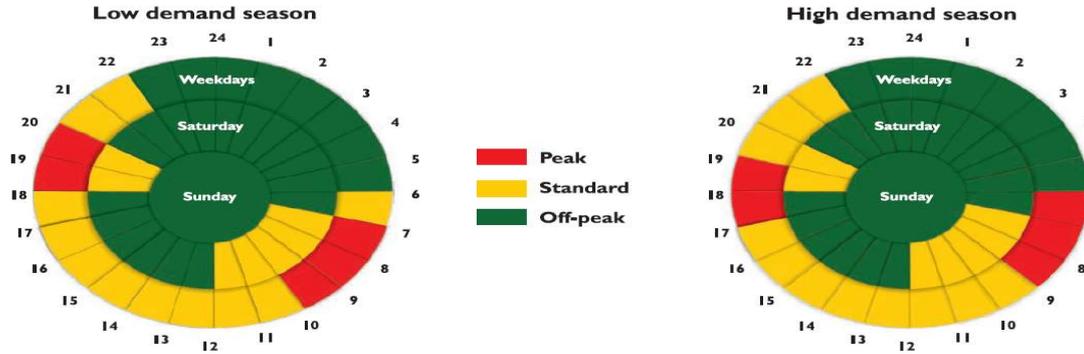
The first R 120 000.00 of property values are exempt from rates for tariffs 1.1.1; 1.1.2; 1.1.3 and 1.1.4

1.2. Conceded use and departures

R 2,000.00	R 2,000.00		1.2.1. Residential properties		R 2,145.00	7.25%	R 2,300.51	7.25%	R 2,467.30	7.25%	R 2,145.00
R 2,000.00	R 2,000.00		1.2.2. Bona fida Agricultural		R 2,145.00	7.25%	R 2,300.51	7.25%	R 2,467.30	7.25%	R 2,145.00

2. Electricity Service Tariffs

High-demand (June – August) and low-demand (September – May) seasons



R 263.57	R 229.19		2.1 Service Availability: Unimproved sites charge per month or part of it	15.0%	R 293.51	11.36%	R 326.853	11.36%	R 363.983	11.36%	R 255.23
			2.2 Residential customers								
			2.2.1 Single part tariff								
			2.2.1.1 Prepaid								
R 1.863	R 1.620		0-50 kWh	15.0%	R 2.0746	11.36%	R 2.310	11.36%	R 2.573	11.36%	R 1.8040
R 1.863	R 1.620		51-350 kWh	15.0%	R 2.0746	11.36%	R 2.310	11.36%	R 2.573	11.36%	R 1.8040
R 1.863	R 1.620		351-600 kWh	15.0%	R 2.0746	11.36%	R 2.310	11.36%	R 2.573	11.36%	R 1.8040
R 3.209	R 2.790		601-800 kWh	15.0%	R 3.5730	11.36%	R 3.979	11.36%	R 4.431	11.36%	R 3.1069
R 3.209	R 2.790		Above 800 kWh	15.0%	R 3.5730	11.36%	R 3.979	11.36%	R 4.431	11.36%	R 3.1069

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
R 2.116	R 1.840	2.2.1.3	Single phase								
R 2.116	R 1.840		0-50 kWh	15.0%	R 2.3564	11.36%	R 2.624	11.36%	R 2.922	11.36%	R 2.0490
R 2.116	R 1.840		51-350 kWh	15.0%	R 2.3564	11.36%	R 2.624	11.36%	R 2.922	11.36%	R 2.0490
R 2.864	R 2.490		351-600 kWh	15.0%	R 2.3564	11.36%	R 2.624	11.36%	R 2.922	11.36%	R 2.0490
R 2.864	R 2.490		601-800 kWh	15.0%	R 3.7874	32.26%	R 4.218	11.36%	R 4.697	11.36%	R 3.2934
			Above 800 kWh	15.0%	R 3.7874	32.26%	R 4.218	11.36%	R 4.697	11.36%	R 3.2934
R 858.73	R 746.72	2.2.2.2	Three phase (Limited to 60 Amps per phase)	15.0%	R 956.28	11.36%	R 1,064.91	11.36%	R 1,185.89	11.36%	R 831.55
			Basic charge per month or part of it:								
			Energy in c/kWh								
R 1.231	R 1.070		0-50 kWh	15.0%	R 1.3703	11.36%	R 1.53	11.36%	R 1.70	11.36%	R 1.1916
R 1.231	R 1.070		51-350 kWh	15.0%	R 1.3703	11.36%	R 1.53	11.36%	R 1.70	11.36%	R 1.1916
R 1.231	R 1.070		351-600 kWh	15.0%	R 1.3703	11.36%	R 1.53	11.36%	R 1.70	11.36%	R 1.1916
R 1.771	R 1.540		Above 600 kWh	15.0%	R 1.9722	11.36%	R 2.20	11.36%	R 2.45	11.36%	R 1.7149
		2.3	Commercial customers								
		2.3.1	Prepaid customers								
R 0.00	R 0.00	2.3.1.1	Basic charge per month or part of it:	15.0%	R 0.00		R 0.000		R 0.000		R 0.00
			The basic charge on prepaid commercial customers is not applicable to schools or church properties								
		2.3.1.2	Energy in c/kWh								
R 2.979	R 2.590		0-600 kWh	15.0%	R 3.3169	11.36%	R 3.6937	11.36%	R 4.113	11.36%	R 2.8842
R 3.232	R 2.810		Above 600 kWh	15.0%	R 3.5986	11.36%	R 4.007	11.36%	R 4.463	11.36%	R 3.1292
		2.3.2	Single phase								
			No new connections allowed larger than 80 AMPS on Single phase on this tariff								
		2.3.2.1	Basic charge per month or part of it:								
R 521.33	R 453.33		20A - Connection	15.0%	R 580.55	11.36%	R 646.50	11.36%	R 719.94	11.36%	R 504.83
R 2.484	R 2.160		Energy in c/kWh	15.0%	R 2.7662	11.36%					R 2.4054
R 953.45	R 829.09		40A - Connection	15.0%	R 1,061.77	11.36%	R 1,182.38	11.36%	R 1,316.70	11.36%	R 923.27
R 2.484	R 2.160		Energy in c/kWh	15.0%	R 2.7662	11.36%					R 2.4054
R 1,020.33	R 887.24		60A - Connection	15.0%	R 1,136.24	11.36%	R 1,265.31	11.36%	R 1,409.05	11.36%	R 988.03
R 2.461	R 2.140		Energy in c/kWh	15.0%	R 2.7406	11.36%					R 2.3831
R 1,021.87	R 888.58		80A - Connection	15.0%	R 1,137.95	11.36%	R 1,267.22	11.36%	R 1,411.18	11.36%	R 989.52
R 2.461	R 2.140		Energy in c/kWh	15.0%	R 2.7406	11.36%					R 2.3831
R 1,310.23	R 1,139.33		100A - Connection	15.0%	R 1,459.07	11.36%	R 1,624.82	11.36%	R 1,809.40	11.36%	R 1,268.76
R 2.461	R 2.140		Energy in c/kWh	15.0%	R 2.7406	11.36%					R 2.3831
R 1,251.37	R 1,088.15		150A - Connection	15.0%	R 1,393.53	11.36%	R 1,551.83	11.36%	R 1,728.12	11.36%	R 1,211.76
R 2.461	R 2.140		Energy in c/kWh	15.0%	R 2.7406	11.36%					R 2.3831
R 1,489.37	R 1,295.10		200A - Connection	15.0%	R 1,658.56	11.36%	R 1,846.97	11.36%	R 2,056.79	11.36%	R 1,442.22
R 2.461	R 2.140		Energy in c/kWh	15.0%	R 2.7406	11.36%					R 2.3831
R 1,693.74	R 1,472.82		250A - Connection	15.0%	R 1,886.15	11.36%	R 2,100.42	11.36%	R 2,339.03	11.36%	R 1,640.13
R 2.461	R 2.140		Energy in c/kWh	15.0%	R 2.7406	11.36%	R 3.052	11.36%	R 3.3986	11.36%	R 2.3831
		2.3.2.2	All users with greater than 80Amp Connections must be converted to 3 phase connections								
		2.3.3	Three phase								
			No new connections allowed larger than 150 AMPS on Three phase on this tariff								
		2.3.3.1	Basic charge per month or part of it:								
R 1,674.23	R 1,455.85		20A - Connection	15.0%	R 1,864.42	11.36%	R 2,076.218	11.36%	R 2,312.08	11.36%	R 1,621.23
R 2.208	R 1.920		Energy in c/kWh	15.0%	R 2.4588	11.36%	R 2.738	11.36%	R 3.0492	11.36%	R 2.1381
R 1,792.28	R 1,558.50		40A - Connection	15.0%	R 1,995.88	11.36%	R 2,222.609	11.36%	R 2,475.10	11.36%	R 1,735.55
R 2.148	R 1.868		Energy in c/kWh	15.0%	R 2.3920	11.36%	R 2.664	11.36%	R 2.9663	11.36%	R 2.0800
R 1,748.98	R 1,520.85		60A - Connection	15.0%	R 1,947.66	11.36%	R 2,168.916	11.36%	R 2,415.30	11.36%	R 1,693.62
R 2.185	R 1.900		Energy in c/kWh	15.0%	R 2.4332	11.36%	R 2.710	11.36%	R 3.0174	11.36%	R 2.1158
R 1,885.14	R 1,639.25		80A - Connection	15.0%	R 2,099.29	11.36%	R 2,337.768	11.36%	R 2,603.34	11.36%	R 1,825.47
R 2.185	R 1.900		Energy in c/kWh	15.0%	R 2.4332	11.36%	R 2.710	11.36%	R 3.0174	11.36%	R 2.1158
R 2,527.23	R 2,197.59		100A - Connection	15.0%	R 2,814.32	11.36%	R 3,134.029	11.36%	R 3,490.05	11.36%	R 2,447.24
R 2.208	R 1.920		Energy in c/kWh	15.0%	R 2.4588	11.36%	R 2.738	11.36%	R 3.0492	11.36%	R 2.1381
R 3,187.49	R 2,771.73		150A - Connection	15.0%	R 3,549.59	11.36%	R 3,952.822	11.36%	R 4,401.86	11.36%	R 3,086.60
R 2.208	R 1.920		Energy in c/kWh	15.0%	R 2.4588	11.36%	R 2.738	11.36%	R 3.0492	11.36%	R 2.1381
R 3,398.71	R 2,955.40		200A - Connection	15.0%	R 3,784.80	11.36%	R 4,214.757	11.36%	R 4,693.55	11.36%	R 3,291.13
R 2.162	R 1.880		Energy in c/kWh	15.0%	R 2.4076	11.36%	R 2.681	11.36%	R 2.9857	11.36%	R 2.0936
R 3,479.90	R 3,026.00		250A - Connection	15.0%	R 3,875.22	11.36%	R 4,315.441	11.36%	R 4,805.68	11.36%	R 3,369.75
R 2.162	R 1.880	2.3.3.2	Energy in c/kWh	15.0%	R 2.4076	11.36%	R 2.681	11.36%	R 2.9857	11.36%	R 2.0936

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		2.4	Agricultural customers								
		2.4.1	< 25 KVA								
R 1,004.18	R 873.20		Basic charge per month or part of it:	15.0%	R 1,118.26	11.36%	R 1,245.294	11.36%	R 1,386.76	11.36%	R 972.40
R 2.657	R 2.310		Energy in c/kWh	15.0%	R 2.9555	11.26%	R 3.291	11.36%	R 3.665	11.36%	R 2.5700
		2.4.2	25 KVA <= 50 KVA								
R 1,467.79	R 1,276.34		Basic charge per month or part of it:	15.0%	R 1,634.53	11.36%	R 1,820.212	11.36%	R 2,026.99	11.36%	R 1,421.33
R 2.657	R 2.310		Energy in c/kWh	15.0%	R 2.9555	11.26%	R 3.291	11.36%	R 3.665	11.36%	R 2.5700
		2.4.3	50 KVA <= 100 KVA								
R 1,931.60	R 1,679.65		Basic charge per month or part of it:	15.0%	R 2,151.03	11.36%	R 2,395.386	11.36%	R 2,667.50	11.36%	R 1,870.46
R 2.583	R 2.246		Energy in c/kWh	15.0%	R 2.8750	11.31%	R 3.202	11.36%	R 3.565	11.36%	R 2.5000
		2.5	BULK CONSUMERS (LARGE POWER USERS)								
			<p>All Large Power Users (LPU) must maintain a power factor of 0.85 lagging or better The following public holidays will always be treated as a Sunday for Large Power Users. New Year's Day, Good Friday, Family Day, Christmas Day and Day of Goodwill. All other public holidays will be treated as the day of the week on which it falls.</p>								
		2.5.1	Agricultural customers								
		2.5.1.1	Time of use customers								
		2.5.1.1.1	< 1 MVA High tension								
R 11,460.67	R 9,965.80		Basic charge per month or part of it	15.0%	R 12,762.60	11.36%	R 14,212.427	11.36%	R 15,826.959	11.36%	R 11,097.91
R 197.432	R 171.680		Demand charge R/KVA	15.0%	R 219.86	11.36%	R 244.833	11.36%	R 272.646	11.36%	R 191.18
			Energy charge c/kWh								
			High season								
R 5.313	R 4.620		Peak time	15.0%	R 5.9110	11.26%	R 6.582	11.36%	R 7.330	11.36%	R 5.1400
R 1.714	R 1.490		Standard	15.0%	R 1.9090	11.41%	R 2.126	11.36%	R 2.367	11.36%	R 1.6600
R 1.012	R 0.880		Off-peak time	15.0%	R 1.1270	11.36%	R 1.255	11.36%	R 1.398	11.36%	R 0.9800
			Low season								
R 1.852	R 1.610		Peak time	15.0%	R 2.0585	11.18%	R 2.292	11.36%	R 2.553	11.36%	R 1.7900
R 1.334	R 1.160		Standard	15.0%	R 1.4835	11.21%	R 1.652	11.36%	R 1.840	11.36%	R 1.2900
R 0.897	R 0.780		Off-peak time	15.0%	R 1.0005	11.54%	R 1.114	11.36%	R 1.241	11.36%	R 0.8700
		2.5.1.1.2	Low tension								
R 7,345.96	R 6,387.79		Basic charge per month or part of it	15.0%	R 8,180.46	11.36%	R 9,109.756	11.36%	R 10,144.624	11.36%	R 7,113.44
R 183.40	R 159.48		Demand charge R/KVA	15.0%	R 204.24	11.36%	R 227.442	11.36%	R 253.279	11.36%	R 177.60
			Energy charge c/kWh								
			High season								
R 5.860	R 5.096		Peak time	15.0%	R 6.5262	11.36%	R 7.268	11.36%	R 8.093	11.36%	R 5.6749
R 1.890	R 1.643		Standard	15.0%	R 2.1043	11.36%	R 2.343	11.36%	R 2.610	11.36%	R 1.8298
R 1.120	R 0.974		Off-peak time	15.0%	R 1.2473	11.36%	R 1.389	11.36%	R 1.547	11.36%	R 1.0846
			Low season								
R 2.047	R 1.780		Peak time	15.0%	R 2.2793	11.36%	R 2.538	11.36%	R 2.827	11.36%	R 1.9820
R 1.452	R 1.263		Standard	15.0%	R 1.6174	11.36%	R 1.801	11.36%	R 2.006	11.36%	R 1.4064
R 0.979	R 0.851		Off-peak time	15.0%	R 1.0904	11.36%	R 1.214	11.36%	R 1.352	11.36%	R 0.9482
		2.5.1.2	Normal								
		2.5.1.2.1	< 1 MVA High tension								
R 10,969.06	R 9,538.31		Basic charge per month or part of it	15.0%	R 12,215.14	11.36%	R 13,602.779	11.36%	R 15,148.054	11.36%	R 10,621.86
R 250.64	R 217.95		Demand charge R/KVA	15.0%	R 279.12	11.36%	R 310.824	11.36%	R 346.134	11.36%	R 242.71
R 1.415	R 1.230		Energy charge c/kWh	15.0%	R 1.5752	11.36%	R 1.754	11.36%	R 1.953	11.36%	R 1.3697
		2.5.1.2.2	< 1 MVA Low tension								
R 6,285.90	R 5,466.00		Basic charge per month or part of it	15.0%	R 6,999.98	11.36%	R 7,795.179	11.36%	R 8,680.711	11.36%	R 6,086.94
R 322.30	R 280.26		Demand charge R/KVA	15.0%	R 358.92	11.36%	R 399.688	11.36%	R 445.092	11.36%	R 312.10
R 1.265	R 1.100		Energy charge c/kWh	15.0%	R 1.4088	11.36%	R 1.569	11.36%	R 1.747	11.36%	R 1.2251

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		2.5.2	Urban customers								
		2.5.2.1	Time of use customers								
		2.5.2.1.1	> 1 MVA High tension								
R 23,991.99	R 20,862.60		Basic charge per month or part of it	15.0%	R 26,717.48	11.36%	R 29,752.584	11.36%	R 33,132.478	11.36%	R 23,232.59
R 138.66	R 120.57		Demand charge R/KVA	15.0%	R 154.41	11.36%	R 171.952	11.36%	R 191.485	11.36%	R 134.27
			Energy charge c/kWh								
			High season								
R 6.210	R 5.400		Peak time	15.0%	R 6.9115	11.30%	R 7.697	11.36%	R 8.571	11.36%	R 6.0100
R 2.013	R 1.750		Standard	15.0%	R 2.2425	11.43%	R 2.497	11.36%	R 2.781	11.36%	R 1.9500
R 1.173	R 1.020		Off-peak time	15.0%	R 1.3110	11.76%	R 1.460	11.36%	R 1.626	11.36%	R 1.1400
			Low season								
R 2.139	R 1.860		Peak time	15.0%	R 2.3805	11.29%	R 2.651	11.36%	R 2.952	11.36%	R 2.0700
R 1.541	R 1.340		Standard	15.0%	R 1.7135	11.19%	R 1.908	11.36%	R 2.125	11.36%	R 1.4900
R 1.012	R 0.880		Off-peak time	15.0%	R 1.1270	11.36%	R 1.255	11.36%	R 1.398	11.36%	R 0.9800
		2.5.2.1.2	< 1 MVA High tension								
R 14,362.87	R 12,489.45		Basic charge per month or part of it	15.0%	R 15,994.49	11.36%	R 17,811.461	11.36%	R 19,834.843	11.36%	R 13,908.25
R 154.25	R 134.13		Demand charge R/KVA	15.0%	R 171.78	11.36%	R 191.289	11.36%	R 213.020	11.36%	R 149.37
			Energy charge c/kWh								
			High season								
R 6.613	R 5.750		Peak time	15.0%	R 7.3600	11.30%	R 8.196	11.36%	R 9.127	11.36%	R 6.4000
R 2.139	R 1.860		Standard	15.0%	R 2.3805	11.29%	R 2.651	11.36%	R 2.952	11.36%	R 2.0700
R 1.242	R 1.080		Off-peak time	15.0%	R 1.3800	11.11%	R 1.537	11.36%	R 1.711	11.36%	R 1.2000
			Low season								
R 2.289	R 1.990		Peak time	15.0%	R 2.5530	11.56%	R 2.843	11.36%	R 3.166	11.36%	R 2.2200
R 1.633	R 1.420		Standard	15.0%	R 1.8170	11.27%	R 2.023	11.36%	R 2.253	11.36%	R 1.5800
R 1.116	R 0.970		Off-peak time	15.0%	R 1.2420	11.34%	R 1.383	11.36%	R 1.540	11.36%	R 1.0800
		2.5.2.1.3	< 1 MVA Low tension								
R 13,046.59	R 11,344.86		Basic charge per month or part of it	15.0%	R 14,528.69	11.36%	R 16,179.145	11.36%	R 18,017.096	11.36%	R 12,633.64
R 172.50	R 150.00		Demand charge R/KVA	15.0%	R 192.10	11.36%	R 213.918	11.36%	R 238.219	11.36%	R 167.04
			Energy charge c/kWh								
			High season								
R 6.480	R 5.635		Peak time	15.0%	R 7.2220	11.45%	R 8.0424	11.36%	R 8.956	11.36%	R 6.2800
R 2.036	R 1.770		Standard	15.0%	R 2.2655	11.30%	R 2.5229	11.36%	R 2.809	11.36%	R 1.9700
R 1.265	R 1.100		Off-peak time	15.0%	R 1.4030	10.91%	R 1.562	11.36%	R 1.740	11.36%	R 1.2200
			Low season								
R 2.289	R 1.990		Peak time	15.0%	R 2.5530	11.56%	R 2.8430	11.36%	R 3.166	11.36%	R 2.2200
R 1.610	R 1.400		Standard	15.0%	R 1.7940	11.43%	R 1.998	11.36%	R 2.225	11.36%	R 1.5600
R 1.035	R 0.900		Off-peak time	15.0%	R 1.1500	11.11%	R 1.281	11.36%	R 1.426	11.36%	R 1.0000
		2.5.2.2	Normal								
		2.5.2.2.1	> 1 MVA High tension								
R 1,828.27	R 1,589.80		Basic charge per month or part of it	15.0%	R 2,035.96	11.36%	R 2,267.245	11.36%	R 2,524.804	11.36%	R 1,770.40
R 172.50	R 150.00		Demand charge R/KVA	15.0%	R 192.10	11.36%	R 213.9181	11.36%	R 238.219	11.36%	R 167.04
R 1.725	R 1.500		Energy charge c/kWh	15.0%	R 1.9205	11.33%	R 2.1387	11.36%	R 2.382	11.36%	R 1.6700
		2.5.2.2.2	< 1 MVA High tension								
R 16,303.14	R 14,176.64		Basic charge per month or part of it	15.0%	R 18,155.18	11.36%	R 20,217.605	11.36%	R 22,514.324	11.36%	R 15,787.11
R 190.56	R 165.70		Demand charge R/KVA	15.0%	R 212.20	11.36%	R 236.304	11.36%	R 263.148	11.36%	R 184.52
R 1.702	R 1.480		Energy charge c/kWh	15.0%	R 1.8975	11.49%	R 2.113	11.36%	R 2.353	11.36%	R 1.6500
		2.5.2.2.3	< 1 MVA Low tension								
R 12,901.74	R 11,218.90		Basic charge per month or part of it	15.0%	R 14,367.38	11.36%	R 15,999.509	11.36%	R 17,817.054	11.36%	R 12,493.37
R 175.34	R 152.47		Demand charge R/KVA	15.0%	R 195.26	11.36%	R 217.440	11.36%	R 242.1410	11.36%	R 169.79
R 1.792	R 1.558		Energy charge c/kWh	15.0%	R 2.0010	11.65%	R 2.228	11.36%	R 2.4815	11.36%	R 1.7400
		2.6	Sport customers								
R 2.910	R 2.530		Energy charge c/kWh	15.0%	R 3.2430	11.46%	R 3.611	11.36%	R 4.022	11.36%	R 2.8200
		2.7	Streetlights								
R 2.430	R 2.430		Energy charge c/kWh	0.0%	R 2.7100	11.52%	R 3.018	11.36%	R 3.361	11.36%	R 2.7100
R 500.00	R 434.78	2.8	Unnecessary call outs for work on customer side	15.0%	R 556.80	11.36%	R 620.047	11.36%	R 690.485	11.36%	R 484.170

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		3.	Refuse Service Tariffs								
			(All Areas in respect of residential sites)								
R 90.83	R 78.98	3.1.	Service Availability charge per month or part of it: Unimproved sites	15.0%	R 97.42	7.26%	R 104.50	7.27%	R 112.08	7.25%	R 84.71
		3.2.	Monthly Tariff per number of collections. 2 refuse bags (unit) per collection per week per household								
		3.2.1	1 Collection per week (2 refuse bags or less)								
		3.2.2	2 Collection per week (2 refuse bags or less)								
		3.2.3	3 Collection per week (2 refuse bags or less)								
		3.2.4	Additional units per collection								
		3.2.5	Informal settlements without an account (Flat rate)								
		3.2.6	Departmental tariffs:								
		3.2.6.1	Dennebos								
		3.2.6.2	All other								
			Residential Properties: (2 refuse bags or less)								
R 203.84	R 177.25		Valuation ≤ 100 000	15.0%	R 218.62	7.25%	R 234.47	7.25%	R 251.47	7.25%	R 190.10
R 219.52	R 190.89		Valuation > 100 000 ≤ 150 000	15.0%	R 235.43	7.25%	R 252.50	7.25%	R 270.80	7.25%	R 204.73
R 235.20	R 204.52		Valuation > 150 000 ≤ 200 000	15.0%	R 252.25	7.25%	R 270.54	7.25%	R 290.15	7.25%	R 219.35
R 250.88	R 218.16		Valuation > 200 000 ≤ 500 000	15.0%	R 269.07	7.25%	R 288.58	7.25%	R 309.50	7.25%	R 233.97
R 272.83	R 237.24		Valuation > 500 000 ≤ 800 000	15.0%	R 292.61	7.25%	R 313.82	7.25%	R 336.58	7.25%	R 254.44
R 282.24	R 245.43		Valuation > 800 000 ≤ 1 000 000	15.0%	R 302.70	7.25%	R 324.65	7.25%	R 348.18	7.25%	R 263.22
R 313.60	R 272.70		Valuation > 1 000 000	15.0%	R 336.34	7.25%	R 360.72	7.25%	R 386.88	7.25%	R 292.47
R 203.84	R 177.25		All other residential consumers	15.0%	R 218.62	7.25%	R 234.47	7.25%	R 251.47	7.25%	R 190.10
R 203.84	R 177.25		Additional units per collection	15.0%	R 218.62	7.25%	R 234.47	7.25%	R 251.47	7.25%	R 190.10
			Pine Forest Flat Rate								
			Residential Properties : (240L Wheelie Bin)								
R 230.0000	R 200.0000		1 Collection per week per 240 Wheelie Bin per household	15.0%	R 246.68	7.25%	R 264.56	7.25%	R 283.74	7.25%	R 214.50
			All other properties Monthly Tariff								
			770L Wheelie Bin								
R 940.80	R 818.09		1 Collection per week per	15.0%	R 1,009.01	7.25%	R 1,082.16	7.25%	R 1,160.62	7.25%	R 877.40
R 1,881.60	R 1,636.17		2 Collections per week per 700L Wheelie Bin	15.0%	R 2,018.01	7.25%	R 2,164.32	7.25%	R 2,321.23	7.25%	R 1,754.79
R 2,822.39	R 2,454.26		3 Collections per week per 700L Wheelie Bin	15.0%	R 3,027.02	7.25%	R 3,246.48	7.25%	R 3,481.85	7.25%	R 2,632.19
R 940.80	R 818.09		1 Collection per week per additional Wheelie Bin	15.0%	R 1,009.01	7.25%	R 1,082.16	7.25%	R 1,160.62	7.25%	R 877.40
R 1,881.60	R 1,636.17		2 Collections per week per additional Wheelie Bin	15.0%	R 2,018.01	7.25%	R 2,164.32	7.25%	R 2,321.23	7.25%	R 1,754.79
R 2,822.39	R 2,454.26		3 Collections per week per additional Wheelie Bin	15.0%	R 3,027.02	7.25%	R 3,246.48	7.25%	R 3,481.85	7.25%	R 2,632.19
			If a counter system is available, the above tariffs will be implemented as follows:								
R 940.80	R 818.09		Service availability - per month. Include 4 removals/month.	15.0%	R 1,009.01	7.25%	R 1,082.16	7.25%	R 1,160.62	7.25%	R 877.40
R 233.82	R 203.33		Additional removals per removal.	15.0%	R 250.78	7.25%	R 268.96	7.25%	R 288.46	7.25%	R 218.07
			240L Wheelie Bin								
R 392.00	R 340.87		1 Collection per week per 240L Wheelie Bin	15.0%	R 420.42	7.25%	R 450.90	7.25%	R 483.59	7.25%	R 365.58
R 784.00	R 681.74		2 Collections per week per 240L Wheelie Bin	15.0%	R 840.84	7.25%	R 901.80	7.25%	R 967.18	7.25%	R 731.16
R 1,176.00	R 1,022.61		3 Collections per week per 240L Wheelie Bin	15.0%	R 1,261.26	7.25%	R 1,352.70	7.25%	R 1,450.77	7.25%	R 1,096.75
R 392.00	R 340.87		1 Collection per week per additional Wheelie Bin	15.0%	R 420.42	7.25%	R 450.90	7.25%	R 483.59	7.25%	R 365.58
R 784.00	R 681.74		2 Collections per week per additional Wheelie Bin	15.0%	R 840.84	7.25%	R 901.80	7.25%	R 967.18	7.25%	R 731.16
R 1,176.00	R 1,022.61		3 Collections per week per additional Wheelie Bin	15.0%	R 1,261.26	7.25%	R 1,352.70	7.25%	R 1,450.77	7.25%	R 1,096.75
			If a counter system is available, the above tariffs will be implemented as follows:								
R 392.00	R 340.87		Service availability - per month. Include 4 removals/month.	15.0%	R 420.42	7.25%	R 450.90	7.25%	R 483.59	7.25%	R 365.58
R 99.03	R 86.11		Additional removals per removal.	15.0%	R 106.21	7.25%	R 113.91	7.25%	R 122.17	7.25%	R 92.36
			Cost of Wheelie Bins								
R 5,916.97	R 5,145.19		700L Wheelie Bin	15.0%	R 6,345.95	7.25%	R 6,806.03	7.25%	R 7,299.47	7.25%	R 5,518.22
R 665.66	R 578.83		240L Wheelie Bin	15.0%	R 713.92	7.25%	R 765.68	7.25%	R 821.19	7.25%	R 620.80
-R 2.0010	-R 1.7400	3.3	Recyclable material per filled 15l recyclable bag/ 15l of recyclable material	15.0%	-R 3.00	49.93%	-R 3.22	7.25%	-R 3.45	7.25%	-R 1.87

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
4. Sewerage Service Tariffs										
4.1. Septic Tank systems										
(All Areas, excluding rural area in respect of availability charge)										
Service Availability charge per month or part of it:										
R 42.93	R 37.33	4.1.1.1 Per site with improvements	15.0%	R 46.04	7.25%	R 49.38	7.25%	R 52.96	7.25%	R 40.04
R 256.69	R 223.21	4.1.2. Suction charge:								
		4.1.2.1 Urban areas charge per occasion	15.0%	R 275.30	7.25%	R 295.26	7.25%	R 316.66	7.25%	R 239.39
		4.1.2.2 Rural areas:								
R 1,035.19	R 900.16	4.1.2.2.1 Charge per occasion	15.0%	R 1,110.24	7.25%	R 1,190.73	7.25%	R 1,277.06	7.25%	R 965.43
R 48.31	R 42.01	4.1.2.2.2 Charge per kilometre	15.0%	R 51.82	7.25%	R 51.82	0.00%	R 51.82	0.00%	R 45.06
4.2. Waterborne Sewerage systems										
(All Areas connected to the main sewerage system)										
(Where more than one service point exist on the same site and more than one or one water connection exists the tariff equal to the larges water connection will be applicable on every point of service)										
Service Availability charge per month or part of it:										
R 90.81	R 78.97	4.2.1.1 Unimproved sites	15.0%	R 97.39	7.25%	R 104.46	7.25%	R 112.03	7.25%	R 84.69
R 256.69	R 223.21	4.2.1.2 Water connection size: 0 - 25 mm	15.0%	R 275.30	7.25%	R 295.26	7.25%	R 316.66	7.25%	R 239.39
R 998.89	R 868.60	4.2.1.3 Water connection size: 26 - 50 mm	15.0%	R 1,071.31	7.25%	R 1,148.98	7.25%	R 1,232.28	7.25%	R 931.57
R 2,557.66	R 2,224.06	4.2.1.4 Water connection size: 51 - 80 mm	15.0%	R 2,743.09	7.25%	R 2,941.97	7.25%	R 3,155.26	7.25%	R 2,385.30
R 3,995.95	R 3,474.74	4.2.1.5 Water connection size: 81 - 100 mm	15.0%	R 4,285.66	7.25%	R 4,596.37	7.25%	R 4,929.61	7.25%	R 3,726.66
R 8,988.15	R 7,815.78	4.2.1.6 Water connection size: 101 - 150 mm	15.0%	R 9,639.79	7.25%	R 10,338.67	7.25%	R 11,088.23	7.25%	R 8,382.42
4.2.2. Exceptions: Charge per month or part of it										
R 42,527.13	R 36,980.11	4.2.2.1 Obiqua Prison - Tulbagh	15.0%	R 45,610.35	7.25%	R 48,917.10	7.25%	R 52,463.59	7.25%	R 39,661.17
R 256.69	R 223.21	4.2.2.2 Schools - Op-die-Berg	15.0%	R 275.30	7.25%	R 295.26	7.25%	R 316.66	7.25%	R 239.39
R 256.69	R 223.21	4.2.2.3 Other sites - Op-die-Berg	15.0%	R 275.30	7.25%	R 295.26	7.25%	R 316.66	7.25%	R 239.39
R 91.68	R 91.68	4.2.2.4 Departmental tariff	0.0%	R 98.33	7.25%	R 105.46	7.25%	R 113.10	7.25%	R 98.33
4.2.2.5 Special Contracts, for example Del monte as per each agreement. Rand per Kg COD										
R 7.09	R 6.17	4.2.2.5.1 Ceres Group Companies	15.0%	R 7.61	7.25%	R 8.16	7.25%	R 8.75	7.25%	R 6.62
R 11.40	R 9.92	4.2.2.5.2 Du Toit Vruchte	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 11.40	R 9.92	4.2.2.5.3 L O Rall	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 11.40	R 9.92	4.2.2.5.4 Bokkeveld Korrektiewe Dienste	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 11.40	R 9.92	4.2.2.5.5 Snocooled Marketing (Edms). Bpk.	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 11.40	R 9.92	4.2.2.5.6 Ceres Fruit Growers	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 168.46	R 168.46	4.2.2.6 Informal settlements without an account (Flat rate)	0.0%	R 180.67	7.25%	R 193.77	7.25%	R 207.82	7.25%	R 180.67
R 530.00	R 460.87	4.3 Unnecessary call outs for work on customer side	15.0%	R 568.43	7.25%	R 609.64	7.25%	R 653.83	7.25%	R 494.28

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
5. Water service Tariffs										
5.1. Conventional Meters (All Areas)										
5.1.1. Service Availability charge per month or part of it:										
R 152.81	R 132.88	5.1.1.1 Unimproved sites	15.0%	R 163.89	7.25%	R 175.77	7.25%	R 188.51	7.25%	R 142.51
R 83.00	R 72.17	5.1.1.2 Water connection size: 0 - 25 mm	15.0%	R 83.00	0.00%	R 83.00	0.00%	R 83.00	0.00%	R 72.17
R 1,152.81	R 1,002.45	5.1.1.3 Water connection size: 26 - 50 mm	15.0%	R 1,236.39	7.25%	R 1,326.03	7.25%	R 1,422.16	7.25%	R 1,075.12
R 2,912.37	R 2,532.50	5.1.1.4 Water connection size: 51 - 80 mm	15.0%	R 3,123.52	7.25%	R 3,349.97	7.25%	R 3,592.84	7.25%	R 2,716.10
R 4,611.25	R 4,009.79	5.1.1.5 Water connection size: 81 - 100 mm	15.0%	R 4,945.57	7.25%	R 5,304.12	7.25%	R 5,688.67	7.25%	R 4,300.49
R 10,314.65	R 8,969.26	5.1.1.6 Water connection size: 101 - 150 mm	15.0%	R 11,062.46	7.25%	R 11,864.49	7.25%	R 12,724.67	7.25%	R 9,619.53
R 224,495.28	R 195,213.29	5.1.1.7 Consumption of more than 20,000 kl per month	15.0%	R 240,771.19	7.25%	R 258,227.10	7.25%	R 276,948.56	7.25%	R 209,366.25
R 339.78	R 295.46	5.1.1.8 Un-metered connections	15.0%	R 364.41	7.25%	R 390.83	7.25%	R 419.17	7.25%	R 316.88
5.1.2 Consumption per kiloliter										
5.1.2.1 Block A (Aimed at residential and smaller commercial clients)										
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.25%	R 3.20
R 9.94	R 8.64	7-30 kl	15.0%	R 10.66	7.25%	R 11.43	7.25%	R 12.26	7.25%	R 9.27
R 9.94	R 8.64	31-60 kl	15.0%	R 10.66	7.25%	R 11.43	7.25%	R 12.26	7.25%	R 9.27
R 9.94	R 8.64	61-300 kl	15.0%	R 10.66	7.25%	R 11.43	7.25%	R 12.26	7.25%	R 9.27
R 34.65	R 30.13	Above 300 kl	15.0%	R 37.16	7.25%	R 39.86	7.25%	R 42.75	7.25%	R 32.32
5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)										
R 11.50	R 10.00	0-300 kl	15.0%	R 12.33	7.25%	R 13.23	7.25%	R 14.19	7.25%	R 10.72
R 11.50	R 10.00	301-1000 kl	15.0%	R 12.33	7.25%	R 13.23	7.25%	R 14.19	7.25%	R 10.72
R 11.50	R 10.00	1001-8000 kl	15.0%	R 12.33	7.25%	R 13.23	7.25%	R 14.19	7.25%	R 10.72
R 11.50	R 10.00	Above 8000 kl	15.0%	R 13.57	17.98%	R 14.55	7.25%	R 15.60	7.25%	R 11.80
R 3.57	R 3.10	5.1.2.3 Block C (Aimed at larger industrial clients) Consumption above 20,000 kl per month	15.0%	R 8.00	124.40%	R 8.58	7.25%	R 9.20	7.25%	R 6.96
R 3.02	R 2.62	5.1.2.4 Block D (Internal) Departmental consumption	15.0%	R 8.00	165.23%	R 8.58	7.25%	R 9.20	7.25%	R 6.96
5.1.2 Consumption per kiloliter: Restrictions Level 1										
5.1.2.1 Block A (Aimed at residential and smaller commercial clients)										
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 11.05	R 9.60	7-30 kl	15.0%	R 11.85	7.25%	R 12.70	7.25%	R 13.63	7.3%	R 10.30
R 11.05	R 9.60	31-60 kl	15.0%	R 11.85	7.25%	R 12.70	7.25%	R 13.63	7.3%	R 10.30
R 11.05	R 9.60	61-300 kl	15.0%	R 11.85	7.25%	R 12.70	7.25%	R 13.63	7.3%	R 10.30
R 40.00	R 34.78	Above 300 kl	15.0%	R 42.90	7.25%	R 46.01	7.25%	R 49.35	7.3%	R 37.30
5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)										
R 13.80	R 12.00	0-300 kl	15.0%	R 14.80	7.25%	R 15.88	7.25%	R 17.03	7.3%	R 12.87
R 13.80	R 12.00	301-1000 kl	15.0%	R 14.80	7.25%	R 15.88	7.25%	R 17.03	7.3%	R 12.87
R 13.80	R 12.00	1001-8000 kl	15.0%	R 14.80	7.25%	R 15.88	7.25%	R 17.03	7.3%	R 12.87
R 13.80	R 12.00	Above 8000 kl	15.0%	R 14.80	7.25%	R 15.88	7.25%	R 17.03	7.3%	R 12.87
R 4.28	R 3.72	5.1.2.3 Block C (Aimed at larger industrial clients) Consumption above 20,000 kl per month	15.0%	R 9.60	124.32%	R 10.37	8.00%	R 11.12	7.3%	R 8.35
5.1.2 Consumption per kiloliter: Restrictions Level 2										
5.1.2.1 Block A (Aimed at residential and smaller commercial clients)										
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 13.92	R 12.11	7-30 kl	15.0%	R 14.93	7.25%	R 16.02	7.25%	R 17.18	7.3%	R 12.99
R 13.92	R 12.11	31-60 kl	15.0%	R 14.93	7.25%	R 16.02	7.25%	R 17.18	7.3%	R 12.99
R 13.92	R 12.11	61-300 kl	15.0%	R 14.93	7.25%	R 16.02	7.25%	R 17.18	7.3%	R 12.99
R 45.00	R 39.13	Above 300 kl	15.0%	R 48.26	7.25%	R 51.76	7.25%	R 55.51	7.3%	R 41.97
5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)										
R 16.11	R 14.01	0-300 kl	15.0%	R 17.28	7.25%	R 18.53	7.25%	R 19.87	7.3%	R 15.02
R 16.11	R 14.01	301-1000 kl	15.0%	R 17.28	7.25%	R 18.53	7.25%	R 19.87	7.3%	R 15.02
R 16.11	R 14.01	1001-8000 kl	15.0%	R 17.28	7.25%	R 18.53	7.25%	R 19.87	7.3%	R 15.02
R 16.11	R 14.01	Above 8000 kl	15.0%	R 17.28	7.25%	R 18.53	7.25%	R 19.87	7.3%	R 15.02
R 4.99	R 4.34	5.1.2.3 Block C (Aimed at larger industrial clients) Consumption above 20,000 kl per month	15.0%	R 11.21	124.40%	R 12.02	7.25%	R 12.89	7.3%	R 9.75

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		5.1.2 Consumption per kiloliter: Restrictions Level 3								
		5.1.2.1 Block A (Aimed at residential and smaller commercial clients)								
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 15.92	R 13.84	7-30 kl	15.0%	R 17.07	7.25%	R 18.31	7.25%	R 19.64	7.3%	R 14.84
R 15.92	R 13.84	31-60 kl	15.0%	R 17.07	7.25%	R 18.31	7.25%	R 19.64	7.3%	R 14.84
R 15.92	R 13.84	61-300 kl	15.0%	R 17.07	7.25%	R 18.31	7.25%	R 19.64	7.3%	R 14.84
R 50.00	R 43.48	Above 300 kl	15.0%	R 53.63	7.25%	R 57.51	7.25%	R 61.68	7.3%	R 46.63
		5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)								
R 18.41	R 16.01	0-300 kl	15.0%	R 19.75	7.25%	R 21.18	7.25%	R 22.72	7.3%	R 17.17
R 18.41	R 16.01	301-1000 kl	15.0%	R 19.75	7.25%	R 21.18	7.25%	R 22.72	7.3%	R 17.17
R 18.41	R 16.01	1001-8000 kl	15.0%	R 19.75	7.25%	R 21.18	7.25%	R 22.72	7.3%	R 17.17
R 18.41	R 16.01	Above 8000 kl	15.0%	R 19.75	7.25%	R 21.18	7.25%	R 22.72	7.3%	R 17.17
		5.1.2.3 Block C (Aimed at larger industrial clients)								
R 5.71	R 4.96	Consumption above 20,000 kl per month	15.0%	R 13.45	135.58%	R 14.42	7.25%	R 15.47	7.3%	R 11.69
		5.1.2 Consumption per kiloliter: Restrictions Level 4								
		5.1.2.1 Block A (Aimed at residential and smaller commercial clients)								
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 17.91	R 15.57	7-30 kl	15.0%	R 19.21	7.25%	R 20.60	7.25%	R 22.09	7.3%	R 16.70
R 17.91	R 15.57	31-60 kl	15.0%	R 19.21	7.25%	R 20.60	7.25%	R 22.09	7.3%	R 16.70
R 17.91	R 15.57	61-300 kl	15.0%	R 19.21	7.25%	R 20.60	7.25%	R 22.09	7.3%	R 16.70
R 55.00	R 47.83	Above 300 kl	15.0%	R 58.99	7.25%	R 63.26	7.25%	R 67.85	7.3%	R 51.29
		5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)								
R 20.72	R 18.02	0-300 kl	15.0%	R 22.22	7.25%	R 23.83	7.25%	R 25.56	7.3%	R 19.32
R 20.72	R 18.02	301-1000 kl	15.0%	R 22.22	7.25%	R 23.83	7.25%	R 25.56	7.3%	R 19.32
R 20.72	R 18.02	1001-8000 kl	15.0%	R 22.22	7.25%	R 23.83	7.25%	R 25.56	7.3%	R 19.32
R 20.72	R 18.02	Above 8000 kl	15.0%	R 22.22	7.25%	R 23.83	7.25%	R 25.56	7.3%	R 19.32
		5.1.2.3 Block C (Aimed at larger industrial clients)								
R 6.42	R 5.59	Consumption above 20,000 kl per month	15.0%	R 16.14	151.24%	R 17.31	7.25%	R 18.56	7.3%	R 14.03
		5.1.2 Consumption per kiloliter: Restrictions Level 5								
		5.1.2.1 Block A (Aimed at residential and smaller commercial clients)								
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 19.89	R 17.30	7-30 kl	15.0%	R 21.33	7.25%	R 22.88	7.25%	R 24.54	7.3%	R 18.55
R 19.89	R 17.30	31-60 kl	15.0%	R 21.33	7.25%	R 22.88	7.25%	R 24.54	7.3%	R 18.55
R 19.89	R 17.30	61-300 kl	15.0%	R 21.33	7.25%	R 22.88	7.25%	R 24.54	7.3%	R 18.55
R 60.00	R 52.17	Above 300 kl	15.0%	R 64.35	7.25%	R 69.02	7.25%	R 74.02	7.3%	R 55.96
		5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)								
R 23.01	R 20.01	0-300 kl	15.0%	R 24.68	7.25%	R 26.47	7.25%	R 28.39	7.3%	R 21.46
R 23.01	R 20.01	301-1000 kl	15.0%	R 24.68	7.25%	R 26.47	7.25%	R 28.39	7.3%	R 21.46
R 23.01	R 20.01	1001-8000 kl	15.0%	R 24.68	7.25%	R 26.47	7.25%	R 28.39	7.3%	R 21.46
R 23.01	R 20.01	Above 8000 kl	15.0%	R 24.68	7.25%	R 26.47	7.25%	R 28.39	7.3%	R 21.46
		5.1.2.3 Block C (Aimed at larger industrial clients)								
R 7.13	R 6.20	Consumption above 20,000 kl per month	15.0%	R 19.37	171.46%	R 20.77	7.25%	R 22.28	7.3%	R 16.84
		5.2 Prepaid Meters (All Areas)								
		5.2.1 Water connection on site (Consumption per kiloliter)								
R 6.15	R 5.34	0-6 kl	15.0%	R 6.59	7.25%	R 7.07	7.25%	R 7.58	7.25%	R 5.73
R 11.81	R 10.27	Bo 6 kl	15.0%	R 12.66	7.25%	R 13.58	7.25%	R 14.57	7.25%	R 11.01
		Consumption per kiloliter: Restrictions Level 1								
R 7.22	R 6.27	0-6 kl	15.0%	R 7.74	7.25%	R 8.30	7.25%	R 8.90	7.25%	R 6.73
R 13.87	R 12.06	Bo 6 kl	15.0%	R 14.87	7.25%	R 15.95	7.25%	R 17.11	7.25%	R 12.93
		Consumption per kiloliter: Restrictions Level 2								
R 8.29	R 7.21	0-6 kl	15.0%	R 8.89	7.25%	R 9.53	7.25%	R 10.22	7.25%	R 7.73
R 15.93	R 13.85	Bo 6 kl	15.0%	R 17.08	7.25%	R 18.32	7.25%	R 19.65	7.25%	R 14.85
		Consumption per kiloliter: Restrictions Level 3								
R 9.36	R 8.14	0-6 kl	15.0%	R 10.03	7.25%	R 10.76	7.25%	R 11.54	7.25%	R 8.73
R 17.99	R 15.64	Bo 6 kl	15.0%	R 19.29	7.25%	R 20.69	7.25%	R 22.19	7.25%	R 16.78
		Consumption per kiloliter: Restrictions Level 4								
R 10.43	R 9.07	0-6 kl	15.0%	R 11.18	7.25%	R 11.99	7.25%	R 12.86	7.25%	R 9.72
R 20.05	R 17.43	Bo 6 kl	15.0%	R 21.50	7.25%	R 23.06	7.25%	R 24.73	7.25%	R 18.70
		Consumption per kiloliter: Restrictions Level 5								
R 12.29	R 10.69	0-6 kl	15.0%	R 13.18	7.25%	R 14.14	7.25%	R 15.16	7.25%	R 11.46
R 23.62	R 20.54	Bo 6 kl	15.0%	R 25.33	7.25%	R 27.17	7.25%	R 29.13	7.25%	R 22.03

Pensioners may qualify for 6 Kl of water free of charge per month in terms of councils policy.

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
R 1,030.12	R 895.76	5.3.	"Leiwater beurte" (In Urban areas per month)	15.0%	R 1,133.13	10.00%	R 1,215.28	7.25%	R 1,303.39	7.25%	R 985.33
R 106.63	R 92.72	5.4.	Informal settlements without an account (Flat rate)	15.0%	R 117.29	10.00%	R 125.79	7.25%	R 134.91	7.25%	R 101.99
		5.5.	Mobile Water provision								
Free		5.5.1	Humanitarian purposes		Free		Free		Free		
R 297.68	R 258.85	5.5.2	All non Residential per trip	15.0%	R 327.44	10.00%	R 351.18	7.25%	R 376.64	7.25%	R 284.73
R 595.35	R 517.70	5.6	Unnecessary call outs for work on customer side	15.0%	R 654.89	10.00%	R 702.36	7.25%	R 753.29	7.25%	R 569.47
		5.7	Greywater								
R 0.3019	R 0.2625	5.7.1	Per Cubic Meter (m3)	15.0%	R 0.33	10.00%	R 0.36	7.25%	R 0.38	7.25%	R 0.29
		5.8	Raw Water for Agricultural use								
R 0.6900	R 0.6000	5.81	Per kiloliter water	15.0%	R 0.76	10.00%	R 0.81	7.25%	R 0.87	7.25%	R 0.66
		6.	Other tariffs and charges								
		6.1.	CORPORATE SERVICES								
R 669.00	R 581.74	6.1.1	Erection of banners (per application)	15.0%	R 735.00	9.87%	R 808.00	9.93%	R 888.00	9.90%	R 639.13
R 514.00	R 446.96	6.1.2	Erection of placards (deposit)	15.0%	R 565.00	9.92%	R 621.00	9.91%	R 683.00	9.98%	R 491.30
R 1,045.00	R 908.70	6.1.3	Cancellation of purchase agreement (Admin fee)	15.0%	R 1,149.00	9.95%	R 1,263.00	9.92%	R 1,389.00	9.98%	R 999.13
		6.1.4	Agenda and minutes of Council meetings								
R 171.00	R 148.70		001-400 q	15.0%	R 188.00	9.94%	R 206.00	9.57%	R 226.00	9.71%	R 163.48
R 190.00	R 165.22		401-500 q	15.0%	R 209.00	10.00%	R 229.00	9.57%	R 251.00	9.61%	R 181.74
R 224.00	R 194.78		501-600 q	15.0%	R 246.00	9.82%	R 270.00	9.76%	R 297.00	10.00%	R 213.91
R 242.00	R 210.43		601-700 q	15.0%	R 266.00	9.92%	R 292.00	9.77%	R 321.00	9.93%	R 231.30
R 299.00	R 260.00		701+ q	15.0%	R 328.00	9.70%	R 360.00	9.76%	R 396.00	10.00%	R 285.22
R 465.00	R 404.35	6.1.6	Translation service (Per hour or part of it)	15.0%	R 511.00	9.89%	R 562.00	9.98%	R 618.00	9.96%	R 444.35
		6.1.7	Access to information								
R 123.00	R 106.96	6.1.7.1	Fee payable when information is requested	15.0%	R 135.00	9.76%	R 148.00	9.63%	R 162.00	9.46%	R 117.39
		6.1.7.2	Reproduction fees:								
R 1.50	R 1.30		Photocopies (A4 or part of it) per page	15.0%	R 1.50	0.00%	R 1.60	6.67%	R 1.70	6.25%	R 1.30
R 1.00	R 0.87		Print outs per copy	15.0%	R 1.00	0.00%	R 1.10	10.00%	R 1.20	9.09%	R 0.87
R 25.00	R 21.74		Information on a memory stick	15.0%	R 27.00	8.00%	R 29.00	7.41%	R 31.00	6.90%	R 23.48
R 139.00	R 120.87		Information on a CD	15.0%	R 152.00	9.35%	R 167.00	9.87%	R 183.00	9.58%	R 132.17
R 77.00	R 66.96		Transcription of visual image (A4 page) per page	15.0%	R 84.00	9.09%	R 92.00	9.52%	R 101.00	9.78%	R 73.04
R 205.00	R 178.26		Copy of a visual image (A4 page) per page	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 42.00	R 36.52		Transcription of an audio record (A4 page) per page	15.0%	R 46.00	9.52%	R 50.00	8.70%	R 55.00	10.00%	R 40.00
R 56.00	R 48.70		Copy of audio record	15.0%	R 61.00	8.93%	R 67.00	9.84%	R 73.00	8.96%	R 53.04
		6.1.7.3	Investigation fee								
			To search for record and to prepare it for release -- per hour, first hour excluded	15.0%	R 56.00	9.80%	R 61.00	8.93%	R 67.00	9.84%	R 48.70
R 51.00	R 44.35	6.1.7.4	Postage								
			If record should be posted to applicant	15.0%	Actual cost plus 20% plus VAT						
Actual cost plus 20% plus VAT		6.1.8	Application for extension of trading hours to sell Liquor	15.0%	R 4,810.00	9.99%	R 5,291.00	10.00%	R 5,820.00	10.00%	R 4,182.61
R 4,373.00	R 3,802.61										
		6.2.	COMMUNITY SERVICES								
		6.2.1	Libraries								
		6.2.1.1	Hall rental (per session or part thereof)								
			NOTE: a session is from								
R 156.00	R 135.65		08:00 - 13:00	15.0%	R 171.00	9.62%	R 188.00	9.94%	R 206.00	9.57%	R 148.70
R 171.00	R 148.70		13:00 - 18:00	15.0%	R 188.00	9.94%	R 206.00	9.57%	R 226.00	9.71%	R 163.48
R 190.00	R 165.22		18:00 - 00:00	15.0%	R 209.00	10.00%	R 229.00	9.57%	R 251.00	9.61%	R 181.74
			NB: The amenities are available without charge to youth-, service-, charity-community-, sport-, educational-, and governmental institutions, as well as for meetings of local political parties								
R 421.00	R 366.09	6.2.1.2	Kitchen rental (per session or part thereof)	15.0%	R 463.00	9.98%	R 509.00	9.94%	R 559.00	9.82%	R 402.61
R 184.00			Deposit for kitchen rental	Exempt	R 202.00	9.78%	R 222.00	9.90%	R 244.00	9.91%	

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
6.2.2 Traffic Services										
6.2.2.1 Assistance: Escorting and Traffic assistance or Any Other Special Event										
(Section 111 (3) (C) of the Road Traffic Act 1989, Act 29 of 1989, in conjunction with Section 22 of the Standard Regulation Re: Roads, Provincial Notice 562 of October 1987.										
		6.2.2.1.1 Profit Organisations: (per gathering/march)								
R 675.00	R 586.96	(a) First hour per officer (normal working hours)	15.0%	R 742.00	9.93%	R 816.00	9.97%	R 897.00	9.93%	R 645.22
R 242.00	R 210.43	(b) Subsequent hourly tariff within normal working hours	15.0%	R 266.00	9.92%	R 292.00	9.77%	R 321.00	9.93%	R 231.30
R 850.00	R 739.13	(c) First hour per officer (after hours & weekends)	15.0%	R 935.00	10.00%	R 1,028.00	9.95%	R 1,130.00	9.92%	R 813.04
R 334.00	R 290.43	(d) Subsequent hourly tariff after hours & weekends	15.0%	R 367.00	9.88%	R 403.00	9.81%	R 443.00	9.93%	R 319.13
R 1,748.00	R 1,520.00	(e) Per officer (Sundays per 4 hour bracket)	15.0%	R 1,922.00	9.95%	R 2,114.00	9.99%	R 2,325.00	9.98%	R 1,671.30
R 205.00	R 178.26	(f) Per vehicle (less than 15 km)	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 10.40	R 9.04	(g) Per kilometre tariff thereafter	15.0%	R 11.20	7.69%	R 13.00	16.07%	R 14.50	11.54%	R 9.74
R 205.00	R 178.26	(h) Hiring of road signs and equipment	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 864.00	R 751.30	(i) Mega phone per day	15.0%	R 950.00	9.95%	R 1,045.00	10.00%	R 1,149.00	9.95%	R 826.09
		6.2.2.1.2 Non-Profit Organisations: (per gathering/march)								
R 242.00	R 210.43	(a) First hour per officer (normal working hours)	15.0%	R 266.00	9.92%	R 292.00	9.77%	R 321.00	9.93%	R 231.30
R 123.00	R 106.96	(b) Subsequent hourly tariff within normal working hours	15.0%	R 135.00	9.76%	R 148.00	9.63%	R 162.00	9.46%	R 117.39
R 318.00	R 276.52	(c) First hour per officer (after hours & weekends)	15.0%	R 349.00	9.75%	R 383.00	9.74%	R 421.00	9.92%	R 303.48
R 190.00	R 165.22	(d) Subsequent hourly tariff after hours & weekends	15.0%	R 209.00	10.00%	R 229.00	9.57%	R 251.00	9.61%	R 181.74
R 872.00	R 758.26	(e) Per officer (Sundays per 4 hour bracket)	15.0%	R 959.00	9.98%	R 1,054.00	9.91%	R 1,159.00	9.96%	R 833.91
R 123.00	R 106.96	(f) Per vehicle (less than 15 km)	15.0%	R 135.00	9.76%	R 148.00	9.63%	R 162.00	9.46%	R 117.39
R 10.40	R 9.04	(g) Per kilometre tariff thereafter	15.0%	R 11.20	7.69%	R 13.00	16.07%	R 14.50	11.54%	R 9.74
R 92.00	R 80.00	(h) Hiring of road signs and equipment	15.0%	R 101.00	9.78%	R 111.00	9.90%	R 122.00	9.91%	R 87.83
R 428.00	R 372.17	(i) Mega phone per day	15.0%	R 470.00	9.81%	R 517.00	10.00%	R 568.00	9.86%	R 408.70
		6.2.2.2 Dog Tax Tariffs								
R 257.00	R 223.48	6.2.2.2.1 Male dog: per year or part thereof	15.0%	R 282.00	9.73%	R 310.00	9.93%	R 341.00	10.00%	R 245.22
R 517.00	R 449.57	6.2.2.2.2 Bitch: per year or part thereof	15.0%	R 568.00	9.86%	R 624.00	9.86%	R 686.00	9.94%	R 493.91
R 127.00	R 110.43	6.2.2.2.3 Sterilised/castrated (proof)	15.0%	R 139.00	9.45%	R 152.00	9.35%	R 167.00	9.87%	R 120.87
R 204.00	R 177.39	6.2.2.3 Executing of warrants of arrest	15.0%	R 224.00	9.80%	R 246.00	9.82%	R 270.00	9.76%	R 194.78
		6.2.3 Fire Brigade Service								
		(In terms of Provincial Notice 396 of 11 June 1982)								
		No accounts will be rendered to informal areas								
R 3,060.00	R 2,660.87	6.2.3.1 Call-outs (per call) (excluding residential)	15.0%	R 3,366.00	10.00%	R 3,702.00	9.98%	R 4,072.00	9.99%	R 2,926.96
		This includes all fire fighting vehicles, all manpower water supply and (Per hour or part thereof)								
		6.2.3.2 Additional services (such as pumping, cleaning roads, decontamination) and consumables								
R 510.00	R 443.48	a) Call-out per hour or part thereof	15.0%	R 561.00	10.00%	R 617.00	9.98%	R 678.00	9.89%	R 487.83
R 45.00	R 39.13	b) Absorbent per kilogram	15.0%	R 49.00	8.89%	R 53.00	8.16%	R 58.00	9.43%	R 42.61
R 48.00	R 41.74	c) Foam per litre	15.0%	R 52.00	8.33%	R 57.00	9.62%	R 62.00	8.77%	R 45.22
R 450.00	R 391.30	d) Handheld extinguisher	15.0%	R 494.00	9.78%	R 543.00	9.92%	R 597.00	9.94%	R 429.57
R 104.00	R 90.43	e) Decontamination concentrate	15.0%	R 114.00	9.62%	R 125.00	9.65%	R 137.00	9.60%	R 99.13
		6.2.3.3 Special Standby Services at Events								
R 2,040.00	R 1,773.91	a) First hour	15.0%	R 2,244.00	10.00%	R 2,468.00	9.98%	R 2,714.00	9.97%	R 1,951.30
R 513.00	R 446.09	b) Per hour or part thereof, thereafter	15.0%	R 564.00	9.94%	R 620.00	9.93%	R 682.00	10.00%	R 490.43
R 2,501.00	R 2,174.78	6.2.3.4 Controlled Burns	15.0%	R 2,751.00	10.00%	R 3,026.00	10.00%	R 3,328.00	9.98%	R 2,392.17
R 650.00	R 565.22	6.2.3.5 Clearing of overgrown properties (residential areas) and clearing of fire	15.0%	R 715.00	10.00%	R 786.00	9.93%	R 864.00	9.92%	R 621.74
		6.2.3.6 Flammable Liquid Certificates:								
R 120.00	R 104.35	(a) Domestic installations	15.0%	R 132.00	10.00%	R 145.00	9.85%	R 159.00	9.86%	R 114.78
R 460.00	R 400.00	(b) Commercial installations	15.0%	R 506.00	10.00%	R 556.00	9.88%	R 611.00	9.89%	R 440.00
R 520.00	R 452.17	(c) Industrial installations	15.0%	R 571.00	9.81%	R 628.00	9.98%	R 690.00	9.87%	R 496.52
R 460.00	R 400.00	(d) LPG Suppliers	15.0%	R 506.00	10.00%	R 556.00	9.88%	R 611.00	9.89%	R 440.00
R 460.00	R 400.00	(e) Spray paint rooms	15.0%	R 506.00	10.00%	R 556.00	9.88%	R 611.00	9.89%	R 440.00
		6.2.3.7 Fire Safety Certification								
R 355.00	R 308.70	a) New Building plan or alterations	15.0%	R 390.00	9.86%	R 429.00	10.00%	R 471.00	9.79%	R 339.13
R 120.00	R 104.35	b) Educational and old age facilities	15.0%	R 132.00	10.00%	R 145.00	9.85%	R 159.00	9.86%	R 114.78
R 355.00	R 308.70	c) New business licence application	15.0%	R 390.00	9.86%	R 429.00	10.00%	R 471.00	9.79%	R 339.13
R 460.00	R 400.00	d) Commercial/Industrial Facility	15.0%	R 506.00	10.00%	R 556.00	9.88%	R 611.00	9.89%	R 440.00

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
R 305.00	R 265.22	6.2.3.8	Dangerous Goods Transport Permit (Annual)								
R 385.00	R 334.78		a) Light Delivery vehicle up to 3500 kg	15.0%	R 335.00	9.83%	R 368.00	9.85%	R 404.00	9.78%	R 291.30
R 755.00	R 656.52		b) Light Delivery vehicle above 3500 kg	15.0%	R 423.00	9.87%	R 465.00	9.93%	R 511.00	9.89%	R 367.63
R 1,130.00	R 982.61		c) Rigid tankers and flat beds up to 20 000 litres	15.0%	R 830.00	9.93%	R 913.00	10.00%	R 1,004.00	9.97%	R 721.74
			d) Rigid tankers and flat beds above 20 000 litres	15.0%	R 1,243.00	10.00%	R 1,367.00	9.98%	R 1,503.00	9.95%	R 1,080.67
			e) Articulated vehicles up to 20 000 litres								
R 305.00	R 265.22		1) Horse	15.0%	R 335.00	9.83%	R 368.00	9.85%	R 404.00	9.78%	R 291.30
R 755.00	R 656.52		2) Per unit or tanker thereafter	15.0%	R 830.00	9.93%	R 913.00	10.00%	R 1,004.00	9.97%	R 721.74
			f) Articulated vehicles above 20 000 litres								
R 305.00	R 265.22		1) Horse	15.0%	R 335.00	9.83%	R 368.00	9.85%	R 404.00	9.78%	R 291.30
R 1,130.00	R 982.61		2) Per unit or tanker thereafter	15.0%	R 1,243.00	10.00%	R 1,367.00	9.98%	R 1,503.00	9.95%	R 1,080.67
R 170.00	R 147.83		g) Transfer of certificate	15.0%	R 187.00	10.00%	R 205.00	9.63%	R 225.00	9.76%	R 162.61
		6.2.3.9	Event application								
R 170.00	R 147.83		a) Below 500 attendees	15.0%	R 187.00	10.00%	R 205.00	9.63%	R 225.00	9.76%	R 162.61
R 340.00	R 295.65		b) Between 500 and 1000 attendees	15.0%	R 373.00	9.71%	R 410.00	9.92%	R 451.00	10.00%	R 324.35
R 685.00	R 595.65		c) More than 1000 attendees	15.0%	R 753.00	9.93%	R 828.00	9.96%	R 910.00	9.90%	R 654.78
		6.2.3.10	Training per person								
R 360.00	R 313.04		Industrial and Commercial Basic Firefighting – 3 days	15.0%	R 395.00	9.72%	R 434.00	9.87%	R 477.00	9.91%	R 343.48
R 600.00	R 521.74		Industrial and Commercial Advanced– 5 days	15.0%	R 660.00	10.00%	R 726.00	10.00%	R 798.00	9.92%	R 573.91
R 120.00	R 104.35		Portable Fire Extinguisher course – 4 hours (excluding consumables)	15.0%	R 132.00	10.00%	R 145.00	9.85%	R 159.00	9.66%	R 114.78
REMOVED	REMOVED	6.2.4	Filling of swimming pools (per pool)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	6.2.5	Permits (per permit)								
REMOVED	REMOVED		(a) Gas	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		(b) Liquid Fuel	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		(c) Inspection of Vehicles for Hazardous contents transport (HAZCHEM):	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		(d) Spray-paint rooms	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		6.2.6	Refuse tariffs moved to Civil Services								
		6.2.7	Licensing and Regulating: Hiring and Sundry								
R 865.00	R 752.17	6.2.7.1	Vendor stalls (uncovered)	15.0%	R 951.00	9.94%	R 1,046.00	9.99%	R 1,150.00	9.94%	R 826.96
R 1,400.00	R 1,217.39	6.2.7.2	Vendor stalls -- under cover (per annum)	15.0%	R 1,540.00	10.00%	R 1,694.00	10.00%	R 1,863.00	9.98%	R 1,339.13
		6.2.7.3	Clean-up of premises (cost recoverable from owner)								
		6.2.8	Holiday Resorts								
R 655.00			Deposit for hiring C & D types Chalets at Pine Forest (Dennebos)	Exempt	R 720.00	9.92%	R 792.00	10.00%	R 871.00	9.97%	
R 509.00			Deposit for hiring of other Pine Forest (Dennebos)	Exempt	R 559.00	9.82%	R 614.00	9.84%	R 675.00	9.93%	
25.00%	21.74%	6.2.8.1.1	Administrative levv for cancellation of booking (% of rental amount. no maximum)	15.0%	25.00%	0.00%	25.00%	0.00%	25.00%	0.00%	R 0.22
		6.2.8.1.2	Campina (per stand per night)								
R 413.00	R 359.13		High season	15.0%	R 454.00	9.93%	R 499.00	9.91%	R 548.00	9.82%	R 394.78
R 268.00	R 233.04		High season	15.0%	R 294.00	9.70%	R 323.00	9.86%	R 355.00	9.91%	R 255.65
R 163.00	R 141.74		Out of season	15.0%	R 179.00	9.82%	R 196.00	9.50%	R 215.00	9.69%	R 155.65
R 509.00			Deposit	Exempt	R 559.00	9.82%	R 614.00	9.84%	R 675.00	9.93%	
		6.2.8.1.3	Annual Booking Fee								
R 20,793.00	R 18,080.87		A-tvpe - caravan premises	15.0%	R 22,248.00	7.00%	R 23,805.00	7.00%	R 25,471.00	7.00%	R 19,346.09
R 16,348.00	R 14,215.65		B-tvpe - caravan premises	15.0%	R 17,492.00	7.00%	R 18,716.00	7.00%	R 20,026.00	7.00%	R 15,210.43
R 15,210.00	R 13,226.09		C-tvpe - caravan premises	15.0%	R 16,274.00	7.00%	R 17,413.00	7.00%	R 18,631.00	6.99%	R 14,151.30
R 20,793.00	R 18,080.87		Loa Cabins	15.0%	R 22,248.00	7.00%	R 23,805.00	7.00%	R 25,471.00	7.00%	R 19,346.09
R 15,966.00	R 13,883.48		A-tvpe - Lost City	15.0%	R 17,083.00	7.00%	R 18,278.00	7.00%	R 19,557.00	7.00%	R 14,854.78
R 13,390.00	R 11,643.48		B-tvpe - Lost City	15.0%	R 14,327.00	7.00%	R 15,329.00	6.99%	R 16,402.00	7.00%	R 12,458.26
			Deposit	Exempt							

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.8.1.4 Chalets (per unit per night)								
		6.2.8.1.4.1 A - Type								
R 504.00	R 438.26	High season (24 December to 9 January & Easter weekend)	15.0%	R 539.00	6.94%	R 576.00	6.86%	R 616.00	6.94%	R 468.70
R 449.00	R 390.43	High season	15.0%	R 480.00	6.90%	R 513.00	6.88%	R 548.00	6.82%	R 417.39
R 366.00	R 318.26	Out of season	15.0%	R 391.00	6.83%	R 418.00	6.91%	R 447.00	6.94%	R 340.00
		6.2.8.1.4.2 B - Type								
R 821.00	R 713.91	High season (24 December to 9 January & Easter weekend)	15.0%	R 878.00	6.94%	R 939.00	6.95%	R 1,004.00	6.92%	R 763.48
R 668.00	R 580.87	High season	15.0%	R 714.00	6.89%	R 763.00	6.86%	R 816.00	6.95%	R 620.87
R 516.00	R 448.70	Out of season	15.0%	R 552.00	6.98%	R 590.00	6.88%	R 631.00	6.95%	R 480.00
		6.2.8.1.4.3 C - Type								
R 1,177.00	R 1,023.48	High season (24 December to 9 January & Easter weekend)	15.0%	R 1,259.00	6.97%	R 1,347.00	6.99%	R 1,441.00	6.98%	R 1,094.78
R 1,124.00	R 977.39	High season	15.0%	R 1,202.00	6.94%	R 1,286.00	6.99%	R 1,376.00	7.00%	R 1,045.22
R 619.00	R 538.26	Out of season	15.0%	R 662.00	6.95%	R 708.00	6.95%	R 757.00	6.92%	R 575.65
		6.2.8.1.4.4 D - Type								
R 1,065.00	R 926.09	High season (24 December to 9 January & Easter weekend)	15.0%	R 1,139.00	6.95%	R 1,218.00	6.94%	R 1,303.00	6.98%	R 990.43
R 893.00	R 776.52	High season	15.0%	R 955.00	6.94%	R 1,021.00	6.91%	R 1,092.00	6.95%	R 830.43
R 564.00	R 490.43	Out of season	15.0%	R 603.00	6.91%	R 645.00	6.97%	R 690.00	6.98%	R 524.35
		6.2.8.1.4.5 E - Type								
R 773.00	R 672.17	High season (24 December to 9 January & Easter weekend)	15.0%	R 827.00	6.99%	R 884.00	6.89%	R 945.00	6.90%	R 719.13
R 716.00	R 622.61	High season	15.0%	R 766.00	6.98%	R 819.00	6.92%	R 876.00	6.96%	R 666.09
R 459.00	R 399.13	Out of season	15.0%	R 491.00	6.97%	R 525.00	6.92%	R 561.00	6.86%	R 426.96
		6.2.8.1.4.6 F - Type								
R 504.00	R 438.26	High season (24 December to 9 January & Easter weekend)	15.0%	R 539.00	6.94%	R 576.00	6.86%	R 616.00	6.94%	R 468.70
R 449.00	R 390.43	High season	15.0%	R 480.00	6.90%	R 513.00	6.88%	R 548.00	6.82%	R 417.39
R 366.00	R 318.26	Out of season	15.0%	R 391.00	6.83%	R 418.00	6.91%	R 447.00	6.94%	R 340.00
		6.2.8.1.4.7 G - Type								
R 1,183.00	R 1,028.70	High season (24 December to 9 January & Easter weekend)	15.0%	R 1,265.00	6.93%	R 1,353.00	6.96%	R 1,447.00	6.95%	R 1,100.00
R 942.00	R 819.13	High season	15.0%	R 1,007.00	6.90%	R 1,077.00	6.95%	R 1,152.00	6.96%	R 875.65
R 584.00	R 507.83	Out of season	15.0%	R 624.00	6.85%	R 667.00	6.89%	R 713.00	6.90%	R 542.61
		6.2.8.1.4.8 Long-term monthly rentals are based on the weekend tariff multiplied by four (4) plus 20 percent.								
		6.2.8.1.5 Day Visitors - Entrance								
R 81.00	R 70.43	Per person per day	15.0%	R 86.00	6.17%	R 92.00	6.98%	R 98.00	6.52%	R 74.78
R 76.00	R 66.09	Per vehicle per day	15.0%	R 81.00	6.58%	R 86.00	6.17%	R 92.00	6.98%	R 70.43
		6.2.8.1.6 Sundry Tariffs								
R 800.00		Conference Hall (deposit)	Exempt	R 800.00	0.00%	R 880.00	10.00%	R 968.00	10.00%	
		Conference Hall hire: per session								
R 594.00	R 516.52	08:00 – 13:00	15.0%	R 635.00	6.90%	R 679.00	6.93%	R 726.00	6.92%	R 552.17
R 594.00	R 516.52	13:00 – 18:00	15.0%	R 635.00	6.90%	R 679.00	6.93%	R 726.00	6.92%	R 552.17
R 794.00	R 690.43	18:00 – 24:00	15.0%	R 849.00	6.93%	R 908.00	6.95%	R 971.00	6.94%	R 738.26
R 1,521.00	R 1,322.61	Conference Hall hire: per day	15.0%	R 1,627.00	6.97%	R 1,740.00	6.95%	R 1,861.00	6.95%	R 1,414.78
		<i>Renting of Recreational Halls to sports clubs (local):</i>								
R 350.00		Deposit	Exempt	R 350.00	0.00%	R 385.00	10.00%	R 423.00	9.87%	
R 1,892.00	R 1,645.22	Annual tariff	15.0%	R 2,270.40	20.00%	R 2,429.00	6.99%	R 2,599.00	7.00%	R 1,974.26
R 88.00	R 76.52	Bedding hiring: per set per week (chalets)	15.0%	R 94.00	6.82%	R 100.00	6.38%	R 107.00	7.00%	R 81.74
		Entrance (Local Residents)								
R 194.00	R 168.70	Clip cards – Local residence in Witzenberg area entrance (5 Visits)	15.0%	R 207.00	6.70%	R 221.00	6.76%	R 236.00	6.79%	R 180.00
		Local residence in Witzenberg annual tickets (per ticket)								
R 449.00	R 390.43	Adults	15.0%	R 480.00	6.90%	R 513.00	6.88%	R 548.00	6.82%	R 417.39
R 329.00	R 286.09	Children	15.0%	R 352.00	6.99%	R 376.00	6.82%	R 402.00	6.91%	R 306.09
R 308.00	R 267.83	Vehicles	15.0%	R 329.00	6.82%	R 352.00	6.99%	R 376.00	6.82%	R 286.09
R 69.00	R 60.00	Clip cards - Recreational facilities 5 clips per ticket	15.0%	R 73.00	5.80%	R 78.00	6.85%	R 83.00	6.41%	R 63.48
		Laundromat facilities								
R 55.00	R 47.83	Per 8kg, excluding washing powder	15.0%	R 58.00	5.45%	R 62.00	6.90%	R 66.00	6.45%	R 50.43
		6.2.8.2 Kipriver Park (Closed)								
		6.2.8.2.1 Chalets (per unit per night)								
		A - Type								
R 436.00	R 379.13	High season (15 December to 16 January & Easter weekend)	15.0%	R 466.00	6.88%	R 498.00	6.87%	R 532.00	6.83%	R 405.22
R 366.00	R 318.26	High season	15.0%	R 391.00	6.83%	R 418.00	6.91%	R 447.00	6.94%	R 340.00
R 257.00	R 223.48	Out of season	15.0%	R 274.00	6.61%	R 293.00	6.93%	R 313.00	6.83%	R 238.26
		B - Type								
R 484.00	R 420.87	High season (15 December to 16 January & Easter weekend)	15.0%	R 517.00	6.82%	R 553.00	6.96%	R 591.00	6.87%	R 449.57
R 385.00	R 334.78	High season	15.0%	R 411.00	6.75%	R 439.00	6.81%	R 469.00	6.83%	R 357.39
R 263.00	R 228.70	Out of season	15.0%	R 281.00	6.84%	R 300.00	6.76%	R 321.00	7.00%	R 244.35

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
R 214.00	R 186.09	6.2.8.2.2 Camping (per stand per night)								
R 151.00	R 131.30	High season	15.0%	R 228.00	6.54%	R 243.00	6.58%	R 260.00	7.00%	R 198.26
R 87.00	R 75.65	High season	15.0%	R 161.00	6.62%	R 172.00	6.83%	R 184.00	6.98%	R 140.00
		Out of season	15.0%	R 93.00	6.90%	R 99.00	6.45%	R 105.00	6.06%	R 80.87
R 75.00	R 65.22	6.2.8.2.3 Day Visitors								
R 75.00	R 65.22	Per person per day	15.0%	R 80.00	6.67%	R 85.00	6.25%	R 90.00	5.88%	R 69.57
		Per vehicle per day	15.0%	R 80.00	6.67%	R 85.00	6.25%	R 90.00	5.88%	R 69.57
		6.2.8.3 Discounts - Both Resorts								
		The following discounts will be allowed on booking by:								
		Pensioners - less 50% during off-season and midweek periods out of peak season								
		Registered Caravan Clubs and Club members - less 10% in periods out of peak season								
		Midweek in- and off season - less 25%								
		Students accompanied by parents - less 12% on day visitor fee								
		6.2.9 Swimming Pools								
		All swimming pools in Witzenberg								
R 11.00	R 9.57	Entrance: Adults	15.0%	R 11.00	0.00%	R 11.00	0.00%	R 11.00	0.00%	R 9.57
R 2.50	R 2.17	Children (school-going)	15.0%	R 2.50	0.0%	R 2.50	0.00%	R 2.50	0.00%	R 2.17
R 150.00	R 130.43	Season tickets	15.0%	R 150.00	0.00%	R 150.00	0.00%	R 150.00	0.00%	R 130.43
R 600.00	R 521.74	Annual fee per School (Only for School activities)	15.0%	R 600.00	0.0%	R 600.00	0.00%	R 600.00	0.00%	R 521.74
R 1,100.00	R 956.52	Annual fee per Service providers for Swimming training/lessons (Allow all trainees entry free)	15.0%	R 1,100.00	0.00%	R 1,100.00	0.00%	R 1,100.00	0.00%	R 956.52
		6.2.10 Sports grounds								
		6.2.10.1 All sports grounds in Witzenberg								
R 81.00	R 70.43	School practices (per practice) max 2/week @3hours / occasion	15.0%	R 89.00	9.88%	R 97.00	8.99%	R 106.00	9.28%	R 77.39
REMOVED	REMOVED	If the school book the practices at the beginning of year and pay in full for all practices. (per practice) No refunds	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
R 174.00	R 151.30	School matches (per match)	15.0%	R 191.00	9.77%	R 210.00	9.95%	R 231.00	10.00%	R 166.09
R 174.00	R 151.30	Sports clubs (per practice) max 2/week @3hours / occasion	15.0%	R 191.00	9.77%	R 210.00	9.95%	R 231.00	10.00%	R 166.09
REMOVED	REMOVED	If the sport club book the practices at the beginning of year and pay in full for all practices. (per practice) No refunds	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Sports clubs (per match)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
R 500.00	R 434.78	Sports clubs (per match) with no entrance fees	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 434.78
R 1,000.00	R 869.57	Sports clubs (per match) with entrance/ gate fees	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 869.57
R 1,500.00	R 1,304.35	Other events	15.0%	R 1,650.00	10.00%	R 1,815.00	10.00%	R 1,996.00	9.97%	R 1,304.35
R 1,500.00	R 1,304.35	Tournaments / day	15.0%	R 1,650.00	10.00%	R 1,815.00	10.00%	R 1,996.00	9.97%	R 1,304.35
R 1,500.00	R 1,304.35	Festivals and Carnivals (per day)	15.0%	R 1,650.00	10.00%	R 1,815.00	10.00%	R 1,996.00	9.97%	R 1,304.35
R 2,500.00	R 2,500.00	6.2.10.2 Deposit per event	Exempt	R 2,750.00	10.00%	R 3,025.00	10.00%	R 3,327.00	9.98%	R 2,750.00
		No standing deposits will be accepted. Each booking stand alone								
		6.2.11 Community Halls and Town Halls								
		No discos or dances in any facility								
		ALL community Halls:								
		Sessions: morning: 8h00-13h00								
		afternoon: 13h00-18h00								
		evening: 18h00-12h00								
		PENALTY : LATE OUT : 50% of deposit								
		6.2.11.1 Non-local and Outside Organisations								
		6.2.11.1.1 Tulbagh Community Hall								
		Concerts, Theatre productions and Film Shows								
REMOVED	REMOVED	Non-local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Conferences, Meetings, Gatherings, Church Services and Non-local Associations (per session)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Dances, Dinners, Birthdays, Celebrations, Receptions and Non-local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Shows, Exhibitions and Auctions	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Non-local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Performances, Mannequin Parades, Cooking demo's and Debutant	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Non-local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit for all the above	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Preparation of hall per hour	15.0%	REMOVED		REMOVED		REMOVED		REMOVED

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.2 Tulbagh Town Hall								
REMOVED	REMOVED	Concerts, Theatre productions and Film Shows	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Non-local Associations	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Deposit for above								
		Local Organisations/Individuals								
		6.2.11.1.3 Town Hall - Ceres								
		Hall, stage and main toilets								
R 400.00	R 347.83	Morning	15.0%	R 420.00	5.00%	R 441.00	5.00%	R 463.00	4.99%	R 365.22
R 400.00	R 347.83	Afternoon	15.0%	R 420.00	5.00%	R 441.00	5.00%	R 463.00	4.99%	R 365.22
R 494.00	R 429.57	Evening	15.0%	R 518.00	4.86%	R 543.00	4.83%	R 570.00	4.97%	R 450.43
		Kitchen								
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 249.57
		Banqueting Hall: (only when not used in conjunction with								
R 245.00	R 213.04	Morning	15.0%	R 257.00	4.90%	R 269.00	4.67%	R 282.00	4.83%	R 223.48
R 245.00	R 213.04	Afternoon	15.0%	R 257.00	4.90%	R 269.00	4.67%	R 282.00	4.83%	R 223.48
R 279.00	R 242.61	Evening	15.0%	R 292.00	4.66%	R 306.00	4.79%	R 321.00	4.90%	R 253.91
		Tariff 2: Public dances per session								
REMOVED	REMOVED	Hall, stage and toilets	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Tariff 3: Guarantee deposit								
R 2,000.00	R 1,739.13	Per function	Exempt	R 2,099.00	4.95%	R 2,203.00	4.95%	R 2,313.00	4.99%	R 2,099.00
		Tariff 4: equipment per occasion								
R 35.00	R 30.43	Hiring of table cloths (each, per day)	15.0%	R 36.00	2.86%	R 37.00	2.78%	R 38.00	2.70%	R 31.30
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
R 22.00	R 19.13	Hiring of cutlery (per dozen, per day)	15.0%	R 23.00	4.55%	R 24.00	4.35%	R 25.00	4.17%	R 20.00
		Tariff 5: reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 7: Pianos per function (currently not available)								
R 232.00	R 201.74	Piano organ	15.0%	R 243.00	4.74%	R 255.00	4.94%	R 267.00	4.71%	R 211.30
R 260.00	R 226.09	Grand piano	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
		Tariff 8: Rehearsals (per rehearsal)								
		In respect of hall and stage only								
R 163.00	R 141.74	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 171.00	4.91%	R 179.00	4.68%	R 187.00	4.47%	R 148.70
R 182.00	R 158.26	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 191.00	4.95%	R 200.00	4.71%	R 210.00	5.00%	R 166.09
		Tariff 9: Changes to Bookings – per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 134.00	R 116.52	Levy	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 279.00	R 242.61	Sound system for Town Hall (per occasion)	15.0%	R 292.00	4.66%	R 306.00	4.79%	R 321.00	4.90%	R 253.91

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.4 Bella Vista Community Hall								
		All traditional church services (through the night) X2 the 24hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Mornina	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evenina	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 260.00	R 226.09	Mornina	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evenina	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
		Change rooms (excluding main toilets)								
R 74.00	R 64.35	Mornina	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 74.00	R 64.35	Afternoon	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 150.00	R 130.43	Evenina	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 2: Public dances per session								
R 992.00	R 862.61	Hall, stage and toilets	15.0%	R 1,041.00	4.94%	R 1,093.00	5.00%	R 1,147.00	4.94%	R 905.22
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,099.00	4.95%	R 2,203.00	4.95%	R 2,313.00	4.99%	R 1,825.22
		Tariff 4: equipment per occasion								
R 35.00	R 30.43	Hirina of table cloths (each, per dav)	15.0%	R 36.00	2.86%	R 37.00	2.78%	R 38.00	2.70%	R 31.30
R 24.00	R 20.87	Hirina of tables (each, per dav)	15.0%	R 25.00	4.17%	R 26.30	5.20%	R 27.60	4.94%	R 20.87
R 17.40	R 15.13	Hirina of cutlery (per dozen, per dav)	15.0%	R 18.30	5.17%	R 19.20	4.92%	R 20.20	5.21%	R 15.91
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
REMOVED	REMOVED	Tariff 7: Pianos		REMOVED		REMOVED		REMOVED		REMOVED
		Tariff 8: Rehearsals (per rehearsal)								
		In respect of hall and stage only								
R 105.00	R 91.30	Mornina: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evenina: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings -- per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 119.00	R 103.48	Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

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6.2.11.1.5 Dreyer Hall (currently on lease contract)										
Tariff 1: Basic charges per session										
Hall, stage and main toilets										
R 249.00	R 216.52	Morning	15.0%	R 273.00	9.64%	R 300.00	9.89%	R 330.00	10.00%	R 237.39
R 249.00	R 216.52	Afternoon	15.0%	R 273.00	9.64%	R 300.00	9.89%	R 330.00	10.00%	R 237.39
R 342.00	R 297.39	Evening	15.0%	R 376.00	9.94%	R 413.00	9.84%	R 454.00	9.93%	R 326.96
Kitchen										
R 84.00	R 73.04	Morning	15.0%	R 92.00	9.52%	R 101.00	9.78%	R 111.00	9.90%	R 80.00
R 84.00	R 73.04	Afternoon	15.0%	R 92.00	9.52%	R 101.00	9.78%	R 111.00	9.90%	R 80.00
R 100.00	R 86.96	Evening	15.0%	R 110.00	10.00%	R 121.00	10.00%	R 133.00	9.92%	R 95.65
Change rooms (excluding main toilets)										
R 72.00	R 62.61	Morning	15.0%	R 79.00	9.72%	R 86.00	8.86%	R 94.00	9.30%	R 68.70
R 72.00	R 62.61	Afternoon	15.0%	R 79.00	9.72%	R 86.00	8.86%	R 94.00	9.30%	R 68.70
R 158.00	R 137.39	Evening	15.0%	R 173.00	9.49%	R 190.00	9.83%	R 209.00	10.00%	R 150.43
Tariff 2: Public dances per session										
R 954.00	R 829.57	Hall, stage and toilets	15.0%	R 1,049.00	9.96%	R 1,153.00	9.91%	R 1,268.00	9.97%	R 912.17
R 363.00	R 363.00	Tariff 3: Guarantee deposit per function	Exempt	R 399.00	9.92%	R 438.00	9.77%	R 481.00	9.82%	R 399.00
Tariff 4: Equipment										
Tariff 5: Reduced rates										
50% discount to organisations that qualify										
Tariff 6: Levy in respect of exceeding the vacating time										
In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R10 per hour will be levied until such time that the premises have been fully vacated										
Tariff 7: Pianos										
Tariff 8: Rehearsals (per rehearsal)										
In respect of hall and stage only										
R 72.00	R 62.61	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 79.00	9.72%	R 86.00	8.86%	R 94.00	9.30%	R 68.70
R 115.00	R 100.00	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 126.00	9.57%	R 138.00	9.52%	R 151.00	9.42%	R 109.57
Tariff 9: Changes to Bookings -- per booking										
If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged										
R 115.00	R 100.00	Levy	15.0%	R 126.00	9.57%	R 138.00	9.52%	R 151.00	9.42%	R 109.57
6.2.11.1.6 Bella Vista Youth Centre and Polo cross Hall N'duli										
Tariff 1: Basic charges per session										
Hall, stage and main toilets										
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 357.00	R 310.43	Evening	15.0%	R 374.00	4.76%	R 392.00	4.81%	R 411.00	4.85%	R 325.22
Tariff 2: Public dances per session										
R 992.00	R 862.61	Hall, stage and toilets	15.0%	R 1,041.00	4.94%	R 1,093.00	5.00%	R 1,147.00	4.94%	R 905.22
R 378.00	R 378.00	Tariff 3: Guarantee deposit per function	Exempt	R 396.00	4.76%	R 415.00	4.80%	R 435.00	4.82%	R 396.00
Tariff 4: Reduced rates										
50% discount to organisations that qualify										
Tariff 5: Levy in respect of exceeding the vacating time										
In the event of the lessee failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R10 per hour will be levied until such time that the premises have been fully vacated										
Tariff 6: Rehearsals (per rehearsal)										
In respect of hall and stage only										
R 74.00	R 64.35	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 119.00	R 103.48	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
Tariff 7: Changes to bookings --- per booking										
If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged										
R 134.00	R 116.52	Levy	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.7 N'duli New Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Mornina	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evenina	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 134.00	R 116.52	Mornina	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Afternoon	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 198.00	R 172.17	Evenina	15.0%	R 207.00	4.55%	R 217.00	4.83%	R 227.00	4.61%	R 180.00
		Change rooms (excluding main toilets)								
R 56.00	R 48.70	Mornina	15.0%	R 58.00	3.57%	R 60.00	3.45%	R 63.00	5.00%	R 50.43
R 56.00	R 48.70	Afternoon	15.0%	R 58.00	3.57%	R 60.00	3.45%	R 63.00	5.00%	R 50.43
R 88.00	R 76.52	Evenina	15.0%	R 92.00	4.55%	R 96.00	4.35%	R 100.00	4.17%	R 80.00
		Tariff 2: Public dances per session								
REMOVED	REMOVED	Hall, stage and toilets	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tariff 3: Guarantee deposit per function	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
R 500.00	R 500.00	Deposit per function- excluding kitchen	Exempt	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 525.00
R 2,000.00	R 2,000.00	Deposit per function- including kitchen	Exempt	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 2,100.00
		Tariff 4: Equipment								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 20.87
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 7: Rehearsals (per rehearsal)								
		In respect of hall and stage only								
R 119.00	R 103.48	Mornina: 10:00 - 12:00 (per rehearsal)	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
R 150.00	R 130.43	Evenina: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 8: Changes to bookings --- per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 119.00	R 103.48	Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.8 Prince Alfred's Hamlet Town Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
REMOVED	REMOVED	Tariff 1: Information sessions	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Tariff 2: Welfare Functions								
REMOVED	REMOVED	Tariff 3: Meetings per session (included council chamber for councillors)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tariff 4: All functions not covered under other tariffs (e.g Weddings, dinners, receptions and all dances/ birthdays)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tariff 5: Church services (per service) and fundraisings	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tariff 6: Sport practices (per session)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 134.00	R 116.52	Morning	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Afternoon	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 198.00	R 172.17	Evening	15.0%	R 207.00	4.55%	R 217.00	4.83%	R 227.00	4.61%	R 180.00
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings -- per booking								
R 119.00	R 103.48	If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
6.2.11.1.9 Prince Alfred's Hamlet Community Hall										
All traditional church services (through the night) X2 the 24 hour tariff										
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
REMOVED	REMOVED	Tariff 1: Information sessions	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tariff 2: Welfare Functions								
REMOVED	REMOVED	Tariff 3: Meetings (per session)								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tariff 4: All functions not covered under other tariffs (e.g Weddings, dinners, receptions and all dances/ birthdays)								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tariff 5: Church services (per service) and fundraisings								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tariff 6: Sport practices								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
Tariff 1: Basic charges per session										
Hall, stage and main toilets										
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
Kitchen										
R 134.00	R 116.52	Morning	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Afternoon	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 198.00	R 172.17	Evening	15.0%	R 207.00	4.55%	R 217.00	4.83%	R 227.00	4.61%	R 180.00
Tariff 3: Guarantee deposit										
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
Tariff 4: equipment per occasion										
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
Tariff 5: Reduced rates										
50% discount to organisations that qualify										
Tariff 6: Levy in respect of exceeding the vacating time										
In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been										
Tariff 8: Rehearsals (per rehearsal)										
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
Tariff 9: Changes to Bookings -- per booking										
R 119.00	R 103.48	If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.10 Tulbagh Community Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Indoor Sport								
REMOVED	REMOVED	Professional	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Amateur	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Practices -- per hour	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Concerts, Theatre productions and Film Shows								
REMOVED	REMOVED	Local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Professional / Private	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Conferences, Meetings, Gatherings, Church Services and Bazaars								
REMOVED	REMOVED	Local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Dances, Dinners, Birthdays, Celebrations, Receptions and Disco's								
REMOVED	REMOVED	Local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Private	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Shows, Exhibitions and Auctions								
REMOVED	REMOVED	Non-local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Local Associations								
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Performances, Mannequin Parades, Cooking demo's and Debutant								
REMOVED	REMOVED	Non-local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
R 119.00	R 103.48	Preparation of hall per hour	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 134.00	R 116.52	Morning	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Afternoon	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 198.00	R 172.17	Evening	15.0%	R 207.00	4.55%	R 217.00	4.83%	R 227.00	4.61%	R 180.00
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been								
		Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings -- per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 119.00	R 103.48	Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.2 Local Organisations								
		6.2.11.2.1 Tulbaah Town Hall								
R 2,500.00	R 2,500.00	All traditional church services (through the night) X2 the 24 hour tariff	tariff							
		Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
REMOVED	REMOVED	Deposit								
REMOVED	REMOVED	Main hall	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Banqueting hall	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Auditorium	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Kitchen	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Tables	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Hire:								
		Indoor Sport								
REMOVED	REMOVED	Professional	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Amateur	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Kitchen	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Concerts, Theatre productions and Film Shows								
REMOVED	REMOVED	Local Associations	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Professional / Private	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Kitchen	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Conferences, Meetings, Gatherings, Church Services and								
		Rehearsals								
REMOVED	REMOVED	Main hall	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Banqueting hall	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Auditorium	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Kitchen	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Dances, Dinners, Birthdays, Celebrations, Receptions and Disco's								
REMOVED	REMOVED	Main hall	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Banqueting hall	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Kitchen	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Shows, Exhibitions and Auctions								
REMOVED	REMOVED	Main hall	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Banqueting hall	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Kitchen	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Performances, Mannequin Parades, Cooking demo's and Debutant								
REMOVED	REMOVED	Main hall	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Banqueting hall	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 400.00	R 347.83	Morning	15.0%	R 420.00	5.00%	R 441.00	5.00%	R 463.00	4.99%	R 365.22
R 400.00	R 347.83	Afternoon	15.0%	R 420.00	5.00%	R 441.00	5.00%	R 463.00	4.99%	R 365.22
R 494.00	R 429.57	Evening	15.0%	R 518.00	4.86%	R 543.00	4.83%	R 570.00	4.97%	R 450.43
		Kitchen								
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
		Banqueting Hall: (only when not used in conjunction with kitchen) per session								
R 245.00	R 213.04	Morning	15.0%	R 257.00	4.90%	R 269.00	4.67%	R 282.00	4.83%	R 223.48
R 245.00	R 213.04	Afternoon	15.0%	R 257.00	4.90%	R 269.00	4.67%	R 282.00	4.83%	R 223.48
R 279.00	R 242.61	Evening	15.0%	R 292.00	4.66%	R 306.00	4.79%	R 321.00	4.90%	R 253.91
		Tariff 3: Guarantee deposit								
R 2,000.00	R 1,739.13	Per function	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 8: Rehearsals (per rehearsal)								
		In respect of hall and stage only								
R 163.00	R 141.74	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 171.00	4.91%	R 179.00	4.68%	R 187.00	4.47%	R 148.70
R 182.00	R 158.26	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 191.00	4.95%	R 200.00	4.71%	R 210.00	5.00%	R 166.09
		Tariff 9: Changes to Bookings -- per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 134.00	R 116.52	Levy	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 150.00	R 130.43	Preparation of hall per hour	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
R 25.00	R 21.74	Tables: per table to maximum of R110.00	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		6.2.11.2.2 Drostdv hall								
R 498.00	R 433.04	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
R 426.00	R 426.00	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.2.3 Montana Community Hall								
R 2,500.00	R 2,500.00	All traditional church services (through the night) X2 the 24 hour tariff								
		Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Concerts and stage performances								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Disco's and Dances								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Film shows, Wedding receptions and birthdays								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Meetings								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Senior citizens' meetings and gatherings: Schools and Churches (Special Occasions) per session								
		Performances								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Exhibitions								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Bazaars								
REMOVED	REMOVED	Hire: Churches and Schools	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Hire: Other	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Kitchen	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
		Change rooms (excluding main toilets)								
R 74.00	R 64.35	Morning	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 74.00	R 64.35	Afternoon	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 150.00	R 130.43	Evening	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings -- per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 119.00	R 103.48	Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
R 134.00	R 116.52	Montana Library Hall : Per occasion (No Church Services)	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 163.00	R 141.74	Stamper Street Hall : (per occasion)	15.0%	R 171.00	4.91%	R 179.00	4.68%	R 187.00	4.47%	R 148.70

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
	R 0.00	6.2.11.2.4	Pine Valley Community Hall								
			All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00		Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
			Concerts and stage performances								
REMOVED	REMOVED		Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
	R 0.00		Disco's and Dances								R 0.00
REMOVED	REMOVED		Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
			Film shows, Wedding receptions and birthdays								
REMOVED	REMOVED		Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
	R 0.00		Meetings								R 0.00
REMOVED	REMOVED		Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
			Senior citizens' meetings and gatherings; Schools and Churches (Special Occasions)								
			Performances								
REMOVED	REMOVED		Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
			Exhibitions								
REMOVED	REMOVED		Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
			Bazaars								
REMOVED	REMOVED		Hire: Churches and Schools	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Hire: Other	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Kitchen	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
			Tariff 1: Basic charges per session								
			Hall, stage and main toilets								
R 287.00	R 249.57		Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57		Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65		Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
			Kitchen								
R 260.00	R 226.09		Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09		Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57		Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
			Change rooms (excluding main toilets)								
R 74.00	R 64.35		Morning	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 74.00	R 64.35		Afternoon	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 150.00	R 130.43		Evening	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
			Tariff 3: Guarantee deposit								
R 500.00	R 434.78		Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13		Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
			Tariff 4: equipment per occasion								
R 24.00	R 20.87		Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
			Tariff 5: Reduced rates								
			50% discount to organisations that qualify								
			Tariff 6: Levy in respect of exceeding the vacating time								
			In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been								
			Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30		Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
			Tariff 9: Changes to Bookings -- per booking								
			If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 119.00	R 103.48		Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
			NB: Once in a quarter the hall may be utilised, without charge, by political parties that are represented in Council, for their political meetings with the community. The political party concerned must however present its intent to the Municipal Manager, and consent is subject to the availability of the facility. Priority will be given to the order in which applications are received.								
			NB: The Municipal Manager may use his discretion to offer a hall free of any charge to Youth-, Service-, Charity-, Community-, Sport-, Educational- and State Institutions, and Senior Citizens.								

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.2.5 Op-Die-Berg Community Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Concerts and stage performances								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Disco's and Dances								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Film shows, Weddina receptions and birthdavs								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Meetings								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Senior citizens' meetings and gatherings; Schools and Churches (Special Occasions)								
		Performances								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Exhibitions								
REMOVED	REMOVED	Hire	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
		Bazaars								
REMOVED	REMOVED	Hire: Churches and Schools	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Hire: Other	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Deposit	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Kitchen	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morninq	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Eveninq	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 260.00	R 226.09	Morninq	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Eveninq	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
		Change rooms (excluding main toilets)								
R 74.00	R 64.35	Morninq	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 74.00	R 64.35	Afternoon	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 150.00	R 130.43	Eveninq	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equioment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per dav)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levv in respect of exceedina the vacatina time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been								
		Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30	Morninq: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Eveninq: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookinas -- per bookina								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levv will be charged								
R 119.00	R 103.48	Levv	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
		NB: Once in a quarter the hall may be utilised, without charge, by political parties that are represented in Council, for their political meetings with the community. The political party concerned must however present its intent to the Municipal Manager, and consent is subject to the availability of the facility. Priority will be given to the order in which applications are received.								
		NB: The Municipal Manager may use his discretion to offer a hall free of any charge to Youth-, Service-, Charity-, Community-, Sport-, Educational- and State Institutions, and Senior Citizens.								

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.12 Cemeteries								
		Tariffs								
		6.2.12.1 Non-local residents								
		All persons that were resident outside the Witzenberg Municipal jurisdiction.								
R 4,290.00	R 3,730.43	6 ft excavation: plot included	15.0%	R 4,719.00	10.00%	R 5,190.00	9.98%	R 5,709.00	10.00%	R 4,103.48
R 5,095.00	R 4,430.43	8 ft excavation: plot included	15.0%	R 5,604.00	9.99%	R 6,164.00	9.99%	R 6,780.00	9.99%	R 4,873.04
R 1,283.00	R 1,115.65	Re-burials: opening and closing of graves	15.0%	R 1,411.00	9.98%	R 1,552.00	9.99%	R 1,707.00	9.99%	R 1,226.96
R 431.00	R 374.78	Memorial plaque	15.0%	R 474.00	9.98%	R 521.00	9.92%	R 573.00	9.98%	R 412.17
		6.2.12.2 Local residents								
		All persons that were resident inside the Witzenberg Municipal jurisdiction.								
		6.2.12.2.1 Indigent cases								
		Town residents								
		Definition:								
		At the time of death the deceased had to be part of a household that was approved as an indigent case, also noted as such in the Financial system.								
		Rural residents								
		Definition:								
		At the time of death the deceased had to be part of a household of which the combined income did not exceed twice the State's Old-age Pension allowance, and that the deceased had resided in the house at that time.								
		Plots for indigent cases are free of charge, being funded from the Indigent Allocation at non-local tariffs.								
		6.2.12.2.2 Local Residents and all other cases								
R 477.00	R 414.78	Plot	15.0%	R 524.00	9.85%	R 576.00	9.92%	R 633.00	9.90%	R 455.65
R 1,530.00	R 1,330.43	6 ft excavation	15.0%	R 1,683.00	10.00%	R 1,851.00	9.98%	R 2,036.00	9.99%	R 1,463.48
R 1,641.00	R 1,426.96	8 ft excavation	15.0%	R 1,805.00	9.99%	R 1,985.00	9.97%	R 2,183.00	9.97%	R 1,569.57
R 736.00	R 640.00	Re-burials: opening and closing of graves	15.0%	R 809.00	9.92%	R 889.00	9.89%	R 977.00	9.90%	R 703.48
R 413.00	R 359.13	Memorial plaque	15.0%	R 454.00	9.93%	R 499.00	9.91%	R 548.00	9.82%	R 394.78
		6.2.13 Dept. Parks -- private works -- equipment -- tariff per hour								
REMOVED	REMOVED	Lawnmower: 450 mm (small) per hour	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Lawnmower: 750 mm (large) per hour	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Forest cutters (per hour)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Chain saws (per hour)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Bush cutters (per hour)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Trailers (per hour)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Spray pumps: Mechanical and triangular (per hour)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.3. FINANCIAL SERVICES								
		6.3.1 Administrative fees								
R 156.00	R 135.65	6.3.1.1 Furnishing of evaluation- and / or clearance certificates in accordance with Section 96 of Ordinance 20 of 1974: per certificate:	15.0%	R 171.00	9.62%	R 188.00	9.94%	R 206.00	9.57%	R 148.70
		6.3.1.2 Valuations & deed search								
R 280.00	R 243.48	6.3.1.2.1 Re-evaluation of properties (per application)								
R 1,369.00	R 1,190.43	- Residential properties	15.0%	R 308.00	10.00%	R 338.00	9.74%	R 371.00	9.76%	R 267.83
R 1,702.00	R 1,480.00	- Business properties	15.0%	R 1,505.00	9.93%	R 1,655.00	9.97%	R 1,820.00	9.97%	R 1,308.70
R 1,530.00	R 1,330.43	- Agricultural properties	15.0%	R 1,872.00	9.99%	R 2,059.00	9.99%	R 2,264.00	9.96%	R 1,627.63
R 138.00	R 120.00	- State owned properties	15.0%	R 1,683.00	10.00%	R 1,851.00	9.98%	R 2,036.00	9.99%	R 1,463.48
R 280.00	R 243.48	- Urban vacant land	15.0%	R 151.00	9.42%	R 166.00	9.93%	R 182.00	9.64%	R 131.30
R 60.00	R 52.17	- Other not specified above	15.0%	R 308.00	10.00%	R 338.00	9.74%	R 371.00	9.76%	R 267.83
R 1,098.00	R 954.78	6.3.1.2.2 Deeds office search per erf	15.0%	R 66.00	10.00%	R 72.00	9.09%	R 79.00	9.72%	R 57.39
R 59.00	R 51.30	6.3.1.2.3 Request for valuation detail per erf	15.0%	R 1,207.00	9.93%	R 1,327.00	9.94%	R 1,459.00	9.95%	R 1,049.57
R 59.00	R 51.30	6.3.1.3 Tracing of any information older than six months. (per hour or part thereof)	15.0%	R 64.00	8.47%	R 70.00	9.38%	R 77.00	10.00%	R 55.65
R 611.00	R 531.30	6.3.1.4 Issuing of accounts' duplicates (per account)	15.0%	R 64.00	8.47%	R 70.00	9.38%	R 77.00	10.00%	R 55.65
R 123.00	R 106.96	6.3.1.5 Furnishing of name- and address list (per list) (per town)	15.0%	R 672.00	9.98%	R 739.00	9.97%	R 812.00	9.88%	R 584.35
R 40.00	R 34.78	6.3.1.6 Surcharge on <i>Refer to Drawer</i> cheques (per cheque)	15.0%	R 135.00	9.76%	R 148.00	9.63%	R 162.00	9.46%	R 117.39
		6.3.1.7 Excess	15.0%	R 44.00	10.00%	R 48.00	9.09%	R 52.00	8.33%	R 38.26
		6.3.1.8 Recovery costs								
		6.3.1.8.1 Tariffs for processes and the serving of documentation by the Municipality								
R 45.00	R 39.13	6.3.1.8.1.1 Serving of a registered reminder (per reminder)	15.0%	R 49.00	8.89%	R 53.00	8.16%	R 58.00	9.43%	R 42.61
R 67.00	R 58.26	6.3.1.8.1.2 Stamp costs (per summons)	15.0%	R 73.00	8.96%	R 80.00	9.59%	R 88.00	10.00%	R 63.48
R 190.00	R 165.22	6.3.1.8.1.3 Serving of summonses and/or writs (per serving)	15.0%	R 209.00	10.00%	R 229.00	9.57%	R 251.00	9.61%	R 181.74
R 465.00	R 404.35	6.3.1.8.1.3.1 Inside the Witzenberg jurisdiction	15.0%	R 511.00	9.89%	R 562.00	9.98%	R 618.00	9.96%	R 444.35
		6.3.1.8.1.3.2 Outside the Witzenberg jurisdiction								
		6.3.1.8.1.3.3 Levying of any legal costs								
		6.3.2 Water								
		6.3.2.1 Re-connection of suspended supply on request by consumer per connection								
R 139.00	R 120.87	(a) Urban areas	15.0%	R 152.00	9.35%	R 167.00	9.87%	R 183.00	9.58%	R 132.17
R 171.00	R 148.70	(b) Rural areas	15.0%	R 188.00	9.94%	R 206.00	9.57%	R 226.00	9.71%	R 163.48
		6.3.2.2 Re-connection after non-payment per suspension list - per connection								
R 54.00	R 46.96	(a) Urban areas	15.0%	R 59.00	9.26%	R 64.00	8.47%	R 70.00	9.38%	R 51.30
R 80.00	R 69.57	(b) Rural areas	15.0%	R 88.00	10.00%	R 96.00	9.09%	R 105.00	9.38%	R 76.52
		6.3.2.3 Special meter reading per reading per meter								
R 205.00	R 178.26	(a) Urban areas	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 318.00	R 276.52	(b) Rural areas	15.0%	R 349.00	9.75%	R 383.00	9.74%	R 421.00	9.92%	R 303.48
		6.3.2.5 Tampering with meter connection								
R 1,369.00	R 1,190.43	(a) In the event where a consumer's water supply has been cut and sealed with a cap and key, and such seal had been removed without the consent of the Municipality, the following charges for tampering will be levied against the consumer, no re-connection will be made unless the prescribed payment plus the cost of a Water demand device (if not yet installed) has been received.	15.0%	R 1,505.00	9.93%	R 1,655.00	9.97%	R 1,820.00	9.97%	R 1,308.70
		(b) Where a consumer had made an illegal water connection in front of the meter, the supply will be disconnected immediately, and one of the following options will be exercised, depending on the consumer's choice:								
		(i) A criminal charge to be laid by the SAPS, or								
R 2,741.00	R 2,383.48	(ii) An admission of guilt (see tariff attached) plus the cost of the damage and possible consumption be paid.	15.0%	R 3,015.00	10.00%	R 3,316.00	9.98%	R 3,647.00	9.98%	R 2,621.74
		(c) Where a consumer is guilty of a second offence in terms of an illegal water connection, the connection will be summarily removed and the matter will be handed to the SAPS.								

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R 1,000.00	R 869.57	Gaining Access to water services without approval from the municipality	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 956.52
R 1,000.00	R 869.57	Gain Acces to water services without agreement with the Municipality	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 956.52
R 1,000.00	R 869.57	Refuse to give access required by the municipality in terms of section 19	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 956.52
R 500.00	R 434.78	Fail to comply with a notice served upon him/her in terms of bylaws relating to water, sanitation services and industrial effluent	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 1,000.00	R 869.57	Disconnect a measuring device and its associated apparatus from the pipe in which they are installed	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 956.52
R 500.00	R 434.78	Break a seal which the municipality has placed on a water meter	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 500.00	R 434.78	Interfere with a measuring device and its associated apparatus	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 2,000.00	R 1,739.13	Owner fail to provide and maintain approved measures to prevent the entry of substance which may be a danger to health or adversely affect water potability	15.0%	R 2,200.00	10.00%	R 2,420.00	10.00%	R 2,662.00	10.00%	R 1,913.04
R 500.00	R 434.78	Disregard any water restrictions imposed by the municipality	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 500.00	R 434.78	Permit wasteful discharge of water from the terminal fittings	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 500.00	R 434.78	Permit an overflow of water to persist	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
		6.3.3 Electricity								
R 51.00	R 44.35	6.3.3.1 Re-connections of cut supplies of Pre-Paid, per re-connection:	15.0%	R 56.00	9.80%	R 61.00	8.93%	R 67.00	9.84%	R 48.70
R 51.00	R 44.35	(a) Urban areas	15.0%	R 56.00	9.80%	R 61.00	8.93%	R 67.00	9.84%	R 48.70
		(b) Rural areas	15.0%							
		6.3.3.2 Re-connections of cut supplies on request of consumers of Conventional Meters, per re-connection:								
R 136.00	R 118.26	(a) Urban areas	15.0%	R 149.00	9.56%	R 163.00	9.40%	R 179.00	9.82%	R 129.57
R 171.00	R 148.70	(b) Rural areas	15.0%	R 188.00	9.94%	R 206.00	9.57%	R 226.00	9.71%	R 163.48
R 243.00	R 211.30	(c) All areas after hours	15.0%	R 267.00	9.88%	R 293.00	9.74%	R 322.00	9.90%	R 232.17
R 205.00	R 178.26	6.3.3.3 Special meter reading as per Article 52(3) per reading per meter								
R 318.00	R 276.52	(a) Urban areas	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 18.00	R 15.85	(b) Rural areas	15.0%	R 349.00	9.75%	R 383.00	9.74%	R 421.00	9.92%	R 303.48
R 300.00	R 260.87	6.3.3.4 Duplicate Identification Card: Pre-Paid electricity, per card.	15.0%	R 20.00	11.11%	R 15.00	-25.00%	R 16.00	6.67%	R 17.39
		6.3.3.5 Switching Fee (Any call out for private purposes)	15.0%	R 330.00	10.00%	R 363.00	10.00%	R 399.00	9.92%	R 286.96
		6.3.4 Deposits - new buildings								
R 2,401.00	R 2,401.00	Businesses	Exempt	R 2,641.00	10.00%	R 2,905.00	10.00%	R 3,195.00	9.98%	R 2,641.00
		Industries (Estimated on consumption)	Exempt							
		Residential clients								
R 349.00	R 349.00	With pre-paid electricity and water meter	Exempt	R 383.00	9.74%	R 421.00	9.92%	R 463.00	9.98%	R 383.00
R 564.00	R 564.00	With only a pre-paid electricity meter	Exempt	R 620.00	9.93%	R 682.00	10.00%	R 750.00	9.97%	R 620.00
R 1,341.00	R 1,341.00	All other residential clients	Exempt	R 1,475.00	9.99%	R 1,622.00	9.97%	R 1,784.00	9.99%	R 1,475.00
		<i>Deposit can be adjusted to align it to the Credit Contril Policy</i>								

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		6.4.	TECHNICAL SERVICES								
		6.4.1.	CIVIL SERVICES								
		6.4.1.1	Building Plan								
R 26.00	R 22.61	6.4.1.1.1	Calculate on the gross covered area, to the nearest square meter - tariff per building plan per m ²	15.0%	R 28.00	7.69%	R 30.00	7.14%	R 32.00	6.67%	R 24.35
			(Subject to the stipulation at 4.1.1.2 hereunder)								
R 302.00	R 262.61		Industrial/commercial tariff per building plan per m ²				R 332.00	4.73%	R 348.00	4.82%	R 275.65
R 2,085.00			(Subject to the stipulation at 4.1.1.2 hereunder)				R 2,298.00	4.98%	R 2,412.00	4.96%	R 2,189.00
			With a minimum building plan tariff	15.0%	R 317.00	4.97%					
			Building deposit	Exempt	R 2,189.00	4.99%					
R 164.00	R 142.61		In the event of illegal building operations without an approved plan, a charge of <u>three</u> times the above building plan fees plus the following tariff per day that the plan is outstanding, will apply:	15.0%	R 172.00	4.88%	R 180.00	4.65%	R 189.00	5.00%	R 149.57
R 508.00	R 441.74	6.4.1.1.2	Swimming pools - per application, irrespective of the size of the pool. Fixed tariff per swimming pool.	15.0%	R 533.00	4.92%	R 559.00	4.88%	R 586.00	4.83%	R 463.48
		6.4.1.1.3	Advertising signs application								
R 2,442.00	R 2,123.48		Permitted third party advertising sign (<2,0m ²) per board	15.0%	R 2,564.00	5.00%	R 2,692.00	4.99%	R 2,826.00	4.98%	R 2,229.57
R 4,071.00	R 3,540.00		Permitted third party advertising sign (>2,0m ²) per board	15.0%	R 4,274.00	4.99%	R 4,487.00	4.98%	R 4,711.00	4.99%	R 3,716.52
			Advertising sign, direction indicator or name sign on building (<1,0m ²) per sign	15.0%	R 337.00	4.98%	R 353.00	4.75%	R 370.00	4.82%	R 293.04
R 321.00	R 279.13		Advertising sign, direction indicator or name sign on building (<5,0m ²) per sign	15.0%	R 1,191.00	4.93%	R 1,250.00	4.95%	R 1,312.00	4.96%	R 1,035.65
R 1,135.00	R 986.96		Advertising sign, direction indicator or name sign on building (>5,0m ²) per sign	15.0%	R 2,564.00	5.00%	R 2,692.00	4.99%	R 2,826.00	4.98%	R 2,229.57
R 2,442.00	R 2,123.48		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (<1,0m ²) per board	15.0%	R 505.00	4.99%	R 530.00	4.95%	R 556.00	4.91%	R 439.13
R 481.00	R 418.26		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (<5,0m ²) per board	15.0%	R 1,791.00	4.98%	R 1,880.00	4.97%	R 1,974.00	5.00%	R 1,557.39
R 1,706.00	R 1,483.48		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (>5,0m ²) per board	15.0%	R 3,417.00	4.98%	R 3,587.00	4.98%	R 3,766.00	4.99%	R 2,971.30
R 3,255.00	R 2,830.43		Removal of illegal signs or advertisements	15.0%	R 1,000.00	new	R 1,100.00	10.00%	R 1,210.00	10.00%	R 869.57
R 1,000.00	R 869.57		Internal Changes (All Buildings)	15.0%	R 777.00	5.00%	R 815.00	4.89%	R 855.00	4.91%	R 675.65
R 740.00	R 643.48	6.4.1.1.4	Major Hazard Installations	15.0%	R 2,199.00	4.96%	R 2,308.00	4.96%	R 2,423.00	4.98%	R 1,912.17
R 2,095.00	R 1,821.74	6.4.1.1.5	LPG Installations	15.0%	R 2,199.00	4.96%	R 2,308.00	4.96%	R 2,423.00	4.98%	R 1,912.17
R 1,683.00	R 1,463.48	6.4.1.1.6	Cellphone Mast	15.0%	R 1,767.00	4.99%	R 1,855.00	4.98%	R 1,947.00	4.96%	R 1,536.52
R 2,905.00	R 2,526.09	6.4.1.1.7	Extension of approved building plan (for consideration of extending plan validity. Extension must be applied to prior to lapse date of plan)	15.0%	R 3,050.00	4.99%	R 3,202.00	4.98%	R 3,362.00	5.00%	R 2,652.17
		6.4.1.1.8	Demolition certificate	15.0%	R 1,038.00	4.95%	R 1,089.00	4.91%	R 1,143.00	4.96%	R 902.61
R 989.00	R 860.00		Temporary commencement of building work in terms of Article 7(6) NBR (Not refundable)	15.0%	R 1,298.00	4.93%	R 1,362.00	4.93%	R 1,430.00	4.99%	R 1,128.70
R 1,237.00	R 1,075.65	6.4.1.1.9	Minimum building fee	15.0%	R 2,601.00	4.96%	R 2,731.00	5.00%	R 2,867.00	4.98%	R 2,261.74
R 2,478.00	R 2,154.78	6.4.1.1.10	Penalty Fee for moving into house without occupation certificate	15.0%	R 500.00	4.82%	R 525.00	5.00%	R 551.00	4.95%	R 434.78
R 477.00	R 414.78	6.4.1.1.11		15.0%	R 10,499.00	4.99%	R 11,023.00	4.99%	R 11,574.00	5.00%	R 8,695.65
R 10,000.00	R 8,695.65	6.4.1.1.12		15.0%							

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		6.4.1.2 Sewerage	15.0%							
R 7,036.00	R 6,118.26	Sewerage connection, per connection	15.0%	R 7,387.00	4.99%	R 7,756.00	5.00%	R 8,143.00	4.99%	R 6,423.48
R 7,051.00	R 6,131.30	150 mm - connection to the maximum of 10 m in length	15.0%	R 7,403.00	4.99%	R 7,773.00	5.00%	R 8,161.00	4.99%	R 6,437.39
R 363.00	R 315.65	> 10 m lengths (per meter)	15.0%	R 381.00	4.96%	R 400.00	4.99%	R 420.00	5.00%	R 331.30
		Sewerage blockages: per blockage	15.0%							
R 662.00	R 575.65	Week days	15.0%	R 695.00	4.98%	R 729.00	4.89%	R 765.00	4.94%	R 604.35
R 1,169.00	R 1,016.52	Weekends and Public Holidays - per call-out	15.0%	R 1,227.00	4.96%	R 1,288.00	4.97%	R 1,352.00	4.97%	R 1,066.96
		Sewerage Connection (Per Connections) > 10 m lengths (per meter) - Actual Cost								
R 2,500.00	R 2,173.91	Illegally installing a connecting sewer without the necessary authority or approval	15.0%	R 2,624.00	4.96%	R 2,755.00	4.99%	R 2,892.00	4.97%	R 2,173.91
		Failure to provide for a grease trap of an approved type, size and capacity on a premises that discharge sewage to on-site sanitation systems and that discharge industrial and commercial effluent which contain oil, fat or inorganic solid matter	15.0%	R 1,575.00	5.00%	R 1,653.00	4.95%	R 1,735.00	4.96%	R 1,304.35
R 1,500.00	R 1,304.35									
		Causing or permitting an accumulation of oil, fat, inorganic solid matter, or any other substance in any trap, tank or chamber that may cause the blockage or ineffective operation of a grease trap	15.0%	R 1,049.00	4.90%	R 1,101.00	4.96%	R 1,156.00	5.00%	R 869.57
R 1,000.00	R 869.57									
		Discharging or causing the discharge of or permit industrial effluent to be discharged into the municipal sanitation system, without the approval of the Municipality . Charged per incident or calendar day	15.0%	R 5,249.00	4.98%	R 5,511.00	4.99%	R 5,786.00	4.99%	R 4,347.83
R 5,000.00	R 4,347.83									
		Delivering sewage by road haulage to sewage treatment plant and discharging the sewage concerned into a municipal sewage treatment plant, without the approval of the Municipality. Charged per incident	15.0%	R 1,575.00	5.00%	R 1,653.00	4.95%	R 1,735.00	4.96%	R 1,304.35
R 1,500.00	R 1,304.35									
		Discharging or causing the discharge of sewage or industrial effluent transported by road haulage at an unauthorised discharge point other than the point authorised for discharge by the Municipality. Charged per incident	15.0%	R 2,624.00	4.96%	R 2,755.00	4.99%	R 2,892.00	4.97%	R 2,173.91
R 2,500.00	R 2,173.91									
		Unlawfully and unauthorized discharging or causing or permitting sewage or industrial effluent directly or indirectly into a storm water drain, a river or a natural watercourse or artificial watercourse or any open field. Charged per incident or calendar day	15.0%	R 2,624.00	4.96%	R 2,755.00	4.99%	R 2,892.00	4.97%	R 2,173.91
R 2,500.00	R 2,173.91									
		6.4.1.3 Water								
		6.4.1.3.1 Water connection (per connection)								
R 3,468.00	R 3,015.65	Size: To 25 mm	15.0%	R 3,641.00	4.99%	R 3,823.00	5.00%	R 4,014.00	5.00%	R 3,166.09
R 4,428.00	R 3,850.43	32 mm	15.0%	R 4,649.00	4.99%	R 4,881.00	4.99%	R 5,125.00	5.00%	R 4,042.61
R 5,049.00	R 4,390.43	40 mm	15.0%	R 5,301.00	4.99%	R 5,566.00	5.00%	R 5,844.00	4.99%	R 4,609.57
R 10,342.00	R 8,993.04	50 mm	15.0%	R 10,859.00	5.00%	R 11,401.00	4.99%	R 11,971.00	5.00%	R 9,442.61
R 11,599.00	R 10,086.09	80 mm	15.0%	R 12,178.00	4.99%	R 12,786.00	4.99%	R 13,425.00	5.00%	R 10,589.57
R 13,359.00	R 11,616.52	100 mm	15.0%	R 14,026.00	4.99%	R 14,727.00	5.00%	R 15,463.00	5.00%	R 12,196.52
R 25,750.00	R 22,391.30	150 mm	15.0%	R 27,037.00	5.00%	R 28,388.00	5.00%	R 29,807.00	5.00%	R 23,510.43
		6.4.1.3.2 Smart Meter Connection (per connection)								
R 5,926.00	R 5,153.04	15 mm	15.0%	R 6,222.00	4.99%	R 6,533.00	5.00%	R 6,859.00	4.99%	R 5,410.43
R 6,036.00	R 5,248.70	20 mm	15.0%	R 6,337.00	4.99%	R 6,653.00	4.99%	R 6,985.00	4.99%	R 5,510.43
R 28,976.00	R 25,196.52	50 mm	15.0%	R 30,424.00	5.00%	R 31,945.00	5.00%	R 33,542.00	5.00%	R 26,455.65
		6.4.1.3.3 Testing of water meters (per test per water meter)								
REMOVE	REMOVE	Size: To 205 mm	15.0%	REMOVE		REMOVE		REMOVE		REMOVE
REMOVE	REMOVE	32	15.0%	REMOVE		REMOVE		REMOVE		REMOVE
REMOVE	REMOVE	40	15.0%	REMOVE		REMOVE		REMOVE		REMOVE
REMOVE	REMOVE	50	15.0%	REMOVE		REMOVE		REMOVE		REMOVE
REMOVE	REMOVE	80	15.0%	REMOVE		REMOVE		REMOVE		REMOVE
		Refundable where meter is found to be faulty.								

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.4.1.4	Civil								
R 2,340.00	R 2,034.78		Motor driveways								
R 4,231.00	R 3,679.13		Single driveways (3.5m max) each	15.0%	R 2,457.00	5.00%	R 2,579.00	4.97%	R 2,707.00	4.96%	R 2,136.52
R 778.00	R 676.52		Double driveways (7.0m max) each	15.0%	R 4,442.00	4.99%	R 4,664.00	5.00%	R 4,897.00	5.00%	R 3,862.61
			Placement of bridging/kerbing (each)	15.0%	R 816.00	4.88%	R 856.00	4.90%	R 898.00	4.91%	R 709.57
REMOVED	REMOVED		Private tarring		REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Double sealing, including preparation, per square meter	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Pre-mix, including preparation, per square meter	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
			Float seal on covered areas, per square meter	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
			Any other private work (per quotation): Actual cost + 20 %	15.0%							
			Private work forms to be completed in all cases								
		6.4.1.5	Plans: copies								
R 110.00	R 95.65		Copies of plans per square meter size of plan	15.0%	R 115.00	4.55%	R 120.00	4.35%	R 126.00	5.00%	R 100.00
R 273.00	R 237.39		Copies: Septa, per copy	15.0%	R 286.00	4.76%	R 300.00	4.90%	R 315.00	5.00%	R 248.70
R 321.00	R 279.13		Copies: Durester, per copy	15.0%	R 337.00	4.98%	R 353.00	4.75%	R 370.00	4.82%	R 293.04
R 13.00	R 11.30		A3 or A4, per copy	15.0%	R 14.00	7.69%	R 15.00	7.14%	R 16.00	6.67%	R 12.17
		6.4.1.6	Town Planning costs								
			(In terms of Ordinance on Land Use Planning)								
R 1,757.00	R 1,527.83	6.4.1.6.1	Concessionary use, per application	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.2	Re-zoning, per property	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
			Departure Art 15(1)(a)(i)								
R 363.00	R 315.65	6.4.1.6.3	Erven <50m² per application	15.0%	R 381.00	4.96%	R 400.00	4.99%	R 420.00	5.00%	R 331.30
R 730.00	R 634.78		Erven 500m² - 750m² per application	15.0%	R 766.00	4.93%	R 804.00	4.96%	R 844.00	4.98%	R 666.09
R 1,757.00	R 1,527.83		Erven > 750m² per application	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83		Section 15(1)(a)(ii)(temporary) per application	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
		6.4.1.6.4	Sub-divisions: per application								
R 1,757.00	R 1,527.83		Up to 20 erven	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 77.00	R 66.96		More than 20 erven (Tariff 4.6.4.1 plus tariff per erven)	15.0%	R 80.00	3.90%	R 84.00	5.00%	R 88.00	4.76%	R 69.57
		6.4.1.6.5	Contribution to external services - New Developments	15.0%							
			(bulk services per site)								
REMOVED	REMOVED		Tulbaah (Town area)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Tulbaah (Agricultural area, outside town area)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		P A Hamlet	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Other areas	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		6.4.1.6.6	Contribution to external services - Applications for second unit on single plot (bulk services per site)								
		6.4.1.6.6.1	Tulbaah								
REMOVED	REMOVED		2nd unit smaller than 50 m²	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		2nd unit 50 m² - 120 m²	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		2nd unit larger than 120 m2	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		6.4.1.6.6.2	PA Hamlet								
REMOVED	REMOVED		2nd unit smaller than 50 m²	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		2nd unit 50 m² - 120 m²	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		2nd unit larger than 120 m2	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		6.4.1.6.6.3	All other areas								
REMOVED	REMOVED		2nd unit smaller than 50 m²	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		2nd unit 50 m² - 120 m²	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		2nd unit larger than 120 m2	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
R 7,500.00	R 6,521.74	6.4.1.6.6.4	Buyout of parking	15.0%	R 7,500.00		R 7,875.00	5.00%	R 8,268.00	4.99%	R 6,521.74
		6.4.1.6.7	Town Planning costs: (In terms of the Land Use Planning By-law)								
R 1,757.00	R 1,527.83	6.4.1.6.7.1	Public place closure	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.2	Restrictive condition	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.3	Deemed zoning	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.4	Amendment/cancellation of subdivision	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.5	Consolidation	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.6	Amendment of Condition	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.7	Extension of validity period	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.8	Lease area	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.9	Transfer certificate	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
REMOVED	REMOVED	6.4.1.6.7.10	SDF amendment	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
R 6,942.00	R 6,036.52		Strategic/High impact developments (incl. renewable energy & rezonings exceeding 10ha)	15.0%	R 7,289.00	5.00%	R 7,653.00	4.99%	R 8,035.00	4.99%	R 6,338.26

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.4.1.7 Industrial effluent								
		Industries that dispose via the normal network								
As per contractual agreement		Industries that dispose directly into the sewage treatment works	15.0%	As per contractual agreements						
Penalty rate calculated as per contractual agreement		Industries that exceed with disposal	15.0%	Penalty rate calculated as per contractual agreement						
		6.4.1.8 Refuse removal								
R 158.00	R 137.39	Receipt and processing of private dumping at dumping site, per cubic meter	15.0%	R 173.00	9.49%	R 190.00	9.83%	R 209.00	10.00%	R 150.43
R 320.00	R 278.26	Abattoir waste at dumping site, per cubic meter	15.0%	R 352.00	10.00%	R 387.00	9.94%	R 425.00	9.82%	R 306.09
R 23.00	R 20.00	Refuse bags (Black), per package of 25 bags	15.0%	R 25.00	8.70%	R 27.00	8.00%	R 29.00	7.41%	R 21.74
R 29.45	R 25.61	Refuse bags (Green), per package of 25 bags	15.0%	R 32.00	8.66%	R 35.00	9.38%	R 38.00	8.57%	R 27.83
R 9.50	R 8.26	Provision of refuse bins for special events - per bin per occasion	15.0%	R 10.50	10.53%	R 11.60	10.48%	R 12.80	10.34%	R 9.13
		Advertisements on street refuse bins. Per advertisement per bin d/a	15.0%	R 776.00	9.92%	R 853.00	9.92%	R 938.00	9.96%	R 674.78
R 706.00	R 613.91	Refuse removal: special events (Festivals & Carnivals)	15.0%	R 565.00	9.92%	R 621.00	9.91%	R 683.00	9.98%	R 491.30
R 514.00	R 446.96	Hire of 6m skip for Garden refuse per dav	15.0%	R 1,076.00	9.91%	R 1,183.00	9.94%	R 1,301.00	9.97%	R 935.65
R 979.00	R 851.30	Additional dav (Skip)	15.0%	R 85.00	8.97%	R 93.00	9.41%	R 102.00	9.68%	R 73.91
R 78.00	R 67.83	Special Garden Refuse removal per load. Approved manageable Garden Refuse will be removed if it can be loaded onto truck after payment of an account is issued by Cleansing Department (Quotation)	15.0%	R 1,347.00	9.96%	R 1,481.00	9.95%	R 1,629.00	9.99%	R 1,171.30
R 1,225.00	R 1,065.22									
		6.4.1.9 Development Charges								
		6.4.1.9.1 Ceres (Zone 1)								
R 5,256.00	R 4,570.43	6.4.1.9.1.1 Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.1.2 Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.1.3 Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.1.4 Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.1.5 Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.1.6 Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43
		6.4.1.9.2 ODB (Zone 2)								
R 5,256.00	R 4,570.43	6.4.1.9.2.1 Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.2.2 Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.2.3 Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.2.4 Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.2.5 Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.2.6 Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43
		6.4.1.9.3 PAH (Zone 3)								
R 5,256.00	R 4,570.43	6.4.1.9.3.1 Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.3.2 Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.3.3 Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.3.4 Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.3.5 Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.3.6 Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43
		6.4.1.9.4 Wolselev (Zone 4)								
R 5,256.00	R 4,570.43	6.4.1.9.4.1 Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.4.2 Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.4.3 Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.4.4 Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.4.5 Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.4.6 Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43
		6.4.1.9.5 Tulbagh (Zone 5)								
R 5,256.00	R 4,570.43	6.4.1.9.5.1 Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.5.2 Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.5.3 Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.5.4 Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.5.5 Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.5.6 Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.4.1.10	Wayleaves for the installation of services in the road reserve								
		6.4.1.10.1	Administration and Supervision (Per Application)								
R 540.00	R 469.57	6.4.1.10.1.1	Administration fee for a miscellaneous wayleave to use the road reserve for a period of one month or less other than to install an underground service	15.0%	R 594.00	10.00%	R 653.00	9.93%	R 718.00	9.95%	R 516.52
R 1,836.00	R 1,596.52	6.4.1.10.1.2	Administration fee for awayleave or permit to use the road reserve to install an underground service	15.0%	R 2,019.00	9.97%	R 2,220.00	9.96%	R 2,442.00	10.00%	R 1,755.65
R 4,860.00	R 4,226.09	6.4.1.10.1.3	Supervision fee for a wayleave to install an underground service	15.0%	R 5,346.00	10.00%	R 5,880.00	9.99%	R 6,468.00	10.00%	R 4,648.70
200% of above admin & supervision fees	200% of above admin & supervision fees	6.4.1.10.1.4	Unauthorised commencement of use of the road reserve	15.0%	200% of above admin & supervision fees	New	200% of above admin & supervision fees		200% of above admin & supervision fees		200% of above admin & supervision fees
		6.4.1.10.2	Refundable deposit								
R 1,840.00	R 1,600.00	6.4.1.10.2.1	Trenches in roadways measured per m ²	15.0%	R 2,024.00	10.00%	R 2,226.00	9.98%	R 2,448.00	9.97%	R 1,760.00
R 821.00	R 713.91	6.4.1.10.2.2	Trenches in surfaced sidewalks measured m ²	15.0%	R 903.00	9.99%	R 993.00	9.97%	R 1,092.00	9.97%	R 785.22
R 162.00	R 140.87	6.4.1.10.2.3	Trenches in natural or grass sidewalks measured per m ²	15.0%	R 178.00	9.88%	R 195.00	9.55%	R 214.00	9.74%	R 154.78
R 7,560.00	R 6,573.91	6.4.1.10.2.4	Use of the road reserve for storage or in conjunction with construction or maintenance per application	15.0%	R 8,316.00	10.00%	R 9,147.00	9.99%	R 10,061.00	9.99%	R 7,231.30
		6.4.1.10.3	Roadway Open Trench Fee								
R 6,048.00	R 5,259.13	6.4.1.10.3.1	Tariff for authorised trenching across a municipal roadway (per m measured from 0.5m behind the kerb or road edge)	15.0%	R 6,652.00	9.99%	R 7,317.00	10.00%	R 8,048.00	9.99%	R 5,784.35
R 1,296.00	R 1,126.96	6.4.1.10.3.2	Micro trenching (per m measured from 0.5m behind the kerb or road edge)	15.0%	R 1,425.00	9.95%	R 1,567.00	9.96%	R 1,723.00	9.96%	R 1,239.13
% of the above	% of the above	6.4.1.10.3.3	Tariff for unauthorised trenching across a municipal roadway (per m measured from 0.5m behind the kerb or road edge)	15.0%	200% of the above	New	200% of the above		200% of the above		200% of the above
R 220.00	R 191.30	6.4.1.10.3.4	Fee for laying Electronic Communication network in the public road reserve. Charged per kilometer per annum	15.0%	R 241.00	9.55%	R 265.00	9.96%	R 291.00	9.81%	R 191.30
		6.4.2.	ELECTRICAL SERVICES								
		6.4.2.1	Re-connection after tampering with meters								
			In terms of Section 14 of the Supply Regulations, per meter								
			Per re-connection								
R 1,853.00	R 1,611.30		First offence	15.0%	R 2,038.00	9.98%	R 2,241.00	9.96%	R 2,465.00	10.00%	R 1,772.17
R 3,710.00	R 3,226.09		Second offence	15.0%	R 4,081.00	10.00%	R 4,489.00	10.00%	R 4,937.00	9.98%	R 3,548.70
		6.4.2.2	Repair to supply								
			In terms of Section 22 of the Supply Regulations								
			Per repair to supply								
R 381.00	R 331.30		Urban areas	15.0%	R 419.00	9.97%	R 460.00	9.79%	R 506.00	10.00%	R 364.35
R 431.00	R 374.78		Rural areas	15.0%	R 474.00	9.98%	R 521.00	9.92%	R 573.00	9.98%	R 412.17
			In terms of Section 28 of the Supply Regulations								
			Per re-connection (Section 28(1))								
R 181.00	R 157.39		Urban areas	15.0%	R 199.00	9.94%	R 218.00	9.55%	R 239.00	9.63%	R 173.04
R 228.00	R 198.26		Rural areas	15.0%	R 250.00	9.65%	R 275.00	10.00%	R 302.00	9.82%	R 217.39

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
6.4.2.3 Verification and Testing of electricity meter										
In terms of Section 51 (3)										
Per testing of meter										
Urban areas										
R 676.00	R 587.83	(i) Test Single Phase electro-mechanical, per meter	15.0%	R 743.00	9.91%	R 817.00	9.96%	R 898.00	9.91%	R 646.09
R 885.00	R 769.57	(ii) Test Three Phase electro-mechanical, per meter	15.0%	R 973.00	9.94%	R 1,070.00	9.97%	R 1,177.00	10.00%	R 846.09
R 656.00	R 570.43	(iii) Test Single phase pre-paid meter, per meter	15.0%	R 721.00	9.91%	R 793.00	9.99%	R 872.00	9.96%	R 626.96
R 865.00	R 752.17	(iv) Test Three phase pre-paid meter, per meter	15.0%	R 951.00	9.94%	R 1,046.00	9.99%	R 1,150.00	9.94%	R 826.96
R 1,011.00	R 879.13	(v) Test KVA / kWh meter, per meter	15.0%	R 1,112.00	9.99%	R 1,223.00	9.98%	R 1,345.00	9.98%	R 966.96
R 400.00	R 347.83	(vi) Meter verifying	15.0%	R 400.00	0.00%	R 439.00	9.75%	R 482.00	9.79%	R 347.83
Rural areas										
R 736.00	R 640.00	(i) Test Single phase electro-mechanical, per meter	15.0%	R 809.00	9.92%	R 889.00	9.89%	R 977.00	9.90%	R 703.48
R 946.00	R 822.61	(ii) Test Three phase electro-mechanical, per meter	15.0%	R 1,040.00	9.94%	R 1,144.00	10.00%	R 1,258.00	9.97%	R 904.35
R 722.00	R 627.83	(iii) Test Single Phase pre-paid meter, per meter	15.0%	R 794.00	9.97%	R 873.00	9.95%	R 960.00	9.97%	R 690.43
R 931.00	R 809.57	(iv) Test Three phase pre-paid meter per meter	15.0%	R 1,024.00	9.99%	R 1,126.00	9.96%	R 1,238.00	9.95%	R 890.43
R 1,075.00	R 934.78	(v) Test KVA / kWh meter per meter	15.0%	R 1,182.00	9.95%	R 1,300.00	9.98%	R 1,430.00	10.00%	R 1,027.83
R 550.00	R 478.26	(vi) Meter verifying	15.0%	R 604.00	9.82%	R 664.00	9.93%	R 730.00	9.94%	R 478.26
6.4.2.4 Single phase connection										
R 15,073.00	R 13,106.96	Single phase connection with underground cable and electro-mechanical meter, per connection	15.0%	R 16,580.00	10.00%	R 18,238.00	10.00%	R 20,061.00	10.00%	R 14,417.39
R 15,073.00	R 13,106.96	Single phase connection with underground cable and pre-paid meter, per connection	15.0%	R 16,580.00	10.00%	R 18,238.00	10.00%	R 20,061.00	10.00%	R 14,417.39
R 10,485.00	R 9,117.39	Single phase connection with overhead cable and electro-mechanical meter, per connection	15.0%	R 11,533.00	10.00%	R 12,686.00	10.00%	R 13,954.00	10.00%	R 10,028.70
R 10,485.00	R 9,117.39	Single phase connection with overhead cable and pre-paid meter, per connection	15.0%	R 11,533.00	10.00%	R 12,686.00	10.00%	R 13,954.00	10.00%	R 10,028.70
R 11,794.00	R 10,255.65	Informal Single phase overhead connection with pre-paid meter and ready board	15.0%	R 12,973.00	10.00%	R 14,270.00	10.00%	R 15,697.00	10.00%	R 11,280.87
R 997.00	R 866.96	Change from electro-mechanical meter to automat meter, per change	15.0%	R 1,096.00	9.93%	R 1,205.00	9.95%	R 1,325.00	9.96%	R 953.04
6.4.2.5 Temporary connection										
Temporary connections are supplied at the tariffs mentioned in 4.2.4 for a single phase connection, and at actual cost for a three phase connection. The cost or tariff payment is deemed as a deposit. On termination of the account, the deposit is refunded after the cost of consumption, any damage to the equipment, and a 20 % administrative charge have been recovered. The connection is supplied in accordance with the Municipality's Electricity by-laws, as amended.										
R 9,443.00	R 8,211.30	6.4.2.6 Government-subsidised housing - (20 % admin. Charges not included)	15.0%	R 10,387.00	10.00%	R 11,425.00	9.99%	R 12,567.00	10.00%	R 9,032.17

PROPOSED SSEG TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		2.10 Small Scale Embedded Generation Tariff <i>Small-scale embedded generation (SSEG) refers to power generation under 100 MVA, such as PV systems or small wind turbines which are located on residential, commercial or industrial sites where electricity is also consumed</i> VERY IMPORTANT. No 'SSEG' consumers are allowed to have a Pre-Paid meter. They must at their cost, pay for Council to install an appropriately programmed 4 quadrant meter, as per Council requirements								
		2.10.2 Feed In Tariff (REFIT) per kWh								
R 0.50	R 0.43	2.10.2.1 SSEG Basic Residential	15.0%	R 70.00	New	R 77.95	11.36%	R 86.81	11.36%	R0.00
		2.10.2.1 Residential	15.0%	R 0.56	11.36%	R 0.62	11.36%	R 0.69	11.36%	R0.48
		2.11 Monthly Basic Charge on installed panels (SSEG) (Excluding Residential) Rand p/kW for use in tariff								
		2.11.1 Agri Customers								
		2.11.1.1 <25kVA	15.0%	R 1.30	New	R 1.45	11.36%	R 1.61	11.36%	R1.13
		2.11.1.2 25kVA-50 kVA	15.0%	R 1.30	New	R 1.45	11.36%	R 1.61	11.36%	R1.13
		2.11.1.3 50 kVA-100	15.0%	R 1.25	New	R 1.39	11.36%	R 1.55	11.36%	R1.09
		2.11.2 Bulk Customers -Agri Customers -Time of Use Customers								
		Standard	15.0%	R 0.25	New	R 0.28	11.36%	R 0.31	11.36%	R0.22
		2.11.2.2 <1MW Low Tension								
		Standard	15.0%	R 0.25	New	R 0.28	11.36%	R 0.31	11.36%	R0.22
		2.11.3 Normal								
		2.11.3.1 <1MW High Tension	15.0%	R 0.25	New	R 0.28	11.36%	R 0.31	11.36%	R0.22
		2.11.3.2 <1MW Low Tension	15.0%	R 0.25	New	R 0.28	11.36%	R 0.31	11.36%	R0.22
		2.11.4 Urban Customers - Tme of Use Customers								
		2.11.4.1 >1MVA High Tension								
		Standard	15.0%	R 0.25	New	R 0.28	11.36%	R 0.31	11.36%	R0.22
		2.11.4.2 <1MVA High Tension								
		Standard	15.0%	R 0.35	New	R 0.39	11.36%	R 0.43	11.36%	R0.30
		2.11.4.3 <1MVA Low Tension								
		Standard	15.0%	R 0.32	New	R 0.36	11.36%	R 0.40	11.36%	R0.28
		2.11.5 Normal								
		2.11.5.1 >1MVA High Tension	15.0%	R 0.41	New	R 0.46	11.36%	R 0.51	11.36%	R0.36
		2.11.5.2 <1MVA High Tension	15.0%	R 0.39	New	R 0.43	11.36%	R 0.48	11.36%	R0.34
		2.11.5.3 <1MVA Low Tension	15.0%	R 0.47	New	R 0.52	11.36%	R 0.58	11.36%	R0.41
		The charge is per kilowatt installed								
		Banking is allowed in appropriate time slot. Banking registers will be cleared annually at 30 June.								
		Approval of SSEG in terms of policy								

DRAFT PROCUREMENT PLAN: 2022/23

Function	Project Description	2022/23	Request Date	Bid Specification	Advertisement	Technical Report	Evaluation Date	Adjudication Date	Comment
Community Halls and Facilities	Capex Townhalls Equipment	40,000	30/05/2022	09/06/2022	11/07/2022	21/07/2022	26/07/2022	02/08/2022	
Libraries and Archives	Capex Libraries Nduli	10,000	<i>Alternative SCM procurement process. Please refer to comment column.</i>						3 Quotes
Electricity	Capex MV Substation Equipment	1,000,000	<i>Alternative SCM procurement process. Please refer to comment column.</i>						Internal from stores.
Electricity	Capex MV Network Equipment	1,000,000	<i>Alternative SCM procurement process. Please refer to comment column.</i>						Internal from stores.
Electricity	Capex Upgrade of LV Network Cables	1,000,000	<i>Alternative SCM procurement process. Please refer to comment column.</i>						Internal from stores.
Electricity	Capex Upgrade of MV Cables	1,000,000	<i>Alternative SCM procurement process. Please refer to comment column.</i>						Internal from stores.
Municipal Manager, Town Secretary and Chief Executive	Capex Tools & Equipment	150,000	10/06/2022	20/06/2022	20/07/2022	31/07/2022	05/08/2022	10/08/2022	
Municipal Manager, Town Secretary and Chief Executive	Capex Tools & Equipment	50,000	10/06/2022	20/06/2022	20/07/2022	31/07/2022	05/08/2022	10/08/2022	
Municipal Manager, Town Secretary and Chief Executive	Capex Tools & Equipment	200,000	10/06/2022	20/06/2022	20/07/2022	31/07/2022	05/08/2022	10/08/2022	
Municipal Manager, Town Secretary and Chief Executive	Capex Furniture and Office Equipment	40,000	22/04/2022	02/05/2022	01/06/2022	14/06/2022	21/06/2022	28/06/2022	
Finance	Capex Furniture and Office Equipment	130,000	23/05/2022	02/06/2022	04/07/2022	14/07/2022	19/07/2022	26/07/2022	

DRAFT PROCUREMENT PLAN: 2022/23

Function	Project Description	2022/23	Request Date	Bid Specification	Advertisement	Technical Report	Evaluation Date	Adjudication Date	Comment
Finance	Capex Computer Equipment	50,000	27/05/2022	06/06/2022	06/07/2022	19/07/2022	26/07/2022	02/08/2022	
Fleet Management	Capex Vehicle Replacement Program	1,000,000	<i>Alternative SCM procurement process. Please refer to comment column.</i>						<i>RT57 Tender</i>
Information Technology	Capex IT Equipment	600,000	20/04/2022	03/05/2022	03/06/2022	14/06/2022	22/06/2022	28/06/2022	
Roads	Capex Network streets	2,000,000	<i>Alternative SCM procurement process. Please refer to comment column.</i>						<i>Existing tender.</i>
Roads	Capex Upgrade Van Breda Bridge (own contribution)	5,817,400	<i>Procurement Done.</i>						
Roads	Capex Upgrade Van Breda Bridge	6,200,000	<i>Procurement Done.</i>						
Community Parks (including Nurseries)	Capex Parks equipment	40,000	03/06/2022	13/06/2022	13/07/2022	26/07/2022	02/08/2022	09/08/2022	
Recreational Facilities	Capex Nduli Swimming Pool	10,000	<i>Alternative SCM procurement process. Please refer to comment column.</i>						<i>3 Quotes</i>
Sports Grounds and Stadiums	Capex Sportfield equipment	30,000	01/06/2022	11/06/2022	14/07/2022	26/07/2022	02/08/2022	09/08/2022	
Sports Grounds and Stadiums	Capex Ceres Upgrade Of Leyell Str Sport Facilities	6,354,740	<i>Procurement Done.</i>						
Solid Waste Disposal (Landfill Sites)	Capex Fecing Landfill site	4,000,000	20/06/2022	30/06/2022	02/08/2022	12/08/2022	17/08/2022	23/08/2022	

DRAFT PROCUREMENT PLAN: 2022/23

Function	Project Description	2022/23	Request Date	Bid Specification	Advertisement	Technical Report	Evaluation Date	Adjudication Date	Comment
Solid Waste Removal	Capex Drop-offs Transfer stations_Tulbagh/Hamlet/Bella Vista	6,000,000	08/06/2022	21/06/2022	21/07/2022	04/08/2022	09/08/2022	16/08/2022	
Public Toilets	Capex Wolseley Public Toilets	500,000	<i>Tender process already commenced</i>						<i>Evaluation phase Bid 08-2-19-10</i>
Sewerage	Capex Sewer Network Replacement	1,500,000	29/04/2022	09/05/2022	08/06/2022	21/06/2022	29/06/2022	05/07/2022	
Sewerage	Capex Security upgrades Pumpstations	1,000,000	02/05/2022	12/05/2022	14/06/2022	24/06/2022	29/06/2022	05/07/2022	
Water Distribution	Capex Tierhokskloof bulk pipeline (own contribution)	2,956,522	20/05/2022	30/05/2022	29/06/2022	14/07/2022	19/07/2022	26/07/2022	
Water Distribution	Capex Network- Water Pipes & Valve Replacement	1,500,000	04/05/2022	17/05/2022	16/06/2022	28/06/2022	06/07/2022	11/07/2022	
Water Distribution	Capex Tulbagh Dam	2,000,000	<i>Procurement Done.</i>						
Water Distribution	Capex Tierhokskloof bulk pipeline	11,667,792	18/05/2022	02/06/2022	04/07/2022	14/07/2022	19/07/2022	26/07/2022	
Water Distribution	Capex Tulbagh Dam	16,729,565	<i>Procurement Done.</i>						
Water Storage	Capex Op-Die-Berg Reservoir	2,854,582	16/05/2022	26/05/2022	30/06/2022	12/07/2022	22/07/2022	27/07/2022	
		-							

77,430,601

Province: (WC022) - Schedule of Service Delivery Standards				
Description	2021/2022			2022/2023
	Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
Solid Waste Removal				
Premise based removal (Residential Frequency)	Weekly	Weekly	Weekly	Weekly
Premise based removal (Business Frequency)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)
Bulk Removal (Frequency)	Per request	Per request	Per request	Per request
Removal Bags provided(Yes/No)	Yes	Yes	Yes	Yes
Garden refuse removal Included (Yes/No)	Yes	Yes	Yes	Yes
Street Cleaning Frequency in CBD	Daily	Daily	Daily	Daily
Street Cleaning Frequency in areas excluding CBD	Monthly	Monthly	Monthly	Monthly
How soon are public areas cleaned after events (24hours/48hours/longer)	24 hours	24 hours	24 hours	24 hours
Clearing of illegal dumping (24hours/48hours/longer)	48 hours (once reported)			
Recycling or environmentally friendly practices(Yes/No)	Yes	Yes	Yes	Yes
Licensed landfill site(Yes/No)	Yes	Yes	Yes	Yes
Water Service				
Water Quality rating (Blue/Green/Brown/N0 drop)	Blue & Green Drop			
Is free water available to all? (All/only to the indigent consumers)	Indigent customers	Indigent customers	Indigent customers	Indigent customers
Frequency of meter reading? (per month, per year)	Monthly	Monthly	Monthly	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	3 months	3 months	3 months	3 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	6 months	6 months	6 months	6 months
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)				
One service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Up to 5 service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Up to 20 service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Feeder pipe larger than 800mm (number of hours)	24 hours	24 hours	24 hours	24 hours
What is the average minimum water flow in your municipality?	2 bar	2 bar	2 bar	2 bar
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No	No	No	No
How long does it take to replace faulty water meters? (days)	20 days	20 days	20 days	20 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No	No	No	No

Standard	Description	2021/2022			2022/2023
		Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
Electricity Service					
	What is your electricity availability percentage on average per month?	100	100	100	100
	Do your municipality have a ripple control in place that is operational? (Yes/No)	No	No	No	No
	How much do you estimate is the cost saving in utilizing the ripple control system?	N/A	N/A	N/A	N/A
	What is the frequency of meters being read? (per month, per year)	Monthly	Monthly	Monthly	Monthly
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	3 months	3 months	3 months	3 months
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	6 months	6 months	6 months	6 months
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	24 hours	24 hours	24 hours	24 hours
	Are accounts normally calculated on actual readings? (Yes/no)	Yes	Yes	Yes	Yes
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No	No	No	No
	How long does it take to replace faulty meters? (days)	20 days	20 days	20 days	20 days
	Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes	Yes	Yes	Yes
	How effective is the action plan in curbing line losses? (Good/Bad)	Bad	Bad	Bad	Bad
	How soon does the municipality provide a quotation to a customer upon a written request? (days)	24 hours	24 hours	24 hours	24 hours
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	7 days	7 days	7 days	7 days
	How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	7 days	7 days	7 days	7 days
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	7 days	7 days	7 days	7 days
Sewerage Service					
	Are your purification system effective enough to put water back in to the system after purification?	Yes into river only			
	To what extend do you subsidize your indigent consumers?	Full monthly charge	Full monthly charge	Full monthly charge	Full monthly charge
How long does it take to restore sewerage breakages on average					
	Severe overflow? (hours)	24 hours	24 hours	24 hours	24 hours
	Sewer blocked pipes: Large pipes? (Hours)	24 hours	24 hours	24 hours	24 hours
	Sewer blocked pipes: Small pipes? (Hours)	24 hours	24 hours	24 hours	24 hours
	Spillage clean-up? (hours)	24 hours	24 hours	24 hours	24 hours
	Replacement of manhole covers? (Hours)	24 hours	24 hours	24 hours	24 hours

Standard	Description	2021/2022			2022/2023
		Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
Road Infrastructure Services					
	Time taken to repair a single pothole on a major road? (Hours)	24 hours	24 hours	24 hours	24 hours
	Time taken to repair a single pothole on a minor road? (Hours)	5 days	5 days	5 days	5 days
	Time taken to repair a road following an open trench service crossing? (Hours)	14 days	14 days	14 days	14 days
	Time taken to repair walkways? (Hours)	14 days	14 days	14 days	14 days
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	3 months	3 months	3 months
	Do you have any special rating properties? (Yes/No)	No	No	No	No
Financial Management					
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease	Decrease	Decrease	Decrease
	Are the financial statement outsourced? (Yes/No)	No	No	No	No
	Are there Council adopted business processes structuring the flow and management of documentation feeding to Trial Balance?	No	No	No	No
	How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 days	30 days	30 days	30 days
	Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Yes, but for one year only.			
Administration					
	Reaction time on enquiries and requests?	2 days maximum	2 days maximum	2 days maximum	2 days maximum
	Time to respond to a verbal customer enquiry or request? (working days)	2 days maximum	2 days maximum	2 days maximum	2 days maximum
	Time to respond to a written customer enquiry or request? (working days)	3 days	3 days	3 days	3 days
	Time to resolve a customer enquiry or request? (working days)	2 days	2 days	2 days	2 days
	What percentage of calls are not answered? (5%,10% or more)	0.0%	0.0%	0.0%	0.0%
	How long does it take to respond to voice mails? (hours)	Immediately	Immediately	Immediately	Immediately
	Does the municipality have control over locked enquiries? (Yes/No)	Yes	Yes	Yes	Yes
	Is there a reduction in the number of complaints or not? (Yes/No)	Yes	Yes	Yes	Yes
	How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	5 Days	6 Days	7 Days	7 Days
	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?	When required	When required	When required	When required

Standard	Description	2021/2022			2022/2023
		Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
Community safety and licensing services					
	How long does it take to register a vehicle? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to renew a vehicle license? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to issue a duplicate registration certificate vehicle? (minutes)	Transaction 15 minutes	Transaction 15 minutes	Transaction 15 minutes	Transaction 15 minutes
	How long does it take to de-register a vehicle? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to renew a drivers license? (minutes)	Transaction 20 minutes	Transaction 20 minutes	Transaction 20 minutes	Transaction 20 minutes
	What is the average reaction time of the fire service to an incident? (minutes)	10 - 30 minutes			
	What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Department of Health	Department of Health	Department of Health	Department of Health
	What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Department of Health	Department of Health	Department of Health	Department of Health
Economic development					
	How many economic development projects does the municipality drive?	36	36	36	36
	How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	4	4	4	4
	What percentage of the projects have created sustainable job security?	0	0	0	0
	Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes	Yes	Yes	Yes
Other Service delivery and communication					
	Is a information package handed to the new customer? (Yes/No)	N/A	N/A	N/A	N/A
	Does the municipality have training or information sessions to inform the community? (Yes/No)	IDP & Budget meetings			
	Are customers treated in a professional and humanly manner? (Yes/No)	Yes	Yes	Yes	Yes



national treasury

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FROM: Mr J Hattingh, Tel: 012 315 5020, Email: Jan.Hattingh@treasury.gov.za

Ref No: WC022 / 30

Mr David Nasson

Municipal Manager

Witzenberg Municipality

P O BOX 44

CERES

6835

Email: david@witzenberg.gov.za

Dear Mr Nasson

ACHIEVING A FUNDED 2021/22 MAIN ADJUSTMENT BUDGET

The various National Treasury 2021 communication relating to the municipality's unfunded budget including our letters signed respectively 10 September, 04 November and 16 November 2021 refers.

It is our experience that municipalities that plan well, have minor variances between the budget originally approved by council, the February main adjustment budget and the related audit outcomes. However, often municipal officials compile unfunded budgets and council is only made aware through the Treasuries' subsequent enforcement. We note that this is tantamount financial misconduct and must stop.

The municipality now has another opportunity, between the tabling of the mid-year budget and performance assessment and 28 February 2022, to correct its unfunded 2021/22 MTREF through the tabling of a funded main adjustments budget (refer MFMA section 28(2)(b, d and f) and Municipal Budget-and Reporting Regulation 23(1) and (2)). If your municipality has adopted a credible funding plan, it is important that the measures outlined in the plan are implemented accordingly to improve the municipalities dire situation and show gradual progression. The municipality is urged to make use of this opportunity to reduce its expenditure to fully align with the municipality's realistically anticipated revenue for the remainder of the year. The accounting officer and senior management team are also reminded of their overall financial management fiduciary responsibilities and must



closely monitor the municipality's financial situation and weekly align expenditure to the municipality's actual cash flow situation.

Considering the municipality's (persistent or not) failure to address its unfunded budget to date, the National Treasury cautions the municipality that should the Treasuries' funding assessment reveal that the 2021/22 main adjustments budget is also not funded in terms of section 18 of the MFMA, it results in a further contravention and persistent failure of MFMA section 171. The municipal council will then have to adopt an updated funding plan and closely monitor its implementation of the adjustment budget in conjunction with this updated funding plan. This must include the submission of monthly progress reports supported with documented evidence to the Treasuries parallel and as part of the monthly MFMA section 71 reports.

Failure by your municipality to adopt a 2021/22 funded main adjustments budget will constitute a material breach of the MFMA that leaves the National Treasury with no choice but to invoke Section 216(2) of the Constitution and additionally withhold the Equitable Share allocation tranche due to be released to the municipality in March 2021. We emphasize that you need to develop and implement the necessary measures to address and remedy this situation as an urgent necessity.

Yours faithfully

MALIJENG NGQALENI
DEPUTY DIRECTOR-GENERAL
DATE: 19 January 2022

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Municipal Budget Circular for the 2022/23 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. Pressures on the government wage bill ceiling, including the implementation of the non-pensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests. Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

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

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates, but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.9%	4.0%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2021.

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

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, transfers to municipalities will grow below inflation. Over the next three years, local government resources increase by 4.1 per cent.

Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.

The annual Division of Revenue Bill will be published in February 2022 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2021 Division of Revenue Act to compile their 2022/23 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2021 Division of Revenue Act for 2021/22. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx>

Division of Revenue Amendment Bill, 2021: changes to local government allocations

Budget Facility for Infrastructure Funding – R81 million is added to the direct regional bulk infrastructure grant for George Local Municipality for the implementation of the potable water security and remedial works project. Due to delays in the implementation of projects approved through Budget Facility for Infrastructure (BFI), the projects sponsors have requested funding to be reduced to align with the planned project rollout.

R1.3 billion is reduced from the public transport network grant for City of Cape Town to align to its revised implementation plan of myCiti phase 2A.

Neighbourhood Development Partnership Grant – R841 million is added to the direct neighbourhood development partnership grant for local government to create 32 663 jobs through precinct management, community safety, place-making, greening, integrated waste management and digitalisation, with special focus on poor and marginalised areas and economic nodes.

Roll-over of indirect regional bulk infrastructure grant – R582 million is rolled over in the indirect regional bulk infrastructure grant to fund the operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality. This change is shown in Schedule 6, Part B of this Bill.

Reprioritisation in the neighbourhood development partnership grant – In the neighbourhood development partnership grant, R90 million is shifted from the direct component to the indirect component of the grant, to fund project preparation, planning and implementation for municipalities facing implementation challenges. The affected municipalities are City of Johannesburg, Mogale City, Kwa-Dukuza, West Rand, Sol Plaatje, Ray Nkonyeni and City of Cape Town. These changes are shown in Schedule 5, Part B and Schedule 6, Part B of this Bill.

Changes to gazetted frameworks and allocations

Neighbourhood development partnership grant – The grant framework for the neighbourhood development partnership grant is amended to remove reference to Built

Environment Performance Plans and include the conditions attached to the approval of funds from the Presidential Youth Employment Initiative. The conditions require cities to expand the existing Expanded Public Works Programme projects and enter into new partnerships with the private sector and civil society.

Regional bulk infrastructure grant – The grant framework for the regional bulk infrastructure grant is amended to include the conditions attached to the approval of funding from the BFI for the implementation of the potable water security and remedial works project in George Local Municipality. The conditions require that the municipality submit a business plan, a cost-benefit analysis report and enter into a co-financing agreement with the Department of Water and Sanitation and the Department of Cooperative Governance.

Integrated urban development grant – The grant framework for the integrated urban development grant is amended to include a provision for purchasing special vehicles for waste management. This correction is needed to ensure alignment with conditions in the municipal infrastructure grant as municipalities can move between the two grants.

Municipal infrastructure grant – The grant framework for the municipal infrastructure grant is amended to correct for the omission of the baseline allocation of R14.8 billion in 2019/20 in the past performance section of the framework. The amount was erroneously not captured. This correction is needed to show the audited past financial performance of the grant.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by CoGTA to all municipalities on 20 October 2021) provided through the joint National Treasury/ Department of Cooperative Governance/ South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 on the transitional measures in relation to the IDP consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5. Municipal Standard Chart of Accounts (mSCOA)

5.1 Release of Version 6.6 of the Chart

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.6 is released with this circular.

Version 6.6 of the chart will be effective from 2022/23 and must be used to compile the 2022/23 MTREF and is available on the link below:

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

The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.6 where applicable. The PSD is also available on the above link.

mSCOA chart changes are issued annually in December. For the National Treasury to consider a new chart change, the issue must be logged with all relevant background and details on the Frequently Asked Questions (FAQ) database. The FAQ database can also be accessed on the above link.

The matter will then be further investigated by the FAQ committee of the National Treasury. If it is found that a chart change is required in the next chart version, then the matter will be elevated to the mSCOA Technical Committee and if in agreement, it will be recommended for approval to the mSCOA Steering Committee. Requests for chart changes in the next version of the chart must be logged for consideration by 31 August of each year.

5.2 Credibility of mSCOA data strings

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 *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*m*SCOA enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using Ms Excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the *m*SCOA circulars issued by the National Treasury to classify their transactions correctly.

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2022/23 municipal financial year.

5.3 Regulation of Minimum Business Processes and System Specifications

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

All municipalities and municipal entities had to comply with the *m*SCOA Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). A number of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.

The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of *m*SCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following focus areas, as applicable to the municipality:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution;
- **Governance and institutional arrangements** – is there a functional *m*SCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on *m*SCOA related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council. Furthermore, did the

municipality appoint a suitably qualified System Administrator and the required IT securities are in place;

- **System functionality** – is the functionality of the system complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; is the municipality utilising the core financial system solution and its modules optimally; and are 3rd party sub-systems seamlessly integrating with the *mSCOA* enabling financial system; and
- **Proficiency of municipal officials to use the financial system** – are the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; are relevant officials in the organisation familiar with the *mSCOA* chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that *mSCOA* is institutionalised as an organisational reform and not only a financial reform.

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.

The progress against the action plan must be monitored by the municipality's *mSCOA* Project Steering Committee and should also be reported at the 2021/22 Mid-year Budget and Performance engagements and the Budget and Benchmark engagements with the National and the respective provincial treasury. Copies of the action plan and progress reports should also be shared with the National and the respective provincial treasury.

5.4 Extension of RT25-2016 Service Level Agreements (SLA) for Financial Systems

The National Treasury has received numerous queries about the extension of the SLA for the transversal contract for the procurement of municipal systems of financials management and internal control (RT25-2016).

The RT25-2016 contract has expired in May 2019. Therefore, the RT25-2016 cannot be utilised to procure financial systems and Service Level Agreements (SLAs) entered into through the transversal contract cannot be extended when they expire. Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required business processes and system specifications.

Furthermore, the Municipal SCM Regulations does not prohibit the use of long-term contracts as long as the needs analysis and market analysis are done to justify the continuous need for the service. Municipalities may utilise Section 33 of the MFMA, taking into account the municipality's specific circumstances, provided that the decision is legally sound and there is evidence to support the municipality's decision.

Where a municipality has entered into a SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of Section 116(3) of the MFMA.

Notwithstanding the above, since the ICT environment changes very quickly the municipal needs must be re-evaluated to ensure that the IT systems in place are still 1) compatible with the needs and systems of the municipality, 2) aligned to modern technology and new legislative requirements and 3) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or

systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

5.5 *m*SCOA Monthly Trial Balance

Municipalities are required to submit the following documents to GoMuni Upload portal on a monthly basis in PDF format:

1. C Schedule
2. Primary Bank Statement
3. Bank Reconciliation
4. Quality certificate
5. Monthly budget statement (Section 71 Report)
6. Trial balance

To date, the trial balances were submitted in various formats with varying levels of detail – some of them unreadable, making it difficult to identify the submission of the trial balances. From 1 July 2022, the trial balance must include the following minimum information:

- *m*SCOA item description
- Balance brought forward (i.e. opening balance)
- Movement Debit
- Movement Credit
- Balanced closing balance at the end of the document

The name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trial balance submitted to the GoMuni Upload portal.

5.6 Budgeting for the COVID-19 pandemic

In terms of *m*SCOA Circular No. 9 municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting.

It is evident from the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting that not all municipalities are budgeting and reporting on COVID-19 related allocations and expenditure as per the guidance provided. Therefore, the National Treasury is not able to draw complete COVID-19 reports from the *m*SCOA data strings inclusive of the data for all municipalities as yet and the weekly manual reporting is still required.

Once the National Treasury is able to draw COVID-19 reports from the *m*SCOA data strings for the majority of municipalities and the Covid-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will be stopped.

5.7 Costing Segment

The purpose of the costing segment in *m*SCOA is to provide for the recording of the full cost for the four core municipal functions, namely: electricity, water, waste water and waste management as a minimum requirement. These four services are the most significant revenue generating functions within municipalities and essential for setting cost reflective tariffs.

The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in

formulating tariffs and cost control. Municipalities must refer to the PSD for the detailed application of the costing segment.

5.8 Classification of the Skills Development Levy

Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Skills Development levy must be classified as operational costs as indicated in the *mSCOA* Project Summary Document (PSD).

5.9 Revised Municipal Property Rates Act Categories

Reference is made to paragraph 4.3 of MFMA Circular No. 107. Municipalities are reminded that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 (“the Amendment Act”).

Municipalities were required to implement the new property categorisation framework by not later than 1 July 2021. The *mSCOA* chart Version 6.6 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers’ ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality’s reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore,

municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise annually as a routine practice during the budget process. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their annual reconciliation of the valuation roll to the billing system to the National Treasury by no later than **04 February 2022**.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

It is also imperative that every municipality is utilising the *mSCOA* cost segment correctly.

6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a

transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. The matter is still in court with a decision anticipated to be made shortly. If Eskom succeeds, the court will compel NERSA to process the rejected application for tariffs for the year starting 1 April 2022 in terms of the existing MYPD methodology. NERSA will then be expected to immediately publish Eskom's application for public comment.

6.8 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

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

8. TRANSFERS TO MUNICIPALITIES

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2022/23 municipal financial year are as follows:

- The 2022/23 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
 - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
 - b. Should the adopted budget still be unfunded, then a funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);
 - c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
 - d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2022.

- Credible *m*SCOA data strings and source documents for the 2022/23 MTREF and 2021/22 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as council approved UIFW Reduction Strategy, proof of establishment of the Disciplinary Committee Board (or evidence of progress towards their establishment) and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2022;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2019/20 and 2020/21 financial years as well as municipalities with outstanding 2020/21 audit opinions that also received an adverse or disclaimer opinion in 2019/20, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

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

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.6 of the *m*SCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities must prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6 is not allowed** in terms of the *mSCOA* Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *mSCOA* chart version 6.6. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

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

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Abigail Maila		012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Cethekile Moshane		012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Abigail Maila		012-395 6737	Abigail.Maila@Treasury.gov.za
Johannesburg and Tshwane	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
Kevin Bell		012-315 5725	Kevin.Bell@treasury.gov.za
eThekweni	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Lesego Leqasa			Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Phumelele Gulukunqu		012-315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Makgabo Mabotja		012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315-5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	Iqdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and

adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *m*SCOA data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 Go Muni Upload Portal

The National Treasury is in the process of finalising the development work on the GoMuni Upload portal. Municipalities, provincial treasuries, system vendors and sector departments should ensure that the names and contact details of the data uploaders or users of the data, as reflected on the LG Database, for their respective institutions are correct and updated as and when changes occur.

10.3 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

<https://lguploadportal.treasury.gov.za> (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- mSCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the manual COVID-19 reports.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. **Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.**

10.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
06 December 2021



Municipal Budget Circular for the 2022/23 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 112 that was issued on 06 December 2021. It aims to provide further guidance to municipalities with the preparation of their 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2022 Budget Review and the 2022 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year.

Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: Budget Review 2022.

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

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, direct transfers to municipalities will grow above inflation, at an annual average rate of 7.9 per cent. Direct conditional grants grow at an annual average rate of 5.3 per cent over the MTEF, while the Local Government Equitable Share (LGES) grows faster, at an annual average rate of 10.3 per cent over the same period.

The higher than inflation growth of allocations to local government is due to additional allocations over the medium term as follows:

- The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period. R28.9 billion is added to the LGES over the MTEF to increase coverage of the provision of free basic services; and
- An amount of R1.7 billion over the MTEF is added to the Neighbourhood Development Partnership Grant to fund the continuation of the upscaling of city-led public employment programmes, as part of the Presidential Youth Employment Intervention; and an amount of R347 million over the first two years of the MTEF period is allocated to fund the introduction of the Municipal Disaster Recovery Grant. More detail is provided below.

The Division of Revenue Bill was published on 23 February 2022, following the tabling of the Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published herein.

In terms of the outer year allocations (2023/24 and 2024/25), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act. The DoRB is available at:

<http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx>

2.2 Division of Revenue Bill, 2022: changes to local government allocations

Budget Facility for Infrastructure (BFI) Funding – There are reductions of R754 million in 2022/23 and R105 million in 2023/24; and an increase of R621 million in 2024/25 in the *Public Transport Network Grant* to align to the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network.

Neighbourhood Development Partnership Grant – R1.7 billion is added to the direct component of the *Neighbourhood Development Partnership Grant* for the eight metropolitan municipalities to fund the continuation of the upscaling of city-led public employment programmes that contribute to informal settlement upgrading, public space and asset maintenance, development and management, greening and cleaning, food security, innovative service delivery, local knowledge and information sharing and management, community safety, environmental services and management and community tourism. This is part of the Presidential Youth Employment Intervention and is a continuation of government's response to job losses due to COVID-19, introduced as part of the stimulus package to respond to the impact of the COVID-19 pandemic during 2020.

Regional Bulk Infrastructure Grant – R1 billion is added to the *Regional Bulk Infrastructure Grant*, funded from the BFI, to fund the continuation of the implementation of the Potable Water Security and Remedial Works project in George Local Municipality.

Integrated National Electrification Programme (Eskom) Grant – R50 million is reprioritised from the *Integrated National Electrification Programme (Eskom) Grant* to finance the operational requirements of the Independent Power Producer Office in 2022/23.

Energy Efficiency and Demand Side Management Grant – R8 million in 2022/23 and 2023/24, respectively is reprioritised from the *Energy Efficiency and Demand-Side Management Grant* to finance the operational requirements within the vote of the Department of Mineral Resources and Energy.

R10 million is shifted from the sport component of the **Municipal Infrastructure Grant (MIG)** to the **Integrated Urban Development Grant (IUDG)** in 2022/23, to fund a sport project in Polokwane Local Municipality.

The **Municipal Disaster Recovery Grant** is introduced to fund infrastructure recovery in municipalities in KwaZulu-Natal. This grant is allocated R347 million between 2022/23 and 2024/25.

2.3 Changes to gazetted frameworks and allocations

Infrastructure Skills Development Grant (ISDG) – The grant framework for the infrastructure skills development grant is amended to include a condition that municipalities must have a capacitated Project Management Units with qualified people to act as supervisors in terms of the relevant statutory council requirements.

Municipal Infrastructure Grant (MIG) – Over the 2022 MTEF, the Department of Cooperative Governance (DCoG) will introduce an indirect component to the MIG. This is to improve efficiency in grant expenditure to develop more and better-quality infrastructure. The conversion will be done in-year. The criteria as determined by DCoG includes indicators related to expenditure and reliability of infrastructure.

Municipal Systems Improvement Grant – Over the MTEF, a portion of the grant will be utilised to continue to support institutionalisation of the district development model.

Municipal Disaster Relief Grant – The name of the *Municipal Disaster Relief Grant* is changed to the *Municipal Disaster Response Grant*. The objective of the grant remains the same and the change aligns to existing National Disaster Management Centre (NDMC) processes in responding to disasters that have occurred.

Local Government Financial Management (FMG) Grant – Over the 2022 MTEF, the grant framework for the FMG will make provision for the preparation of asset registers.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to all municipalities on 20 October 2021) provided through the joint South African Local Government Association (SALGA)/ Department of Cooperative Governance (DCoG) and National Treasury (NT) Joint Circular No.1 on the transitional measures in relation to the integrated development plan (IDP) consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act,

2000. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC for Finance (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5. Municipal Standard Chart of Accounts (mSCOA)

5.1 Release of Version 6.6.1 of the Chart

Version 6.6.1 of the chart will be released through a patch to accommodate the following changes/conditions published in the 2022 Division of Revenue (DoR) Bill:

- The capital leg of the Local Government Financial Management (FMG) grant that was retired in chart version 6.2 of the chart. As per the conditions published in the 2022 DoR Bill, the grant may be used, inter alia, for the acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service

delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the *m*SCOA;

- Allocation-in-kind for the MIG grant to make provision for the indirect grant portion of the grant; and
- The name change from Municipal Disaster relief grant to Municipal Disaster Response Grant. Municipalities should take note of this change when they report on COVID-19 in terms of *m*SCOA Circular No. 9.

Version 6.6.1 of the chart will be effective from 01 July 2022 and must be used to compile the 2022/23 MTREF. The patch is available on the link below:

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

5.2 Funding Depreciation

From the analysis of the *m*SCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates.

When deprecation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ring-fenced, municipalities will not be in a financial position to fund future infrastructure assets.

5.3 Application of Costing

The mapping for Table A2 on Financial Performance of the regulated Schedule A was updated to include the costing segment. The costing segment in *m*SCOA provides for the recording of the full cost for the four core municipal functions, namely: electricity, water, wastewater and waste management. It also allows for the charge out of costs between functions and projects. Costing: recoveries was previously recorded as 'revenue: default' in the item segment. However, as the charge out of cost does not present revenue, municipalities must use 'expenditure: default' in the item segment to record the debit and credit of all costing transactions where the charges increase cost and the recoveries decrease the cost per function or project.

Municipalities are also reminded that one of the validation rules that are applied when *m*SCOA data strings are submitted is that costing transactions for charges and recoveries must balance to zero.

5.4 Change in calculation of consumer deposits

The addition of consumer deposits as a funding source in version 6.6 of the *m*SCOA chart impacts on the population of Tables SA30 and A7 in the Schedule A. The calculation will be changed in the 6.6 chart version to the following:

CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in consumer deposits	Consumer deposits FD001001001014 linked to IA001 Deposits
(Decrease) in consumer deposits	Consumer deposit IL001002 :Withdrawals

All payments received in respect of consumer deposits will be picked up utilising the consumer deposit fund source linked to the bank: deposits posting level. The payment of consumer

deposits will be picked up from item liability: consumer deposits: withdrawals posting levels, which represent the outflow of cash.

5.5 NERSA reporting

Municipalities are reminded to complete the D-Forms that the National Energy Regulator of South Africa (NERSA) requires. The National Treasury is currently looking into ways of how the *mSCOA* data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

5.6 Restructuring of the Long-Term Component of Trade Payables

In an effort to assist municipalities to get to a funded budget position, the National Treasury have requested municipalities to negotiate with their major trade creditors like Eskom, Water Boards and the Department of Water Affairs to restructure their outstanding trade creditors. Where the debt owed by a municipality was restructured, in terms of a debt repayment agreement, and the repayment period exceeds a period of 12 months, the debt will remain under *current liabilities trade payables* as per the version 6.6 of the *mSCOA* chart.

The restructuring of debt in the Statement of Financial Position to include the non-current portion through the reclassification of the debt to a *non-current liability of trade payables* under non-current liabilities has a major impact on the working capital requirement disclosure in the funding compliance assessment on Table A8 of the Schedule A and on the entire funding methodology of the National Treasury. The restructuring of debt also affects a number of liquidity measurement ratios such as the Current Ratio, Liquidity Ratio and Creditors to Cash Ratio.

Detailed analysis and careful consideration of the appropriate accounting treatment to ensure that future adjustments to the chart will not compromise the funding methodology of the National Treasury is required. Therefore, any changes required to the *mSCOA* Chart to accommodate the restructuring of the long-term component of trade payables will only be considered for inclusion in version 6.7 of the chart.

The restructuring of the non-current portion should not only impact on the Statement of Financial Position as it requires that municipalities include additional cost in the operation budget for the repayment of the non-current liability, including any finance charges that may be payable as per the repayment agreement. The restructuring of the trade payables without the inclusion of the interest and redemption payments of the non-current liability on the cash flow statement will significantly misstate the funding position of the municipality.

The Budget Funding Assessment Tool used by the National and provincial treasuries to assess the funding position of municipal budgets has been enhanced to include a *Restructuring of Trade Payables Module* to assess the full impact of the restructuring on both the Statement of Financial Position and the impact of interest charges and repayment of the non-current liability on the cash flow position of the municipality. Municipalities that have restructured their trade payables should:

- Indicate this to the respective National and provincial treasuries when submitting their tabled and adopted 2022/23 MTREF budget; and
- Submit the approved agreement with the supplier to the respective National and provincial treasuries with their budget documentation.

The necessary restructuring will then be taken into account in the funding assessment by the respective National and provincial treasuries prior to determining the funding position of the municipality.

5.7 mSCOA eLearning

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA.

The course is structured as follows:

Module 1 – The fundamentals of mSCOA (for financial and non-financial officials)

- An overview of the Local Government Budget and Financial Management Reform Agenda and mSCOA Legislative Framework;
- mSCOA implementation oversight (including the role of internal audit, risk management and councilors); and
- Understanding the mSCOA segments.

Module 2 – System and reporting requirements (for financial and non-financial officials)

- An overview of the reporting requirements in a mSCOA environment;
- Key business processes that underpins mSCOA;
- Minimum system specifications required to comply with the mSCOA Regulations;
- Submission of documents and data strings to the National Treasury (i.e. registration process and upload process); and
- Period Control and how to transact and report in period 13, 14 and 15.

Module 3 – Budgeting and transacting on the mSCOA chart (for financial officials)

An understanding of accounting principles and GRAP is required to complete this module.

Municipalities are reminded to budget for the course in their 2022/23 MTREF. For further information, contact the NSG on their website link: <https://www.thensg.gov.za>.

6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the valuation roll to the billing system to the National Treasury on a quarterly basis.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

It is also imperative that every municipality is utilising the *m*SCOA cost segment correctly.

6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Critical Notice Affecting STS Meters

Municipalities are alerted that there is a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.7 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.8 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

6.9 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient

and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

6.10 Water management

Reference is made to the 2011, Chapter 8 of the Local Government Budget and Expenditure Review (LGBER) which emphasizes the importance of water management.

It has been observed recently in various platforms where municipalities engage with treasuries and the sector departments that there is no uniformity in reporting water and electricity losses. These are material items and need to be disclosed in planning, budgeting, reporting and in the annual report and Annual Financial Statements in uniform ways in order to track performance. In order to ensure consistency of reporting, the following information must be provided:

Accounting for water sold, non-revenue water and water losses:

- System input volume (kl)
- Water Billings (sum of accounts issued) – volume in kl and rand value
- Free basic water allowance (not included in billings) - volume in kl and rand value
- Physical water losses (estimated): volume in kl and rand value
- Water revenue collected (Rand value)

Accounting for electricity sold and electricity losses:

- Electricity purchased and generated (Electricity input) (kWh)
- Electricity Billings (sum of accounts issued) (KWh and Rand value)
- Free basic electricity allowance (not included in billings) (KWh and Rand value)
- Technical losses (estimated) (KWh and Rand value)
- Electricity revenue collected (Rand value)

In addition, the norms articulated in MFMA Circular No. 71 should also be taken into consideration.

6.11 Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW)

Cabinet adopted the Medium-Term Strategic Framework (MTSF) for 2019-2024 wherein it amongst others, committed that government will reduce irregular expenditure by 75 per cent and fruitless and wasteful expenditure by 100 per cent by 2024. It is important to note that these targets are applicable to each sphere of government. To this end, the Minister of Finance approved the UIFW Reduction Strategy for municipalities which was issued through MFMA Circular No. 111 in November 2021. The latter strategy advocated for municipalities to develop UIFW reduction plans that is approved by the municipal council, with the aim being for municipalities to utilize their 2018/19 UIFW figures as contained in their audited annual financial statements for that financial year as a baseline to develop the reduction plans. Whilst progress has been slow in terms of municipalities developing and submitting these plans to the National Treasury, some municipalities has made strides in this regard.

National Treasury would like again to encourage municipalities to develop the UIFW reduction plans and have it approved by the municipal councils through a council resolution for submission to the National Treasury to the MFMA helpdesk at mfma@treasury.gov.za for the attention of Mr. Wayne McComans on wayne.mccomans@treasury.gov.za. Municipalities are also advised to report progress against these UIFW reduction plans as part of their monthly

section 71 reporting to enable the necessary monitoring and oversight by the National Treasury on the implementation of these plans.

Going forward the Treasuries will place increased attention and focus on the processing of UIFW by municipalities as required by section 32(2) of the MFMA read with MFMA Circular No. 68. The National Treasury regards this consistent non-compliance for failure to adequately process and investigate UIFW as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of

Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

7.3 Equitable Share allocation

As highlighted in Minister Enoch Godongwana's 2022 Budget Speech, municipalities must be mindful that the Equitable Share is meant to fund basic municipal services to the indigent. Municipalities must ensure that monies are used for the purpose they were allocated for.

8. Transfers to Municipalities

The circular reiterates the requirements of the rollover and unspent conditional grants process in line with conditions outlined in the annual Division of Revenue Act. Municipalities are required to request for a rollover approval against any unspent conditional grants that were allocated through the annual Division of Revenue Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2021/22 unspent conditional grants and roll-over process and should be referenced against previous annual budget circulars.

8.1 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA) read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2021/22 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and transferring national officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2021 DoRA, municipalities must include the following information with their submission to National Treasury:

- A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2021 DoRA;
- A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
- The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
 - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March 2022; or
 - b) Proof of project tender and tender submissions published and finalised before 31 March 2022 with the appointment of contractor or service provider for delivery of the service before 30 June 2022 in cases where additional funding was allocated during the course of the final year of the project. Further, municipalities must note the letters issued by National Treasury dated 25 February and 03 March 2022 respectively regarding the Preferential Procurement Regulation, 2017;
 - c) Incorporation of the Appropriation Statement; and

- d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).
- A progress report (also in percentages) on the status of each project's implementation that includes an attached legible implementation plan);
 - The value of the committed project funding, and the conditional allocation from the funding source;
 - Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
 - Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
 - An indication of the time-period within which the funds are to be spent if the roll-over is approved; and
 - Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy, this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2022, the application will not be considered.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

- Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2021 DoRA, including the municipal manager and Chief Financial Officer signing-off on the information sent to National Treasury;
- Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2022;
- Accurate disclosure of grant performance in the 2021/22 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
- Despite the fact that local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2021/22 pre-audited Annual Financial Statements in order to verify grant expenditure; and
- Cash available in the bank (net position including short-term investments) as at 30 June 2022 is equivalent to the amount that is unspent as at the end of the financial year. If the amount that is requested for roll-over is not entirely cash backed, such a roll-over will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:

- The entire 2021/22 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2021/22 allocation;
- Rollover request of the same grant for the third consecutive time;

- Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
- A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2022.

8.2 Unspent conditional grant funds for 2021/22

The 2021/22 unspent conditional process will be managed in accordance with section 21 of DoRA, in order to ensure that the unspent conditional grants against the 2021/22 financial year return to the National Revenue Fund (NRF). In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their 30 June 2022 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2022. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and
- Step 3: If the receiving officer wants to motivate in terms of section 21(2) of the 2021 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2022.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 21 October 2022;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2022. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 18 November 2021; and
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund (NRF) by 18 November 2021, and for which a municipality has not requested a repayment arrangement, these funds will be offset against the municipality's 07 December 2022 equitable share allocation.

Annexure to MFMA Circular No. 86 addresses all the issues pertaining to Appropriation Statement and reporting on approved roll-overs.

8.3 Importance of section 16 of the Division of Revenue Act

The circular again reiterates the importance of compliance to section 16 of DoRA in relation to the allocation or transfer of funds by municipalities to other organs of state in order to implement projects on behalf of the municipalities.

Section 16 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- The allocation
 - i) Is approved in the budget for the receiving provincial department or municipality; or
 - ii) If not already approved;
 - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
 - bb) the National Treasury approves the allocation; or
- The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 16 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 16 (3) before any DoRA allocated funds that are allocated or transferred to any organ of state and the municipality should first seek approval from National Treasury. The allocation includes transfers made to any organ of state in order to perform a function using conditional grants allocated through the DoRA.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

- If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilized for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and the Integrated Urban Development Grant (IUDG) and three per cent for the Urban Settlements Development Grant (USDG) municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefitting from this initiative the PMU should be capacitated enough to implement capital project;
- Municipalities that are benefitting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained accelerated municipal capacity and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital projects; and
- If the request does not comply to the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to other organs of the state:

- In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
- Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
- Provide the Service Level Agreement (SLA) between the municipality and the organ of state in consultation with the relevant transferring officer;
- Provide the agreed payment schedule reflecting the disbursement of the funds;
- Must provide the reasons why such a decision has been taken by the municipality;
- If amongst the reasons for the request is related to capacity challenges the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
- Upon approval the municipality must submit the approved budget that includes the allocation.

Note that once the allocation or transfer has been approved the payment for goods or services must be procured in accordance with or in compliance to the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the transferring national officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 16, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6.1 of the Schedule A1 (the Excel Specimen) which is aligned to Version 6.6.1 of the *mSCOA* classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities **must** prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6.1 is not allowed** in terms of the *mSCOA* Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *mSCOA* chart version 6.6.1. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

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

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za

Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Johannesburg and Tshwane	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Ekurhuleni	Willem Voigt	012-315 5830	WillemCordes.Voigt@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
eThekweni	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Phumelele Gulukunqu	012-315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315-5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	lgdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be***

immediately adopted by the Municipal Council, and the changes to the budget must be effected in the main adjustments budget to ensure compliance with Section 18 of the MFMA.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *mSCOA* data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 GoMuni Upload Portal

The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 dated 06 December 2021, via the GoMuni Upload Portal. The upload portal can be accessed on <https://lguploadportal.treasury.gov.za> from 01 April 2022.

All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under new registrations.

10.3 Additional validation rules applicable to data string submissions

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules will be introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional validation rules will be implemented on the stage 1 validation. In other words, a data string that fails the validation will be rejected. The additional rules are as follows:

1. A balanced data string must be submitted. This means that the data strings that is submitted must always be in balance. All the transactions should be included for Revenue, Expenditure, Gains and Losses, Assets, Liabilities and Net Assets;
2. All secondary cost data strings may only be linked to Item: Expenditure: Default. All costing transactions must be linked to Item: Expenditure default as it refers to the reallocation of cost from one function to another or one operational project to another operational project. Where cost is capitalised the costing segment is not used;
3. Inventory for water must be linked to the Function: Water Management. Bulk purchases of Water must only be recorded against the Water management function; and
4. Opening balances must be linked to Project default and Fund: non funding. All opening balances that are not linked to Project default and Non funding will not be valid.

The new validation rules will come into effect from 01 July 2022.

10.4 Publication of municipal documents

Going forward, the following municipal documents will be published on the GoMuni/ Go Public portal:

- Integrated Development Plans;
- Budget Documentation;
- Service Delivery and Budget Implementation Plans;
- Annual Financial Statements;
- Annual Reports; and
- Audit Reports.

Municipal documents submitted to the National Treasury prior to 2022 will be available on the MFMA webpage and can be accessed via the MFMP Share Point Documents option on GoMuni/ Go Public.

GoMuni/ Go Public can be accessed on the following link: <https://lg.treasury.gov.za>

10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
04 March 2022



Reference number: RCS/C.5

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8000

TREASURY CIRCULAR MUN NO. 1/2022

THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR G PIETERSEN
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY
THE MAYOR, BITOU MUNICIPALITY: MR D SWART
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR P SWART
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
THE MAYOR, CEDERBERG MUNICIPALITY: DR R RICHARDS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MS J BOTHA
THE MAYOR, CITY OF CAPE TOWN: MR G HILL-LEWIS
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR C POOLE
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN
THE MAYOR, GEORGE MUNICIPALITY: MR L VAN WYK
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES
THE MAYOR, KANNALAND MUNICIPALITY: MR N VALENTYN
THE MAYOR, KNYSNA MUNICIPALITY: MR L DAVIS
THE MAYOR, LAINGSBURG MUNICIPALITY: MR M SMITH
THE MAYOR, LANGEBERG MUNICIPALITY: MR S VAN EEDEN
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J VAN DER HOVEN
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THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN
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THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M JAFTHA
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR A TRUTER
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV G VAN DEVENTER
THE MAYOR, SWARTLAND MUNICIPALITY: MR H CLEOPHAS
THE MAYOR, SWELLENDAM MUNICIPALITY: MR F DU RAND
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR K PAPIER
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR R STRYDOM
THE MAYOR, WITZENBERG MUNICIPALITY: MR H SMIT

THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J PENXA
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
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THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR E PHILLIPS
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THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR D ADONIS (ACTING)
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR J BOOYSEN
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THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR M SHUDE
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR E ALFRED
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR O FREDERICKS
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THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

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MUNICIPAL BUDGET CIRCULAR FOR THE 2022/23 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

1. PURPOSE

The purpose of this circular is to:

- provide the economic and fiscal context that should be considered by municipalities when compiling the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF);
- outline the legislative requirements guiding the tabling of the 2022/23 MTREF Budgets and accompanied budget documentation; and
- remind municipalities of additional upcoming reporting responsibilities.

2. STRATEGIC CONTEXT

Economic and Fiscal Environment

The 2022 Strategic Integrated Municipal Engagement/ Local Government Medium Term Expenditure (SIME/ LG MTEC) process will take place amidst national and provincial economic recovery following sharp economic contractions in 2020. Based on historical data since 1960, South Africa experienced its steepest decline in economic output with a contraction of 16 per cent from the first to the second quarter of 2020, which was largely due to the strict COVID-19 lockdown. This resulted in an estimated 6.4 per cent contraction in the national GDP for 2020. National Treasury (NT)¹ expects a real economic growth rate of 5.1 per cent in the country for 2021 as the economy rebounds.

National real GDP growth is projected at 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024. The Western Cape economy has outperformed that of South Africa as a whole but has not substantially diverged from the national trajectory. The Provincial economy contracted by 5.5 per cent in 2020 and recovered with an estimated growth of 5.3 per cent in 2021 and a forecast of 1.4 per cent growth in 2022. The rebound is clouded by the COVID-19 pandemic, the discovery of new variants which compromise travel to and from South Africa and slow progress in the national vaccine rollout which reinforces uncertainty and poses risks to economic recovery.

¹ National GDP growth rates are projected by the National Treasury within MFMA Circular No. 112

Other risks to the economic environment include but are not limited to the slow implementation of structural reforms which continues to have a negative impact on business confidence and private investment; supply chain and electricity supply constraints, which could worsen over the short term; deceleration in global demand and declines in commodity prices which could have a negative impact on local industry.

The fiscal environment faces the risk of a further deterioration in public finances which could trigger credit rating downgrades. Cost of Employment pressures, the implementation of the non-pensionable salary increases for Public Servants of salary levels 1 to 12 and the Social Relief Distress Grant (including a potential introduction of a basic income grant) further compromise fiscal consolidation measures. While the fiscal framework does not currently include any additional support to state-owned enterprises, the poor financial condition and operational performance of several of these entities remain a large contingent risk. Ageing infrastructure and outdated technology, vandalism, continued population growth and increasing demand for services require resources that are not met with sufficient increases in revenue. From a governance perspective, an unprecedented number of municipalities have hung councils, which poses risks to municipal operations and service delivery. Significant job losses during this period of economic decline impacts on the affordability of municipal services and therefore municipalities' ability to collect revenue and increases demand for free basic services. Social unrest and challenges such as poverty, crime, low levels of skills, and substance abuse also require intervention.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by appropriate cost containment measures to reduce expenditure. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus. The current prime lending rate is 7.25 per cent. There appears to be consensus in the private sector that there will be quarterly increases in interest rates during 2022 as the Monetary Policy Committee of the South African Reserve Bank is determined to contain inflation and maintain price stability. This will reduce the disposable income of households as interest on loans will increase. It also impacts adversely on municipalities' ability to service debt and take up new loans to fund infrastructure programmes. Headline inflation is currently at a five-year high but is expected to remain between the 3 to 6 per cent target range over the 2022/23 MTEF; at 4.0 per cent for 2022/23, 4.4 per cent for 2023/24 and 4.5 per cent for 2024/25.²

Considering the fiscal constraints, maximising the value of spending is crucial. Government needs to contain costs, especially consumption related spending, exercise prudent and compliant financial management, and eliminate the waste of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audits to ensure the staff complement is aligned to the approved organogram. It will also be critical for municipalities to build risk management into the budget process, i.e., mitigating, identifying and protecting the institution against potential risks. These will assist government to improve its fiscal position.

² MFMA Circular 112

To combat the socio-economic challenges highlighted above, the Western Cape Recovery Plan themes of Jobs, Safety and Wellbeing remain at the centre of the response to address the impact of COVID-19 and lay the foundation for faster long-run economic growth and poverty reduction in the Province. It is underpinned by the Vision Inspired Priorities within the Provincial Strategic Plan 2019 - 2024. Local Government also has a vital role to play in this regard. Consideration should be given as to how value can be unlocked from good governance. The real challenge is to get beyond stability and for WCG to partner with municipalities to leverage our governance advantage to drive the recovery and growth.

Municipalities should make conscious efforts to maximize service delivery given these social, socio-demographic, economic and fiscal challenges. Municipalities are advised to consult the 2021 Socio-economic profiles³ and Municipal Economic Review and Outlook (MERO)⁴ for municipal specific socio-economic information. The MERO, which was tabled by the Minister of Finance and Economic Opportunities on 6 December 2021, will be distributed to various business forums across the Province and rolled out via the District Coordination Forums. These source documents as well as the above-mentioned macro-economic forecasts should be considered when preparing the 2022/23 MTREF budgets and plans.

3. NATIONAL TREASURY AND PROVINCIAL TREASURY GUIDELINES

3.1 Context

- Municipalities are advised to consult the latest Budget Circular, MFMA Circular 112 released on 6 December 2021.
- Municipalities MUST include the National and Provincial Treasury Budget Circulars as part of the source documents consulted in the preparation of the 2022/23 MTREF Budget documents and table it as part of the budget documentation in the Municipal Council.

3.2 Legislative Requirements: Tabling of the 2022/23 Budgets

- As per section 16(1) of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003) (MFMA), the council of a municipality must approve an annual budget before the start of the financial year. In order for a municipality to comply with section 16(1), the mayor must table the annual budget at a council meeting at least 90 days (end of March 2022) before the start of the budget year as required by section 16(2) of the MFMA.
- Should it be foreseen that a municipality will not be able to comply with section 16(2), the mayor must, as per section 27(1) of the MFMA, inform the MEC for Finance in the province, in writing, of such impending non-compliance.
- Section 27(2) of the MFMA allows the MEC of Finance, on application by the mayor, and if good cause is shown, to extend any time limit or deadline pertaining to the tabling of the budget, provided that such extension does not compromise compliance with section 16(1). Municipalities must however make every effort to ensure that their budgets are tabled by 31 March 2022. This timeline is required to enable effective participation in the budget process by all stakeholders, including Council and the public; and for provincial departments to fulfil their oversight role. Provincial Treasury (PT) will therefore not recommend that an extension be granted unless exceptional circumstances exist.

³ <https://www.westerncape.gov.za/provincial-treasury/socio-economic-profiles-2021>

⁴ <https://www.westerncape.gov.za/provincial-treasury/investor-economic>

- In the event of non-compliance (that the budget was not timeously tabled by the end of March 2022), the mayor must, according to section 27(3) of the MFMA, inform the municipal council, the MEC for Finance and the National Treasury, in writing, of such non-compliance and any remedial or corrective measures the municipality intends to implement to avoid a recurrence. This requirement is dependent on, and subject to, any extension provided by the MEC in terms of section 27(2).
- Notification of impending and/or actual non-compliance with a time provision relating to the annual budget must be done in terms of Chapter 4 of the Municipal Budget and Reporting Recommendations (MBRR) and be in the format outlined in Schedule G of the MFMA.
- Failure to comply with section 16(2) of the MFMA, will compromise a municipality's ability to approve the budget before the start of the financial year as required by section 16(1) of the MFMA. Should a municipality not approve its budget by the start of the new municipal financial year (i.e. 1 July 2022), the Provincial Executive must intervene in terms of section 136(3) of the MFMA and section 139(4) of the Constitution. The Provincial Executive will accordingly take corrective measures which include, but are not limited to, placing a temporary hold on the Municipality's bank account, appointing an administrator, approving a temporary budget, or even dissolving council. Further guidance on this will be provided in a subsequent circular.

3.3 Development and Adoption of IDPs

The date of the 2021 Local Government elections presented a challenge for incoming councils to adopt new Integrated Development Plans (IDPs) by May 2022 within the legislated timeframes. The results from a survey conducted by the Department of Local Government indicates that many newly elected municipal councils plan to adopt the IDP of their predecessor in terms of section 25(3) of the Local Government: Municipal System Act, Act No. 32 of 2000 (MSA) and to only adopt a new IDP in their second year of office to facilitate thorough interrogation and extensive consultation for the finalisation of the new five-year strategy. Some municipalities are however planning to adopt new term of office IDPs in May 2022 despite the tight timelines.

For further guidance municipalities are referred to the joint National Treasury/Department of Cooperative Governance/South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 (20 October 2021) on the transitional measures in relation to the IDP process and to, if any further guidance or assistance is required in this regard, contact the IDP Directorate of the Department of Local Government.

3.4 Ensuring Municipal Sustainability through a funded budget

In the current economic and fiscal environment, municipalities may face financial strain for several reasons including rising demand for basic and free basic services, revenue collected being hampered due to reductions in household income, and below inflation increases in transfers from national government.

As per section 18 of the MFMA, municipalities should nevertheless ensure that their budgets are funded from realistically anticipated revenue to be collected, cash backed accumulated funds from the previous year as well as borrowed funds to be utilised for capital projects.

To ensure financial sustainability each Municipality must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read together with MFMA Circular No. 97 (31 July 2019);
- Ensuring value for money through the procurement process and promoting sustainable public procurement;
- The affordability of providing free basic services to all households;
- Any changes to functional assignments between spheres and/or intergovernmental funding arrangements for these services must be assessed for their long-term impact on municipal financial sustainability.
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Curbing the consumption of water and electricity by indigent households to ensure that they do not exceed their allocation without paying for additional consumption;
- Prioritising the filling of critical vacant posts, especially those linked to the delivery of basic services. Municipalities should also carefully consider whether non-critical vacancies need to be filled, or whether savings can be achieved by freezing some of these posts; and
- Ensuring that the budget is aligned to the municipality's Municipal Spatial Development Framework (MSDF), informed by its Capital Expenditure Framework, where this is in place, and is responsive to the municipality's identified risks.

The following sections contain additional guidelines regarding revenue and expenditure to ensure credible and sustainable budgeting.

3.4.1 Revenue

- a) Municipalities are advised to use the indicative numbers presented in the 2021 Division of Revenue Act (DoRA) to compile their 2022/23 MTREF. In terms of the outer year allocations (2023/24 and 2024/25 financial years), it is proposed that municipalities conservatively limit funding allocations for conditional grants to the indicative numbers as presented in the 2021 DoRA for 2023/24. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx>

The 2021 national Medium Term Budget Policy Statement (MTBPS) gave an estimation of growth in equitable share and conditional grants for local government over the 2022/23 MTREF. While these numbers may still change when the Budget is tabled in February, the indication is that following growth in the equitable share of only 0.6 per cent (in nominal terms) in 2023/24, the equitable share will increase by 4.5 per cent in 2024/25. Although municipalities can use this growth rate to estimate their equitable share allocation for 2024/25, cognisance should be taken that NT has taken the approach to gradually decrease the number of indigent households subsidised as part of the equitable share.

Table 1: Local Government Intergovernmental Transfers for the 2022 MTREF

R billion & per cent	2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
	Revised	Medium-term estimates			Growth rates		
Local government	137,6	146,3	148,9	155,4	6,4%	1,8%	4,3%
Equitable share	78,0	83,1	83,6	87,3	6,5%	0,6%	4,5%
General fuel levy sharing with metropolitan municipalities	14,6	15,3	15,4	16,1	4,9%	0,6%	4,5%
Conditional grants	45,0	47,9	49,9	51,9	6,5%	4,2%	4,0%
Main budget expenditure	1 893,1	1 897,9	1 936,7	2 039,1	0,3%	2,0%	5,3%
<i>Percentage shares</i>							
National departments	50,6%	48,7%	48,3%	48,2%			
Provinces	40,9%	42,0%	42,0%	42,1%			
Local government	8,5%	9,3%	9,7%	9,7%			

Source: 2021 National MTBPS

Municipalities are advised to consult section 2.1 of MFMA Budget Circular 112 for detail regarding the changes to local government allocations. All allocations must be updated once the national Minister of Finance tables the 2022 DoRA.

- b) Municipalities should comply with Section 74(2) of the MSA by setting cost-reflective tariffs. This ensures that municipalities set tariffs that enable the recovery of the full cost of providing the service. Municipalities should pay careful attention to tariff increases across all consumer groups. Municipalities are further encouraged to utilise the tariff setting tool referenced in MFMA Circular 98, item 4.2. The NT Municipal Costing Guide is available on the link below:

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

Municipalities should also maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The inflation rates have been provided in section 2 above. Municipalities must justify any increases in excess of the projected inflation rate for 2022/23 and include details of their revenue growth assumptions for the different service charges within the 2022/23 budget narrative.

- c) It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that anticipated revenue from property rates are accurate. The recent valuation roll data can be reconciled with the billing system and with the Deeds Office Registry as a further test. In accordance with the MFMA Circular No. 93 (7 December 2018), municipalities are once more requested to submit their annual reconciliation of the valuation roll to the billing system to NT by no later than 4 February 2022. The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>.
- d) Based on the Constitutional Court decision in Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009), a municipality has the right to disconnect the water service in the event of non-payment, or in the case of indigent households, restrict usage to only the national policy limit of 6 kilolitres of water per month.

- e) On 3 December 2021, the Gauteng High Court ruled that the National Energy Regulator of South Africa (NERSA) should process Eskom's application for Electricity Retail Tariffs and Structure Adjustment (ERTSA). Eskom has requested an average increase of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. The High Court set for the National Energy Regulator to make their decision on the ERTSA by 25 February 2022. The Municipal Benchmark tariff will only be finalised once the decision on the ERTSA is made, as this is the municipal bulk tariff input. NERSA's upcoming *Municipal Tariff Guidelines Increases, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2022/23 financial year* publication should be consulted before the approval of the final budgets.
- f) 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. Going forward the National and Provincial Treasury will place increased attention and focus on the completeness of municipalities' submissions. National Treasury regards the exclusion of the minimum level of information as serious non-compliance and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. NT will particularly focus on the adequacy of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.
- g) Section 216(2) of the Constitution requires that NT enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures. The criteria for the release of the Equitable Share instalments for the 2022/23 municipal financial year are outlined in section 8.1 of MFMA Budget Circular 112. Western Cape municipalities are encouraged to maintain their current high level of compliance.

3.4.2 Expenditure

- a) 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 so will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
- b) Municipalities are encouraged to budget and ringfence their payment for bulk services and honour their current account payments (inclusive of Eskom) consistently to avoid stringent application of the bulk suppliers' credit control policy. Note that Eskom's payment terms have been extended to 30 days and the interest on overdue accounts is set at 2.5 per cent plus prime interest rate. Furthermore, municipal payments are allocated to capital first and then to interest.
- c) 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.
- d) Municipalities are encouraged to clear the control accounts monthly and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA.

- e) To address non-payment to Eskom, National Cabinet endorsed the recommendation that a smart prepaid solution for all municipalities be explored. NT, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a MFMA Circular No. 112 transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government. If a municipality or entity is currently in the process of procuring any smart meter solution or is planning to, it is cautioned against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR). With immediate effect, the municipality must obtain NT's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Contact Mr Sadesh Ramjathan (Sadesh.Ramjathan@treasury.gov.za) for NT inputs on procurement of similar solutions.
- f) Municipalities need to develop a Long-term Financial Model (LTFM) that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform a municipality's long-term financial strategy, which must articulate a sustainable, efficient, and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders. National Treasury will provide guidance to all municipalities on developing and implementing LTFM's and strategies, based on the pilot projects in this regard. The LTFM must be integrated with the MSDP's Capital Expenditure Framework, where this is in place.
- g) Municipalities are advised to develop a Capital Expenditure Framework, linked to its Long-Term Financial Plan (LTFP) and LTFM, that sets out a 10-year capital expenditure portfolio of projects that are prioritised, sequenced, and within the affordability envelop defined by the LTFM and LTFP. This will guide capital expenditure over the short, medium, and long term, and assist a municipality in allocating its capital budget to capital projects that align to the municipal vision and strategies.
- h) The Salary and Wage Collective Agreement for the period 1 July 2021 to 30 June 2024, as approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution, should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by the agreement shall receive with effect from 1 July 2022 and 1 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. 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.
- i) 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 DCoG. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councillor(s) concerned.

3.4.3 Implementation of Municipal Cost Containment Regulations

Provincial Treasury has a legal responsibility to advocate for fiscal discipline and financial prudence, the need for which cannot be over-stated in the current fiscal and socio-economic environment. The implementation of Municipal Cost Containment Regulations is crucial in this regard.

An effective cost containment program requires the active oversight of management, as well as a budgeting process that yields reasonable expenditure targets. A downside of cost containment is that management focuses too much on the cost side of the business, rather than pursuing new revenue opportunities. A delicate balancing act must be maintained between operational efficiency and the long-term sustainability of an institution.

Most non-metro municipalities are not budgeting on a quarterly basis as per Annexure D of MFMA Circular 97 which results in under reporting and compromise oversight efforts by Council, National Treasury and the relevant provincial treasury, to curb non-essential spending. Observations as per 2021 Quarter 1 reporting outcomes, are that non-metro municipalities allocated 46.8 per cent of the budget towards *Other related Expenditure Items* in terms of the Municipal Cost Containment Regulations. This requires a microscopic view to prevent unnecessary budgeting and spending by some municipalities as a result of the possible vagueness of this section in the Regulations.

Municipalities are encouraged to pay attention to the quarterly reporting requirements since the maturity in the 3rd year of the Municipal Cost Containment Regulations should be at a level where budget cuts and expenditure ceilings on certain items on the item, *Other related Expenditure Items* can be identified.

3.4.4 Addressing Unfunded Budgets

- a) All tabled municipal budgets will be assessed by PT to determine whether they are funded. This assessment uses a Tool prescribed by NT. An assessment of the funding status will be provided to each municipality in their SIME assessment. Further information will be provided to any municipality found to have an unfunded budget on the factors that led to this status as well as advice on how to correct this.
- b) Municipalities are reminded that they should make changes to ensure that they adopt a funded budget for all three years of the 2022/23 MTREF period. If a municipality fails to adopt a funded budget, a credible Budget Funding Plan must be developed. This plan must be tabled and adopted by Council and be submitted to National and Provincial Treasury with its tabled and adopted budget in terms of section 24 (3) of the MFMA. PT is available to review and provide guidance on the credibility of draft Budget Funding Plans.
- c) Where municipalities have adopted an unfunded budget without a credible Budget Funding Plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the municipal council, and the changes to the budget must be effected in the mid-year adjustments budget to ensure compliance with section 18 of the MFMA.

3.5 Municipal Standard Chart of Accounts

3.5.1 Release of Version 6.6 of the chart

Version 6.6 was released with MFMA Circular No. 112 and must be used to compile the 2022/23 MTREF budget. As per the mSCOA regulations, each municipality is expected to submit the prescribed supporting data strings containing the required data directly from the financial system using the LG Upload Portal.

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 mSCOA Chart Version 6.6. The revised MBRR Schedules for the 2022/23 MTREF, and its linkages to the financial and non-financial data strings are available on the link below:

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

Requests for chart changes in the next version of the mSCOA Chart Version 6.6 should be logged on the Frequently Asked Questions (FAQ) database by 31 August 2022. Requests will be considered by the FAQ Committee, mSCOA Technical Committee and the mSCOA Steering Committee for the review of the Chart to be released by December 2022.

3.5.2 Budgeting and Reporting through MSCOA

- a) The credibility of mSCOA data strings remains a concern, although improvements have been observed in some areas. The areas of concern include:
- The incorrect use of the mSCOA Chart and Segments, balance sheet budgeting, movement accounting and basic municipal accounting practices.
 - Some municipalities are either not budgeting, transacting, and reporting directly from their core financial system; have not purchased all the modules of their core financial system; or have not upgraded to the Enterprise Resource Planning (mSCOA enabling) Version of their Financial System.
 - Municipalities are not locking their adopted Budgets and their Financial Systems at month-end to ensure prudent financial management. The Local Government Database and Reporting System will therefore lock all submission periods within the reporting period at the end of each quarter to enforce municipalities to lock their Budgets and close their Financial System at month-end in 2022/23.

Municipalities should refer to the guidance provided in the mSCOA circulars issued by NT to classify their transactions correctly.

- b) Municipalities are required to submit the C-schedule, primary bank statement, bank reconciliation, quality certificate, monthly budget statement and trial balance to the GoMuni Upload portal monthly in PDF format.
- c) The trial balances should from 1 July 2022 include the following minimum information: the mSCOA item description; balance brought forward; movement debit; movement credit; and balanced closing balance at the end of the document. Furthermore, the name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trial balance submitted to the GoMuni Upload portal.
- d) Municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting in terms of mSCOA Circular No. 9 (9 June 2020). Once NT can draw COVID-19 reports from the mSCOA data strings for the majority of municipalities and the COVID-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will no longer be required.

- e) The purpose of the costing segment in mSCOA is to provide for the recording of the full cost for the four core municipal functions as a minimum requirement. The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in formulating tariffs and cost control. Municipalities must refer to the mSCOA Project Summary Document (PSD) for the detailed application of the costing segment.
- f) Municipalities are not populating the GPS Coordinates in the IDP/Planning and Budgeting stage for their projects. PRTA, PROR, PRAD Data Strings must be populated including GPS Coordinates. GPS coordinates enhances the identification of location of tangible assets, aids in maintenance and replacement of assets, enhances revenue collection and assists with the location of assets during the audit process. Municipalities must ensure that all projects and infrastructure assets have GPS coordinates. PT will analyse the PRTA, PROR and PRAD data strings for completeness in this regard.
- g) Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses, etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Municipalities must ensure that the Skills Development Levy is correctly classified as operational costs as indicated in the PSD.
- h) With reference to MFMA Circular 107 (4 December 2020) municipalities were required to implement the new property categorisation framework by not later than 1 July 2021. The mSCOA Chart Version 6.6 makes provision for the new and old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. To avoid duplication and overstatement of revenue from property rates municipalities should not use both frameworks.
- i) National and Provincial Treasury will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with mSCOA requirements. The mSCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment. To generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by 15 July 2022. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via the adjustments budget in February 2023. The TABB should 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.

3.5.3 Municipal Financial Systems

- a) National Treasury will not be extending the RT25-2016 Service Level Agreements (SLA) for Financial Systems which expired in May 2019. Financial systems procured through this SLA therefore cannot be extended. Municipalities should instead approach the open market to procure a service provider for system support and maintenance. The Municipality may consider the use of long-term contracts in terms of section 33 of the MFMA. Where a municipality has entered an SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of section 116(3) of the MFMA.
- b) Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Municipalities need not procure a new financial system unless the system being used does not comply with the required business processes and system specifications. As such, the municipal needs must be re-evaluated to ensure that the IT systems in place are still i) compatible with the needs and systems of the municipality, ii) aligned

to modern technology and new legislative requirements and iii) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

3.5.4 Non-compliance with mSCOA Requirements

- a) 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. All municipalities and municipal entities had to comply with the mSCOA Regulations by 1 July 2017. Several Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016. These will be expanded on in 2022/23.
- b) If a 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 action plan should include the system landscape, governance and institutional arrangements, system functionality and the proficiency of municipal officials to use the financial system (see section 5.3 of MFMA Circular 112 for further detail on what should be included in the action plan).
- c) The progress against the action plan must be monitored by the municipality's mSCOA Project Steering Committee and should also be reported on at the 2021/22 Mid-year Budget and Performance engagements, the Budget and Benchmark engagements with the National and Provincial Treasury, as well as the SIME engagements. Copies of the action plan and progress reports should also be shared with the National and Provincial Treasury.

4. UPCOMING MFMA REPORTING REQUIREMENTS

4.1 Mid-year Report

- a) As per section 72(1) of the MFMA, the Accounting Officer must by 25 January 2022 assess the municipality's financial and non-financial performance for the first half of 2021/22 and submit a report of such an assessment to the mayor as well as National and Provincial Treasury.
- b) The Accounting Officer must furthermore make the report public by close of business on 31 January 2022. In turn, the mayor must also in terms of section 54(1)(f) of the MFMA submit the report to the municipal council by 31 January 2022.
- c) Electronic versions (PDF and where applicable, Excel) of the report can be e-mailed to MFMA.MFMA@westerncape.gov.za copying in Dian.Cronje@westerncape.gov.za.

4.2 Annual Report

- a) In terms of section 127(2) of the MFMA, the mayor is required to table the (draft) annual report in council within seven (7) months after the end of the financial year, i.e., 31 January 2022. Municipalities are encouraged to prepare and submit the annual report in the template as outlined in MFMA Circular No. 63 (26 September 2012).
- b) In terms of section 127(5)(b), the annual report must immediately after being tabled in council, be submitted to the Auditor-General, the relevant PT and provincial department responsible for local government in the province. The tabled report can be e-mailed to MFMA.MFMA@westerncape.gov.za.

- c) Section 129(1) of the MFMA prescribes that the council of a municipality must consider the Annual Report (as tabled) and by no later than two months from the date on which the Annual Report was tabled, adopt an oversight report containing the council's comments on the annual report.
- d) In terms of section 132(2) of the MFMA, the approved annual report and the oversight report must be submitted to the Provincial Legislature within seven (7) days after the adoption hereof.
- e) Section 129(2) of the MFMA states that minutes of the council meetings and oversight committee meetings at which the annual report is discussed should be submitted to the AG, PT and the provincial department responsible for local government in the province.
- f) In terms of section 121(3)k of the MFMA, which indicates that the annual report of a municipality should include *any other information as may be prescribed*, the municipalities' attention is drawn to Section 13G of the Broad-based Black Economic Empowerment (B-BBEE) Act which requires the municipality to report on their compliance with B-BBEE in their AFS and annual reports. Municipalities were alerted to this requirement in section 4 of Treasury Circular Mun No. 29/2019 (1 November 2019). Compliance in this regard has been lacking. Municipalities are therefore reminded to provide the required information in the completion of the 2020/21 Annual Reports and AFS. The B-BBEE Commission's Explanatory Notice No.2 of 2021 (hereto attached as Annexure A) contains guidelines for completing the information required in terms of section 13G(1) of the B-BBEE Act.

5. KEY DATES OF THE 2022/23 INTEGRATED PLANNING AND BUDGETING PROCESS

Municipalities are urged to consult MFMA Circular 112 for information regarding the budget process and submissions. Provincial Treasury will issue a follow-up circular in which the budgeting process and submission, as well as the tabled budget, IDP and related documentation assessments and SIME engagements will be outlined.

The following key dates should be considered by the Municipality in the 2022/23 IDP and budgeting process.

Dates	Budget Process
25 January 2022	Mid-year Budget and Performance Assessment
31 January 2022	Tabling of Annual Report
28 February 2022	Municipal Main Adjustments Budget
23 February 2022	National Budget Day
8 March 2022	Provincial Budget Day
Latest 31 March 2022	Tabling of Annual Municipal Budget Adoption of Annual and Oversight Reports
Provisionally 25 April – 20 May 2022	SIME Engagements
31 May 2022	Adoption of Annual Municipal Budget

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to the following WC PT officials:

Directorate	Official	Tel. No.	Email
MFMA Co-Ordination	Elton Johannes	021 483 4229	Elton.Johannes@westerncape.gov.za
Public Finance	Kim-Kay Neethling	021 483 9186	Kim-Kay.Neethling@westerncape.gov.za
	Isaac Tsie	021 483 6241	Isaac.Tsie@westerncape.gov.za
Budget Office	Malcolm Booysen	021 483 3386	Malcolm.Booyesen@westerncape.gov.za
	Kim Engel	021 483 8459	Kim.Engel@westerncape.gov.za
	Shannon Engel	021 483 9198	Shannon.Engel@westerncape.gov.za
	Keith Roman	021 483 5434	Keith.Roman@westerncape.gov.za
Fiscal Policy	Shafeeqa Davids	021 483 9192	Shafeeqa.Davids@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:

	Responsible official	Tel. No.	Email
Western Cape	Willem Voigt	012 315 5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012 315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012 315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012 406 9064	lgdataqueries@treasury.gov.za

6. CONCLUSION

Municipalities are encouraged to consider and apply the contents on this budget circular in the 2022/23 planning and budgeting process.

Please direct any queries regarding this circular to: Malcolm Booysen at Malcolm.Booyesen@westerncape.gov.za.

DAVID SAVAGE
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE:



Reference: RCS/C.5

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR MUN. NO. 7/2022

THE MAYOR, CITY OF CAPE TOWN: MR G HILL-LEWIS
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR R STRYDOM
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J VAN DER HOVEN
THE MAYOR, CEDERBERG MUNICIPALITY: DR R RICHARDS
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR A TRUTER
THE MAYOR, SWARTLAND MUNICIPALITY: MR H CLEOPHAS
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
THE MAYOR, WITZENBERG MUNICIPALITY: MR H SMIT
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR C POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV. G VAN DEVENTER
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBERG MUNICIPALITY: MR S VAN EEDEN
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THE MAYOR, OVERSTRAND MUNICIPALITY: DR A RABIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR P SWART
THE MAYOR, SWELLEN DAM MUNICIPALITY: MR F DU RAND
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KANNALAND MUNICIPALITY: MR N VALENTYN
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR D KOTZE
THE MAYOR, GEORGE MUNICIPALITY: MR L VAN WYK
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR C LOUW
THE MAYOR, BITOU MUNICIPALITY: MR D SWART
THE MAYOR, KNYSNA MUNICIPALITY: MR L DAVIS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MS J BOTHA
THE MAYOR, LAINGSBURG MUNICIPALITY: MR M SMITH
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M JAFTHA
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR G PIETERSEN

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: ADV. L MBANDAZAYO
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THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
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THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
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 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR R DU PLESSIS
 THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR G DE JAGER
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 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)
 THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

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MUNICIPAL BUDGET CIRCULAR FOR THE 2022/23 MTREF AND ASSOCIATED 2022 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS

1. INTRODUCTION

This Circular is a follow-up to the Provincial Treasury (PT) Circular 01/2022 issued on 24 January 2022 and should be read in conjunction with National Treasury (NT) MFMA Circulars No. 112 and No. 115 issued on 06 December 2021 and 04 March 2022 respectively.

The purpose of this circular is to:

- provide guidance to municipalities with the finalisation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) Budgets and accompanied budget documentation, and
- brief municipalities on the 2022 Strategic Integrated Municipal Engagements (SIME) process and related matters.

2. LEGISLATIVE CONTEXT

The Western Cape Provincial Government (WCG) has institutionalised the Strategic Integrated Municipal Engagements (SIME; previously referred to as LGMTEC) process in fulfilment of its obligations under:

- Sections 5, 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003;
- Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA];
- Chapter 3 of the National Environmental Management Act (Act No. 107 of 1998) (NEMA); and
- Chapter 4 of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA).

The 2022 SIME process will give effect to the "Integrated Work Plan" adopted in 2017. It builds on the 2021 integrated municipal and provincial processes to strengthen alignment between municipal and provincial planning and budgeting and drives the theme of "Integrated service delivery", specifically as municipalities are preparing for the new Integrated Development Planning Cycle.

3. FISCAL AND ECONOMIC CONTEXT

3.1 2022 National Budget

The key highlights of the 2022 National Budget are summarised below.

- The world economy is expected to grow by 4.4 per cent in 2022 which is slightly lower than the 4.9 per cent that was anticipated when tabling the Medium-term Budget Policy Statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global supply chains, global geopolitical risk (particularly the Russian invasion of Ukraine) and reduced fiscal and monetary policy support have limited the pace of the world's economic recovery.
- The South African economy has not been shielded from these global developments; hence real GDP growth is estimated at 4.9 per cent in 2021, bouncing back from a 6.4 per cent contraction in 2020 and is projected to be followed by growth averaging 1.9 per cent over the next two years. The Western Cape GDP is expected to follow the national trajectory, expanding by 4.3 per cent in 2021, by 2.0 per cent in 2022 and by 1.9 per cent in 2023. This outlook partly reflects a slowing recovery. A more rapid implementation of economic reforms, complemented by fiscal consolidation, will ease investor concerns and support faster recovery and higher levels of economic growth over the long term. Significant risks to the economic outlook include new COVID-19 variants leading to new waves of infections, continued interruptions in power supply, rising inflation resultant from supply chain disruptions and increasing energy prices, fiscal risks as well as global economic uncertainty.
- Headline inflation is expected to remain between the 3 - 6 per cent target range over the 2022/23 MTEF as seen in the CPI inflation projections below. Although prime lending rates are increasing ,borrowing conditions remain favourable. Lending rates are however expected to increase in the short-term.

Table 1: CPI Performance and Projections, 2020-2025¹

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: National Treasury, 2022

- A consolidated budget deficit of 6 per cent of GDP is projected for 2022/23, narrowing to 4.2 per cent of GDP in 2024/25. Gross debt is projected to stabilise at 75.1 per cent of GDP in 2024/25. Gross tax revenue for 2021/22 is expected to be R181.9 billion higher than projections in the 2021 budget. Government will continue to focus on broadening the tax base, improving administration and lowering taxes.
- Government's medium-term spending plans include an allocation of R3.3 trillion for the social wage, and R18.4 billion to support youth employment and the creation of short-term jobs in 2022/23 and 2023/24. Additional allocations since the 2021 MTBPS support policy priorities in higher education, teacher retention in basic education, health budgets for new hires and the continued response to COVID-19. Debt-service costs account for 15.1 per cent of total spending and grow faster than all functions, including learning and culture and health.

¹ Updated from the 2021 National Medium Term Budget Policy Statement (MTBPS). The Provincial Government inflation assumptions are based on the 2021 MTBPS projections.

- Over the 2022 MTEF period, after budgeting for debt-service costs, the contingency reserve and provisional allocations, 48.8 per cent of nationally raised funds are allocated to national government, 41.4 per cent to provinces and 9.8 per cent to local government.

The 2022 National Budget documentation is available at: <http://www.treasury.gov.za/documents/National%20Budget/2022/>

3.2 2022 Western Cape Provincial Budget

On Monday, 14 March 2022, the Western Cape Minister for Finance and Economic Opportunities, Mr. David Maynier, tabled the 2022 Western Cape Budget in the provincial legislature. The 2022 Budget focuses on implementing the Western Cape Recovery Plan priorities namely, Jobs, Safety, and Wellbeing, while maintaining a response to COVID-19. The budget policy priorities will support economic growth and job creation; strengthen law enforcement and social protection; and ensure human dignity by protecting human rights and supporting mental wellbeing.

The 2022 Budget is informed by the WCG's Fiscal Strategy which is based on four key fiscal decision-making principles, namely, *Protect basic services outcomes; Unlock allocative efficiency; Enhance productive efficiency; and Enable long-run fiscal sustainability.*

The 2022 Budget, named, "**A Budget to Push Forward**" will over the medium term spend R19.6 billion on "Jobs"; R4.4 billion on "Safety"; R111.3 billion on "Wellbeing"; and R30.3 billion over the medium term on infrastructure in the Western Cape.

The 2022 MTEF budget will over the medium term also allocate an additional R6.2 billion to education; R2.4 billion to healthcare; R136 million to social development; and R2.6 billion on infrastructure in the Western Cape.

These budgetary allocations support the WCGs fiscal principles and ensures that the WCG continues to –

- sustain the fight against the COVID-19 pandemic, including the successful rollout of the vaccination programme;
- support the recovery plan priorities of Jobs, Safety and Wellbeing;
- protect frontline services, including education, health and social development;
- rebalance the composition of expenditure by increasing spending on infrastructure;
- supports effective local governance;
- significantly improves the efficiency of expenditure by driving value for money in procurement;
- mitigate risks including drought, fire and flooding; and
- ensure long-term fiscal sustainability replenishing provincial reserves.

The 2022/23 Budget will spend R76.8 billion across the five districts and the metro in the Western Cape as follows: R8.7 billion in the Cape Winelands District; R3.8 billion in the West Coast District; R6.4 billion in the Garden Route District; R2.8 billion in the Overberg District; R989 million in the Central Karoo District; and R54.2 billion in the City of Cape Town.

To further support municipalities to drive economic growth, a new Municipal Ease of Doing Business Fund will be launched, which will allocate R10 million to projects which reduces red tape in municipalities in the Western Cape.

The budget also allocates an additional R30 million over the medium term to strengthen forensic investigation capability, and legal services capability, in the municipal space in order to support clean governance.

These priority objectives are as relevant to the local government space as it is to the Western Cape as a whole and has informed the formulation of the 2022 SIME theme i.e., Enabling Sustainability and Growth. Municipalities are urged to familiarise themselves with the fiscal strategy underlining the 2022 WCG MTEF Budget and to take cognisance of the Provincial expenditure allocations (including infrastructure investments) within the respective municipal areas. The allocations to be made per school and per hospital in the province, as well as those by Casidra and CapeNature, will be finalised and published in April 2022. The 2022 Main Budget documentation can be found here:

<https://www.westerncape.gov.za/provincial-treasury/news/western-cape-budget-202223>

4. NATIONAL AND PROVINCIAL BUDGET GUIDELINES

Municipalities are advised to consult MFMA Circulars No. 112 (2021) and No. 115 (2022) as well as the Provincial Treasury Circular No. 1/2022 (24 January 2022) for guidance in respect of planning and budgeting towards the 2022 MTREF.

Municipalities MUST include the National and Provincial Treasury 2022 Budget Circulars as part of the source documents consulted in the preparation of the 2022 MTREF Budget documents and table it as part of the budget documentation in the municipal council.

The NT and PT circulars provide guidance to municipalities on revenue, expenditure and accounting related matters for consideration when compiling their 2022/23 MTREF budgets. Although municipalities must thoroughly scrutinise these circulars in their own time, PT wishes to highlight the following key consideration:

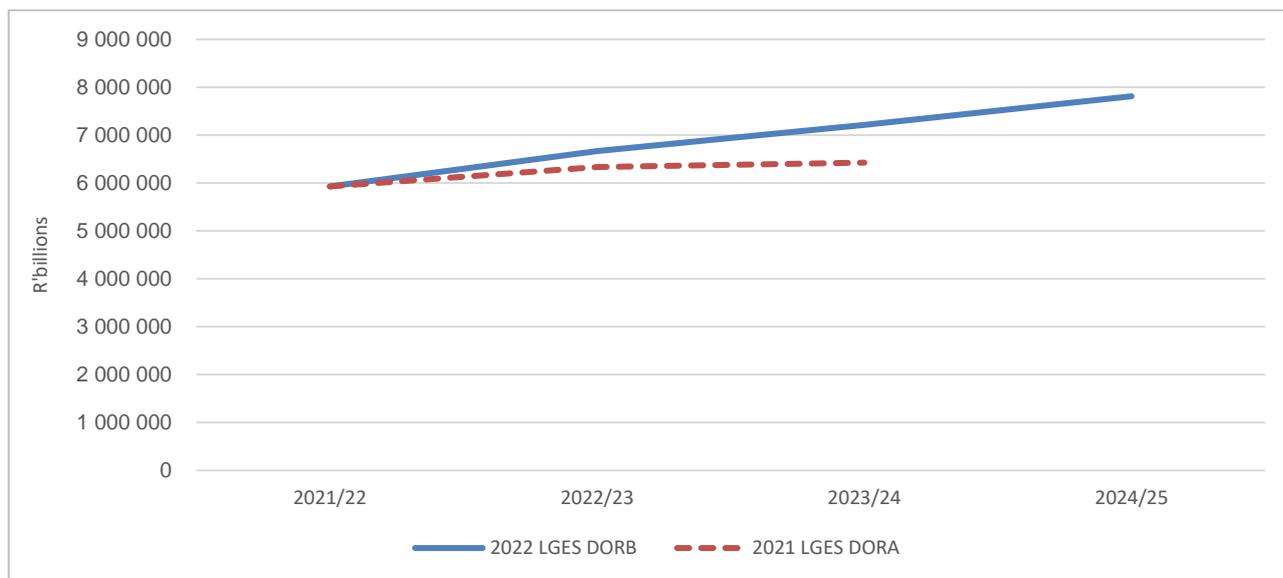
4.1 Direct Transfers to Local Government

The Division of Revenue Bill (DORB) was published on 23 February 2022, following the tabling of the 2022 National Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published therein. Note that in terms of the outer year allocations (2023/24 and 2024/25) it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website at the following link:

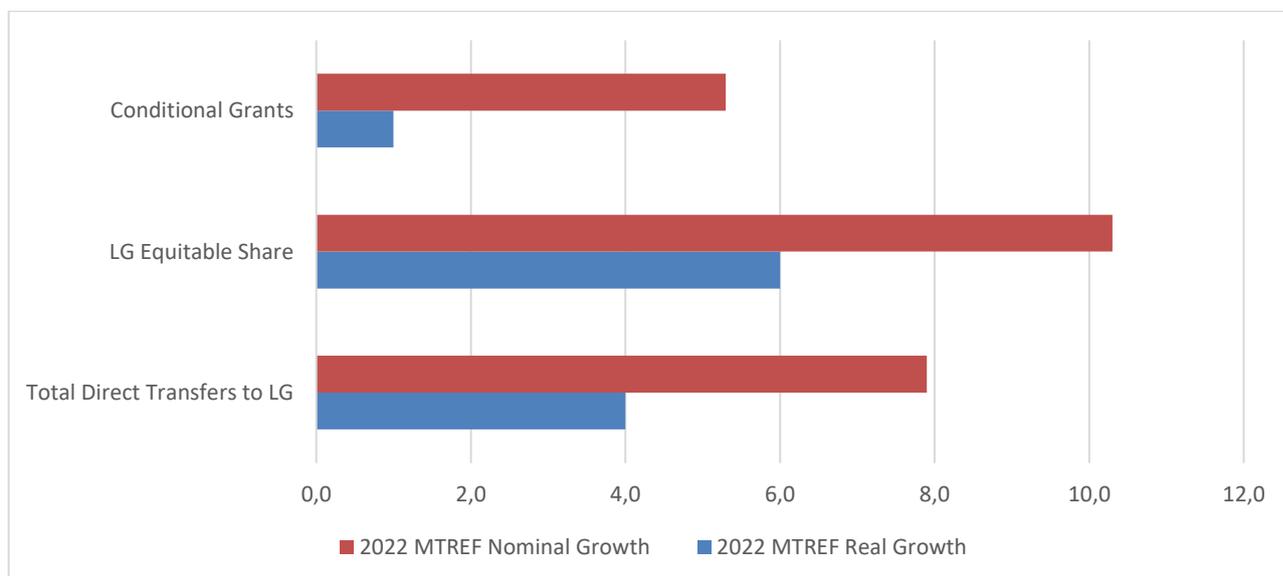
<http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx>

According to the DORB, direct transfers to municipalities will grow at an annual average rate of 7.9 per cent over the 2022 MTREF; direct conditional grants at 5.3 per cent, while the local government equitable share (LGES) will grow at 10.3 per cent on average per annum over this period. These growth rates are all above the inflationary estimates provided above.

Graph 1: Equitable Share Estimates, 2021 DORA vs 2022 DORB



Graph 2: Nominal vs Real LGES Growth across the 2022 MTEF



Source: Financial and Fiscal Commission; National Treasury, 2022

The two graphs above illustrate the impact of the significant additions to the equitable share over the MTEF. Graph 1 compares projected allocations in the 2021 DoRA with the new allocations in the 2022 DoRA. Graph 2 provides a comparison of average annual LGES growth rates in real and nominal terms for the 2022 MTREF allocations. When adjusted for inflation, the overall allocations to local government (equitable share, direct grants as well as fuel levels) show strong positive growth. This will help municipalities to offset the ever-increasing cost of basic services. The higher than inflation growth of allocations in the local government equitable share ensures that it fully compensates for the annual data updates made to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTREF. Growth in conditional grant allocations has been more modest.

An amount of R28.9 billion has been added to the LGES allocation over the MTREF to increase coverage for the provision of free basic services. Municipal budgets should demonstrate how the additional funds they have been allocated are being used to sustain and/or expand the provision of basic services to poor households. Municipalities are advised to prioritise ensuring that the full cost of providing free basic services to existing indigent households are fully covered before providing for expanded services.

Municipalities must be mindful that the Equitable Share is primarily meant to fund basic municipal services to indigents. Municipalities must ensure that monies are used for the purpose they were allocated for.

4.2 Salary and Wage Considerations

In line with the 2021 Multi-year Salary and Wage Collective Agreement for the 2022/23 financial year, and as instructed by the South African Local Government Bargaining Council Circular 1 of 2022 (9 March 2022), salary and wage increases shall, as of 1 July 2022, be as follows:

- In terms of Clauses 6.4 and 6.5, the salary and wage increase shall be 4.9 per cent.
- In terms of clause 7.2, the minimum wage shall increase to R9 043.21.
- In terms of clause 9.1.2, the flat rate homeowners' allowance shall increase to R1 011.77.
- In terms of clause 10.1.2, the medical aid maximum employer contribution shall increase to R5 007.00.
- In terms of clause 11.1, all benefits linked to salary shall increase by 4.9 per cent.

Municipalities that cannot afford to implement the above, may in terms of Clause 15 of the Agreement, apply for exemption. Municipalities that want to apply for exemption are requested to inform SALGA of such a decision as soon as possible, but not later than 31 May 2022.

4.3 Eskom Bulk Tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they have in their Multi-Year Price Determination (MYPD 5) applied for much higher tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA has, after deliberation, approved a 9.61 per cent tariff increase for Eskom starting from April 2022 and includes the 2022/23 tariff approval of 3.49 per cent.

NERSA's "Municipal Tariff Guidelines Increases, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2021/22 financial year" publication should be consulted before the tabling of the budgets. This guideline will include the maximum increase for tariffs for municipal consumers. Municipalities that table their budgets before the NERSA Guideline is published are advised to base their electricity tariff increases in their tabled budgets on the 9.6 per cent increase published for Eskom customers for the 2022/23 national financial year. Municipalities can then update with the corrected tariff for the 2022/23 municipal financial year as published in the NERSA Guideline when they finalise their budgets for adoption.

4.4 Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Municipalities are reminded to develop council approved Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&W) reduction plans as advocated for by MFMA Circular No.111 of November 2021. These reduction plans must align to the targets outlined in the 2019 – 2024 Medium Term Strategic Framework (MTSF). Progress reporting against these plans must be institutionalised as part of the monthly section 71 process to enable effective monitoring and oversight by National and Provincial Treasury, in addition to the reporting to the MEC for Local Government that is already required.

4.5 Unspent conditional grant funds for 2021/22

Municipalities must familiarise themselves with the provisions of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA), read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), which outlines the process to be followed in dealing with unspent conditional grant funding for 2021/22.

Noteworthy action steps and deadlines are briefly as follows:

- Roll-over applications must be submitted to NT by no later than 31 August 2022.
- Outcomes of the roll-over application process will be communicated to municipalities by 21 October 2022.
- Specific unspent grant amounts will be communicated by 8 November 2022 whereafter municipalities will have until 18 November 2022 to return the funds in question to the National Revenue Fund (NRF).
- Any unspent conditional grant funds that should have, but are not repaid to the NRF by 18 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's equitable share allocation transfer on 07 December 2022.

When requesting a rollover in terms of section 21(2) of the 2021 DoRA, municipalities must include the information as outlined in section 8.1 of the MFMA Budget Circular 115 with their submission to NT.

Provincial Treasury will shortly issue a circular to guide municipalities in terms of unspent provincial grant allocations for 2021/22 and the roll-over process that should be followed.

4.6 Provincial Conditional Grant Allocations

Total departmental transfers to local government in the Western Cape will in 2022/23 amount to R2.591 billion which equates to a 20.7 per cent decrease from R3.266 billion in 2021/22 (revised estimates). Looking forward, transfers will decrease towards 2023/24 (-0.04 per cent) and 2024/25 (-6.3 per cent). The decline is because of significant amounts being retained by the Department of Human Settlements across the MTREF.

The structure of provincial grants to municipalities remains largely the same as it has been in previous years. Municipalities were briefed on proposed changes to grants in a CFO Forum Technical Engagement workshop on 21 February 2022.

Two of the grants previously transferred by Provincial Treasury have been merged into a consolidated new Western Cape Financial Management Capability Grant. Details of this and all other conditional grants were published in Provincial Gazette 8566 (14 March 2022) and can be accessed at:

<https://www.westerncape.gov.za/provincial-treasury/news/western-cape-budget-202223>).

Municipalities must ensure that the provincial transfer receipts detailed in their budgets, align to the Provincial Gazette.

4.7 Municipal Standard Chart of Accounts

The 2022 MTREF budgets must be compiled making use of Version 6.6.1 of the mSCOA Chart, which will come into effect on 01 July 2022.

Municipalities must take note of the technical changes to the new version of the chart and follow the guiding recommendations made by NT (within MFMA Circular 115) insofar the successful completion of the budget is concerned.

Municipalities are reminded to complete the D-Forms required by NERSA. National Treasury is currently looking into how the mSCOA data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules are being introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional rules are outlined in NT MFMA Circular 115.

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA. The course covers fundamentals of mSCOA, system and reporting requirements and budgeting and transacting on the mSCOA chart. Municipalities are reminded to budget for the course in their 2022/23 MTREF budgets.

5. OTHER MATTERS

5.1 Performance Reporting Obligations: Implementation of MFMA Circular 88 (2017) for the 2022/23 municipal financial year

Municipalities are once again reminded to familiarise themselves with MFMA Circular No. 88 of 2017, its accompanying annexures and subsequent addendums which provide guidance to municipalities on the adoption and internalisation of a common set of performance indicators. Experience since the 2018/19 implementation of the original circular has shown that the on-going planning, budgeting and reporting reforms process is complex and requires sufficient time and change management for incremental roll-out, growth and institutionalisation.

Addendum 2 (released in December 2020) introduced a significant shift in the reforms in four respects: 1) it more closely integrates and guides planning, budgeting and reporting reforms; 2) it significantly expands and revises the set of MFMA Circular No. 88 indicators applicable to metropolitan municipalities; 3) it expands the application of the reforms and the indicators to differential categories of municipalities and levels of readiness, for application in 2021/22 MTREF cycle going forward; and 4) it introduces evaluations in the context of these reforms.

For immediate implementation purposes, municipalities should be able to identify the indicators in Appendix A to Addendum 2 that are listed as Tier 1 or Tier 2 for their category of municipality and start establishing baselines for those measurements (if they are not already being tracked). Understanding the standard definitions will require engaging with the technical indicator descriptions (TID) in Appendix B to Addendum 2. Municipalities should be able to navigate Appendix A without any further guidance to understand what is going to apply to them for the 2022/23

financial year and be able to refer to Appendix B to get the detail on the standard formulation of each indicator.

Importantly, please note that intermediate cities, districts and local municipalities will still not yet for 2022/23 be required to incorporate these indicators in their IDPs and SDBIPs. Instead, the relevant indicators should be included as an annexure to the IDP and SDBIP. Although the indicators do not formally have to be included in the IDP/SDBIP, municipalities will be required to report on performance against said indicators on a quarterly and annual basis. Municipalities are therefore advised to put in place the necessary standard operating procedures and portfolios of evidence to ensure timeous reporting throughout 2022/23 to ultimately strengthen the link between planning, budgeting and reporting. Please do note that the roll-out process currently remains a pilot project. Reporting against these indicators will as such not be audited for 2022/23.

6. 2022/23 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS (SIME) PROCESS

6.1 Municipal Budget Day

According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget at a council meeting at least 90 days (i.e. by 31 March 2022) before the start of the budget year.

It is important to note that there is no explicit requirement for council to endorse or approve the tabled budget or draft IDP tabled by the mayor for public participation. The municipal council only has the legal authority to consider a tabled budget and draft IDP after the completion of one or more public participation processes undertaken pursuant to Section 22, read with section 23 of the MFMA. Council will only consider for approval "*the product of an inclusive budget preparation and consultative process*" when the proposed annual budget (as amended, if applicable) is tabled before council in terms of section 24(1) of the MFMA.

Given that the preparation, consultation, adoption and implementation of a municipality's annual budget is inextricably linked to, and must be substantially aligned to and informed by the contents of that municipality's IDP, it would be procedurally flawed for the mayor to proceed with the tabling of the proposed annual budget (and commence with public participation process required in terms of section 22 of the MFMA) at a time when the municipality's draft IDP has not been completed.

6.2 Consequence Management

If a municipality has failed to complete the relevant processes applicable for the review and revision of the annual budget and the compilation of an IDP in time for the deadline applicable to the tabling of the proposed annual budget (i.e. 31 March), the mayor must submit an application for an extension of the said deadline. As per section 27 of the MFMA, the mayor of a municipality must, upon becoming aware of any impending non-compliance by the municipality of any provisions of the Act or any other legislation pertaining to the tabling or approval of the annual budget or compulsory consultation processes, inform the MEC for Finance in the province in writing of any impending non-compliance.

If the impending non-compliance pertains to a time provision, except section 16(1) of the MFMA, the mayor may apply to the MEC for Finance for an extension, which must be in accordance with Schedule G of the Municipal Budget and Reporting Regulations (MBRR). In addition to the requirement to inform the MEC of impending non-compliance with the MFMA, mayors and accounting officers are requested to inform PT should they have reasons to believe that their municipality's budget might not be tabled/approved timeously due to dynamics in council. This will

enable PT to engage with municipal officials to prepare for any possible action (including in terms of 139(4) of the Constitution) that may be required if a budget is not adopted.

In the event of actual non-compliance by a municipality with time provisions concerning the annual budget, the mayor must inform council, the MEC for Finance and NT, in writing, of such non-compliance and any remedial action or corrective measures the municipality intends to implement. Such a notification must be done in accordance with section 63 and Schedule G of the MBRR.

Municipalities are cautioned that any delay to table the budget in terms of section 16(2) of the MFMA could compromise the ability to approve the budget before the start of the financial year as required by section 16(1) of the MFMA. Failure to approve the budget before the start of the financial year will automatically invoke the provisions of sections 25(1) and 55 of the MFMA. Should a municipality not approve the budget by the start of the new financial year, the provincial executive MUST intervene in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or revenue-raising measures are approved. These steps include, but are not limited to, dissolving council and appointing an administrator and approving a temporary budget or revenue raising measures to provide for the continued functioning of the municipality.

Municipalities are kindly requested to communicate any changes to the confirmed tabling dates (as it appears in **Appendix A**) to PT via Tania.Bosser@westerncape.gov.za by **23 March 2022**.

6.3 Submitting budget documentation and schedules for 2022/23 MTREF

Section 22 (b)(i) of the MFMA requires that, immediately after an annual budget is tabled in municipal council, it must be submitted to NT and the relevant provincial treasury. If the annual budget is tabled in council on 31 March 2022, the **final date of submission of the electronic budget documents and corresponding mSCOA data strings is Friday, 01 April 2022**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the mSCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to NT and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Wednesday, 01 June 2022**.

The accompanying document submission checklist (**see Appendix B**) provides a list of the documentation required by Provincial Government. Electronic budget related documents must be provided in PDF format. The designated municipal official needs to complete and sign the accompanying checklist (**Appendix B**) as confirmation that the set of budget, IDP and related documents have been submitted.

Municipalities should note that NT will no longer accept submissions by email, NT will now only accept uploads via the GoMuni portal. The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 (2021), via the **GoMuni Upload Portal**. The upload portal can be accessed on <https://lguploadportal.treasury.gov.za> from 01 April 2022. All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to

lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under *New Registrations*.

Municipalities must also submit electronic documents to **Provincial Treasury** to: MFMA.MFMA@westerncape.gov.za or if too large (exceeds 3 MB), must be submitted via One Drive. Instructions for uploading the budget and related documents via **One Drive** are provided in **Appendix C**. Provincial Treasury will engage further with NT and municipalities to establish whether in future it is feasible for documentation to only be uploaded to the GoMuni portal. At present, municipalities are still required to separately submit all documentation to PT (as required in the MFMA).

If municipalities require advice with the compilation of their respective budgets, they should direct their enquiries to the following WC Provincial Treasury officials:

Directorate	Official	Tel. No.	Email
MFMA Co-Ordination	Steven Kenyon	021 483 0811	Steven.kenyon@westerncape.gov.za
Public Finance	Isaac Tsie	021 483 6241	Isaac.Tsie@westerncap.gov.za
	Thobelani Ntshingila	021 483 6100	Thobelani.Ntshingila@westerncape.gov.za
Budget Office	Malcolm Booysen	021 483 3386	Malcolm.Booyesen@westerncape.gov.za
	Dian Cronje	021 483 0390	Dian.Cronje@westerncape.gov.za
Fiscal Policy	Shafeeqa Davids	021 483 9192	Shafeeqa.Davids@westerncape.gov.za
Accounting	Faez Salie	021 483 4252	Faez.Salie@westerncape.gov.za

Municipalities may also contact the following officials at NT for assistance.

Responsible Area	Official	Tel. No.	Email
Western Cape	Willem Voigt	012 315 5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012 315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012 315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012 406 9064	lgdataqueries@treasury.gov.za

6.4 Publication of budgets on municipal website

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the Municipality's website. This will aid in promoting public accountability and good governance.

6.5 Strategic Integrated Municipal Engagement (SIME) Process

Integrated planning and budgeting focusses on strengthening the alignment of planning and budgeting in the Province, and places particular emphasis on enhancing the provincial and local government interface. The SIME engagements, which takes place in May 2022, precedes the approval and implementation of municipal budgets. The engagements afford the WCG the opportunity to provide feedback on its assessment of the municipal planning and budgeting efforts for the upcoming financial year and for the 2022 MTREF.

The assessments are based on compliance and performance information obtained from the Western Cape Monitoring and Evaluation System (WCMES) as well as an assessment on conformance, responsiveness, credibility, and sustainability of the municipality's draft budget, IDP, SDF and supporting plans. It is therefore important that all Municipalities timeously submit all the required information. The assessment of the tabled IDPs will be undertaken by the Department of Local Government, in close contact with all relevant sector departments in the Province impacting on municipalities, to ensure alignment between the IDPs and all the Provincial strategic priorities and plans.

The SIME engagements will primarily focus on strategic issues emanating from municipalities' draft IDPs and tabled annual budgets to gear municipalities for sustainable growth and development.

The overall objectives of the 2022/23 SIME process and the key messages therefore emphasises:

- Aligning strategic intent as encapsulated within the Integrated Development Plans (IDP) and municipal budgets to create public value based on the community needs/priorities identified through the public participation processes;
- Safeguarding of municipal sustainability by ensuring that municipalities table funded budgets and the strengthening of municipal financial management;
- Ensure optimal and targeted service delivery through strategic spatial planning and alignment;
- Deepening of an integrated approach to service delivery with the intention of creating synergies through the consolidation/concentration of resources across all spheres of government;
- Identification of areas that require support as well as opportunities for collaboration and partnerships.

The 2022 SIME engagements are planned to be in person, with a hybrid approach where officials can also join in via Microsoft Teams where such facilities can be accommodated by the municipality. Confirmation of the arrangements will be confirmed individually with each municipality.

- The SIME engagements are provisionally scheduled to take place from 3 May 2022 to 18 May 2022, subject to confirmation from the municipalities. PT will communicate with each Municipality on an individual basis to confirm the date and time of the engagement.

7. CONCLUSION

Municipalities should consider and apply the contents of this budget circular in the 2022/23 planning and budgeting process.

Please direct any queries regarding this circular to Dian Cronje at:

Dian.Cronje@westerncape.gov.za.

DR R HAVEMANN

DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES

DATE: 18 March 2022

CONFIRMED 2022 BUDGET TABLING DATES

Municipality	Confirmed date
City of Cape Town	Thursday, 31 March 2022
Matzikama	Tuesday, 29 March 2022
Cederberg	Thursday, 31 March 2022
Bergrivier	Tuesday, 29 March 2022
Saldanha Bay	Thursday, 31 March 2022
Swartland	Thursday, 31 March 2022
West Coast District Municipality	Friday, 25 March 2022
Witzenberg	Wednesday, 30 March 2022
Drakenstein	Wednesday, 30 March 2022
Stellenbosch	Wednesday, 30 March 2022
Breede Valley	Tuesday, 29 March 2022
Langeberg	Thursday, 31 March 2022
Cape Winelands District Municipality	Thursday, 24 March 2022
Theewaterskloof	Wednesday, 30 March 2022
Overstrand	Wednesday, 30 March 2022
Cape Agulhas	Tuesday, 29 March 2022
Swellendam	Thursday, 31 March 2022
Overberg District Municipality	Monday, 28 March 2022
Kannaland	Thursday, 31 March 2022
Hessequa	Friday, 18 March 2022
Mossel Bay	Thursday, 31 March 2022
George	Friday, 25 March 2022
Oudtshoorn	Thursday, 31 March 2022
Bitou	Thursday, 31 March 2022
Knysna	Wednesday, 30 March 2022
Garden Route District Municipality	Tuesday, 29 March 2022
Laingsburg	Wednesday, 30 March 2022
Prince Albert	Tuesday, 29 March 2022
Beaufort West	Thursday, 31 March 2022
Central Karoo District Municipality	Monday, 28 March 2022

DOCUMENT SUBMISSION CHECKLIST FOR THE 2022/23 TABLED INTEGRATED DEVELOPMENT PLAN, BUDGET, AND RELATED DOCUMENTATION

MUNICIPALITY: _____

In completing and signing the Budget and IDP documentation checklist below, the municipality confirms that Schedule A1 **complies with the Municipal Budget and Reporting Regulations (MBRR)** and that the main tables and the relevant supporting tables (as listed below) are in **version 6.6.1** of Schedule A1 and **drawn directly from the municipal financial system**.

The Integrated Development Plan as set out in Section 26, 32 and 34 of the Local Government: Municipal Systems Act, No 32 of 2000 and Regulations (MSA) and Section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

The Spatial Development Framework, Disaster Management Framework and additional documents must be submitted as required in terms of budget circulars.

Budget Documentation	Yes	No	N/A
Council Resolution in terms of the Tabled Budget			
The Budget Documentation as set out in the MBRR. The Budget Document must include the main A1 Schedule Tables (A1-A10)			
The non-financial supporting tables A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 and any information not contained in the financial data string in <u>the A1 in the prescribed mSCOA data string in the format published with Version 6.6.1 of the A1 schedule</u>			
Draft Service Delivery and Budget Implementation Plan			
Procurement Plan			
Draft Service Level Standards			
Signed Quality Certificate as prescribed in the MBRR			
D Schedules specific for the entities (where applicable)			
Budget Related Policies			
Information on any amendments to budget related policies			
Suite of budget related policies			
IDP and Related Documentation			
Council Resolution in terms of the IDP			
Draft Integrated Development Plan			
If the predecessors IDP with amendments, the draft memorandum referred to in Regulation 3(2) of the Local Government: Municipal Planning and Performance Management Regulations of 2001			
If a District Municipality, the IDP District Framework according to Section 27 of the MSA			
Process Plan according to Section 28 of the MSA			
Spatial Development Framework			
<i>Council Resolution in terms of the adoption of the Spatial Development Framework</i>			
Applicable Disaster Management Plan			
<i>Council Resolution in terms of the adoption of the Disaster Management Plan</i>			

Budget Documentation	Yes	No	N/A
Integrated Waste Management Plan			
<i>Council Resolution in terms of the adoption of the Integrated Waste Management Plan</i>			
Air Quality Management Plan			
<i>Council Resolution in terms of the adoption of the Air Quality Management Plan</i>			
Coastal Management Plan <i>(Coastal Municipalities only)</i>			
<i>Council Resolution in terms of the adoption of the Coastal Management Plan</i>			
Biodiversity Management Plan <i>(if relevant)</i>			
Invasive Species Monitoring, Control and Eradication Plan			
Climate Change Strategy			
Human Settlement Plan			
Local Economic Development Strategy			
Water Services Development Plan			
Storm Water Master Plan			
Integrated Transport Plan			
Electricity Master Plan			
Infrastructure Growth Plan			
Workplace Skills Plan			

MUNICIPAL REPRESENTATIVE:

Designation: _____

Name: _____

Signature: _____

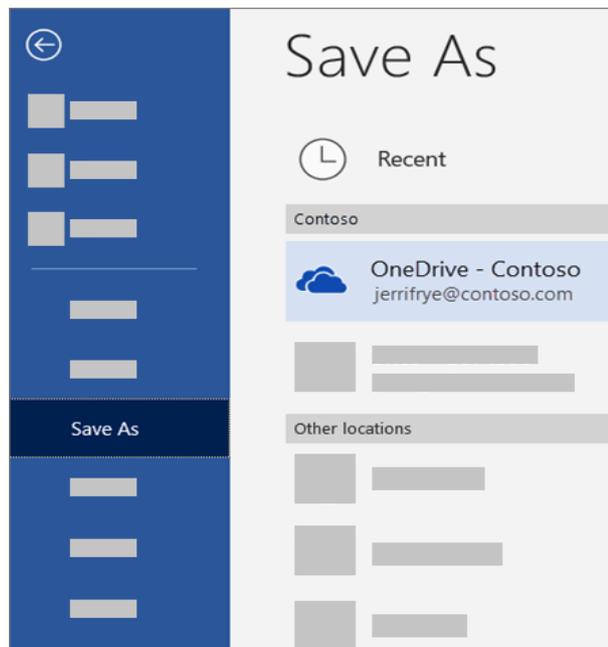
Date: _____

The following instructions provide a guide for the upload of budget documentation onto OneDrive.

● **How to upload documents to One drive:**

You can use this option if you have OneDrive linked to your Microsoft Office or Office 365

1. In any Office document, select File > Save As, choose your OneDrive, and then pick the folder where you want to save the file. Create a new folder (e.g. DC1 2022 Budget Documents) and place all the budget related documents within it.



2. To share the link to that folder, Go into OneDrive
3. Select the file that you want to share and right click on it
4. Choose "share"
5. Ensure that sharing is defaulted to "Anyone with the link can edit"
6. Enter the MFMA email address: MFMA.MFMA@westerncape.gov.za and email addresses of anyone else that you want to share the link with.
7. Click the Share Button

File names in following sequence for budget related documents to be submitted to MFMA:

- Demarcation code
- "ccyy" century and year (eg.2022)
- Name of document submitted (e.g. Draft Budget, Draft IDP, Draft SDBIP etc.)

E.g.: DC1 2022 Draft IDP

E.g.: DC1 2022 MTREF Main Budget

E.g.: DC1 2022 Draft SDBIP



A municipality that cares for its community, creating growth and opportunity!

Budget Related Policies 2022/2023



INDEX

- Budget Policy
- Tariff Policy
- Property Rates Policy
- Credit Control and Debt Collection Policy
- Cash Management and Investment Policy
- Consumer Payment Incentive Policy
- Petty Cash Policy
- Indigent Policy
- Budget Virement Policy
- Asset Management Policy
- Funding and Reserves Policy
- Borrowing Policy
- Cellular telephone and data card policy
- Municipal Supply Chain Management Policy
- SCM Policy For Infrastructure Procurement
- Long Term Financial Plan Policy
- Transport- Travel- And Subsistence Allowance Policy
- Post-Employment Medical Aid Contribution Policy
- Infrastructure Investment Policy
- Cost Containment Policy



BUDGET POLICY

Date of implementation 01 July 2010

Adopted by Council 15/06/2010

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1. DEFINITIONS

"Accounting Officer"

(a) means the City Manager;

"Allocation", means

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget

- (a) approved by a municipal council in terms of section 24 of the MFMA, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and Reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including

- (a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of section 3 of the municipal property rates Act;
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;
- (d) the cash management and investment policy which the municipality must adopt in terms of section 13(2) of the Act;
- (e) a borrowing policy which must comply with Chapter 6 of the Act;
- (f) a funding and reserves policy;
- (g) a policy related to the long-term financial plan;
- (h) the supply chain management policy which the municipality is required to adopt in terms of section 111 of the Act;
- (i) any policies dealing with the management and disposal of assets;
- (j) any policies dealing with infrastructure investment and capital projects, including –
 - (i) the policy governing the planning and approval of capital projects; and
 - (ii) the policy on developer contributions for property developments;

- (k) the indigents policy of the municipality;
- (l) any policies related to the provision of free basic services;
- (m) any policies related to budget implementation and monitoring including –
 - (i) a policy dealing with the shifting of funds within votes;
 - (ii) a policy dealing with unforeseen and unavoidable expenditure; and
 - (iii) policies dealing with management and oversight;
- (n) any policies related to the managing electricity and water including -
 - (i) a policy related to the management of losses; and
 - (ii) a policy to promote conservation and efficiency;
- (o) any polices related to personnel including polices on overtime, vacancies and temporary staff;
- (p) any policies dealing with municipal entities, including –
 - (i) the service delivery agreement; and
 - (ii) the dividend preference of the municipality; and
- (q) any other budget-related or financial management policies of the municipality.

"**Budget transfer**" means transfer of funding within a function / vote.

"**Budget Year**" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"**chief financial officer**" means a person designated in terms of section 80(2) (a) of the MFMA;

"**councillor**" means a member of a municipal council;

"**creditor**", means a person to whom money is owed by the municipality;

"**current year**" means the financial year, which has already commenced, but not yet ended;

"**delegation**", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"**financial recovery plan**" means a plan prepared in terms of section 141 of the MFMA

"**financial statements**", means statements consisting of at least

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

"**financial year**" means a twelve months period commencing on 1 July and ending on 30 June each year

"**financing agreement**" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"**fruitless and wasteful expenditure**" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment", in relation to funds of a municipality, means

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"lender", means a person who provides debt finance to a municipality;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"long-term debt" means debt repayable over a period exceeding one year;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

"municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipality"

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"past financial year" means the financial year preceding the current year;

"quarter" means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

"**service delivery and budget implementation plan**" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate

- (a) projections for each month of
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"**short-term debt**" means debt repayable over a period not exceeding one year;

"**standards of generally recognised accounting practice**", means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board

"**unauthorised expenditure**", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes

- (a) overspending of the total amount appropriated in the 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" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

"**virement**" means transfer of funds between functions / votes

"**vote**" means

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

2. INTRODUCTION

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the executive mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.

3. OBJECTIVE

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to Witzenberg Municipality's IDP review and budget processes.

4. BUDGETING PRINCIPLES

- The municipality shall not budget for a cash deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.
- Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- Witzenberg Municipality shall prepare three-year budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council.
- The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan.

5. BUDGET PREPARATION PROCESS

5.1. Formulation of the budget

- (a) The Accounting Officer with the assistance of the Chief Financial Officer, Manager Financial Administration and the Manager IDP shall draft the IDP process plan as well as the budget timetable for the municipality including municipal entities for the ensuing financial year.
- (b) The executive mayor shall table the IDP process plan as well as the budget timetable to Council not later than 31 August of each year for approval (10 months before the start of the next budget year).

- (c) IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act, Municipal Budget and reporting regulations as well as the guidelines set by National Treasury.
- (d) The Executive Mayor shall convene a strategic workshop in September/October with the mayoral committee and senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality. The executive mayor shall table the IDP priorities with the draft budget to Council.
- (e) The Executive Mayor shall table the draft IDP and MTREF budget to council by 31 March of each year (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.
- (f) The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- (g) The budget must be in the prescribed format by National Treasury, and must be divided into capital and operating budget.
- (h) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- (i) The expenses reflected in the budget must be divided into items.
- (j) The budget must contain the information related to the two financial years following the financial year to which the budget relates, as well as the estimated revenues and expenses for the current year and the two prior year actual revenue and expenditures.

5.2. Public participation process

Immediately after the draft annual budget has been tabled, the municipality must convene hearings on the draft budget in April and invite the public, stakeholder organisations, to make representation at the council hearings and to submit comments in response to the draft budget.

5.3. Approval of the budget

- (a) Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- (b) The council resolution, must contain budget policies and performance measures be adopted.
- (c) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
- (d) The budget tabled to Council for approval shall include the following supporting documents:
 - i. draft resolutions approving the budget;
 - ii. and levying property rates, other taxes and tariffs for the financial year concerned;
 - iii. measurable performance objectives for each budget vote, taking into account the municipality's IDP;
 - iv. the projected cash flows for the financial year by revenue sources and expenditure votes;
 - v. any proposed amendments to the IDP;
 - vi. any proposed amendments to the budget-related policies;
 - vii. the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the accounting officer, the chief financial officer, and other senior managers;
 - viii. particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on;
 - ix. particulars of the municipality's investments; and

- x. various information in regard to municipal entities under the shared or sole control of the municipality

5.4. Publication of the budget

- (a) Within 14 days after the draft annual budget has been tabled, the Director must post the budget and other budget-related documentation onto the municipal website so that it is accessible to the public.
- (b) The Chief Financial Officer must within 14 days after the draft annual budget is tabled:
 - (i) submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website.
 - (ii) ensure that a newspaper advertisement is placed that the draft budget is available at the Municipal offices and available for comments.

5.5. Service Delivery and Budget Implementation Plan (SDBIP)

- (a) The Executive mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
- (b) The SDBIP shall include the following components:
 - (i) Monthly projections of revenue to be collected for each source
 - (ii) Monthly projections of expenditure (operating and capital) and revenue for each vote
 - (iii) Quarterly projections of service delivery targets and performance indicators for each vote
 - (iv) Ward information for expenditure and service delivery
 - (v) Detailed capital works plan broken down by ward over three years

6. CAPITAL BUDGET

- (a) Expenditure of a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and has a useful life in excess of one year.
- (b) The capital budget shall distinguish between replacement and new assets.
- (c) A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- (d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- (e) Before approving a capital project, the Council must consider:
 - (i) the projected cost of the project over all the ensuing financial years until the project becomes operational,
 - ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- (f) Before approving the capital budget, the council shall consider:
 - (i) the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
 - (ii) depreciation of fixed assets,
 - (iii) maintenance of fixed assets, and
 - (iv) any other ordinary operational expenses associated with any item on such capital budget.
- (g) Council shall approve the annual or adjustment capital budget only if it has been properly cash funded.
- (h) The capital expenditure shall be funded from the following sources:
 - (i) **Revenue or Surplus**
 - If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.

- If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.
- (ii) **External loans**
- External loans can be raised only if it is linked to the financing of an asset;
 - A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured;
 - The loan redemption period should not exceed the estimated life span of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
 - Interest payable on external loans shall be included as a cost in the operating budget;
 - Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

Capital Replacement Reserve (CRR)

- Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve shall be established from the following sources of revenue:
 - inappropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
 - interest on the investments of the CRR, appropriated in terms of the investments policy;
 - additional amounts appropriated as contributions in each annual or adjustments budget; and
 - interest on investments of unutilised grants;
 - only VAT claimed back on grants and subsidies; and
 - Sale of land and profit or loss on the sale of assets.
- Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;
- If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;
- Transfers to the CRR must be budgeted for in the cash budget

Grant Funding

- Non capital expenditure funded from grants
 - must be budgeted for as part of the revenue budget;
 - Expenditure must be reimbursed from the funding creditor and transferred to the operating and must be budgeted for as such.
 - Capital expenditure must be budgeted for in the capital budget;
- Grant funding does not need to be cash backed but cash should be secured before spending can take place.
- All unutilized grants received must be ring fenced and cash backed by means of an investment.

7. OPERATING BUDGET

- (a) The municipality shall budget in each annual and adjustments budget for the contribution to:
- (i) provision for accrued leave entitlements equal to 100% of the accrued leave entitlement of officials as at 30 June of each financial year,
 - (ii) provision for the impairment of debtors taking into account prior year, current year improvements and future improvement in debt collection percentages.
 - (iii) provision for the obsolescence and deterioration of stock in accordance with its stores management policy
 - (iv) Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
 - (v) At least 5% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance.
- (b) When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- (c) The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- (d) The operating budget shall reflect the impact of the capital component on:
- depreciation charges
 - repairs and maintenance expenses
 - interest payable on external borrowings.
 - other operating expenses.
- (e) The chief financial officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.

8. FUNDING OF CAPITAL AND OPERATING BUDGET

- (a) The budget may be financed only from:
- (i) realistically expected revenues, based on current and previous collection levels;
 - (ii) cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
 - (iii) borrowed funds in respect of the capital budget only.

9. UNSPENT FUNDS / ROLL OVER OF BUDGET

- (a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- (b) Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- (c) Conditions of the grant fund shall be taken into account in applying for such roll over of funds
- (d) Application for roll over of funds shall be forwarded to the budget office by the 15th of April each year to be included in next year's budget for adoption by Council in May.
- (e) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made at least 30 days (31 May each year) prior the end of that particular financial year.
- (f) No unspent operating budget shall be rolled over to the next budget year

10. BUDGET TRANSFERS AND VIREMENTS

Budget transfers and veriments are dealt with in terms of the councils Budget Veriment Policy.

11. ADJUSTMENT BUDGET

Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.

- (a) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- (b) Council may revise its annual budget by means of an adjustments budget in terms of section 28 of the MFMA and according to the timelines of the Municipal Budget and reporting regulations section 23.
- (c) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- (d) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.
- (e) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- (f) An adjustments budget must contain all of the following:
 - (i) an explanation of how the adjustments affect the approved annual budget;
 - (ii) appropriate motivations for material adjustments; and
 - (iii) an explanation of the impact of any increased spending on the current and future annual budgets.
- (g) Any inappropriate surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget, but shall be appropriated to the municipality's capital replacement reserve.
- (h) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- (i) Unauthorised expenses may be authorised in an adjustments budget.
- (j) In regard to unforeseen and unavoidable expenditure, the following apply:
 - (i) the Executive mayor may authorise such expenses in an emergency or other exceptional circumstances in terms of Section 29 of the MFMA;
 - (ii) the authorized amount may not exceed 4 % of the approved own revenue included in the annual budget in respect of such unforeseen and unavoidable expenses;
 - (iii) these expenses must be reported by the Executive mayor to the next Council meeting;
 - (iv) the expenses must be appropriated in an adjustments budget; and
 - (v) Council must pass the adjustments budget within sixty days after the expenses were incurred.

k) New Projects may not be added during the financial year unless it falls within the ambit of unforeseen and unavoidable expenditure and/or an additional allocation received

Funds for SDBIP projects or items may not be removed from the budget through an adjustments budget process unless:

- the necessity thereof is as a consequence of funds that is no longer available or
- a significant reduction in the collection rate substantiates and justifies the removal and
- performance agreements have been amended prior to the removal thereof.

12. BUDGET IMPLEMENTATION

12.1 Monitoring

- (a) The accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
- funds are spent in accordance with the budget;
 - expenses are reduced if expected revenues are less than projected; and
 - revenues and expenses are properly monitored.
- (b) The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Executive mayor for consideration and tabling to Council.
- (c) The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

12.2 Reporting

12.2.1 Monthly budget statements

- (a) The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Executive mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- (i) actual revenues per source, compared with budgeted revenues;
 - (ii) actual expenses per vote, compared with budgeted expenses;
 - (iii) actual capital expenditure per vote, compared with budgeted expenses;
 - (iv) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - (v) the amount of allocations received, compared with the budgeted amount;
 - (vi) actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - (vii) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
 - (viii) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
 - (ix) projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.
- (b) The report to the National Treasury must be both in electronic format and in a signed written document.

12.2.2 Quarterly Reports

- (a) The Executive mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

12.2.3 Mid-year budget and performance assessment

- (a) The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- (b) The Accounting officer must then submit a report on such assessment to the Executive mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- (c) The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

13. CONCLUSION

The Director Corporate Services must place on the municipality's official website the following:

- the annual and adjustments budgets and all budget-related documents;
- all budget-related policies;
- the integrated development plan
- the annual report;
- all performance agreements;
- all service delivery agreements;
- all long-term borrowing contracts;
- all quarterly and mid-year reports submitted the Council on the implementation of the budget and the financial state of affairs of the municipality.



TARIFF POLICY

Date of implementation: 1 July 2010

Reviewed and amendments by Council on:

20/04/2011

31/05/2012

29/05/2013

28/05/2014

30/05/2017

30/05/2019

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1. Introduction

Every Municipality is responsible for the drafting and annual revision of a tariffs policy within the framework provided by the Act on Municipal Systems.

2. Purpose

The purpose of the policy is to ensure that:

- o the provisions of section 74 of the Act on Municipal Systems (Act 32 of 2000) are complied with;
- o a properly documented policy is in place to determine how the tariffs of the Witzenberg Municipality are to be determined; and
- o the tariffs are realistic and affordable.

3. Principles

The determination of tariffs should in all instances be based on sound economic principles. The Council's input is to ensure that the tariffs policy be reviewed and modified during the annual budgetary process.

3.1 Basic principles

The following principles, in addition to those enunciated in section 74 of Act 32 of 2000, were considered:

- o Equalisation within the shortest possible time
- o Affordability of service
- o Discouragement of wastage through pricing mechanisms
- o Ensuring adequate cash flow
- o Simple and understandable structure
- o Justifiable structure
- o Transparent structure

3.2 The Municipal account

The accounts for property rates and services may not be viewed in isolation. They must be approached collectively in order to determine the most affordable amount to be paid by different clients as a total account.

3.3 Credit control

It is not possible to successfully calculate a tariffs structure without considering the provisions of an effective credit control system. Similarly, a credit control system cannot function without a sound tariffs policy drafted in support of the problems of indigent persons.

3.4 Costs of the provision of services and the calculation of tariffs

Tariffs must be capable of recovering the costs of the provision of a service. If a service should be run at a loss, there will by necessity have to be cross-subsidising from other services. It is therefore imperative that the tariffs for each service be accurately calculated and that the correct tariffs structure is accepted and implemented.

3.5 Socio-economic factors

As a result of non-payment, local authorities are experiencing problems with their cash flow. One of the most important reasons for non-payment is the failure of tariffs structures to make proper allowance for the socio-economic circumstances of the communities involved. The implementation of pre-paid electricity, as well as “free” water and electricity, partially address this problem.

Clients have been divided into the following categories:

- o Clients unable to make any contribution towards the provision of services and who have to be subsidised fully.
- o Clients who can afford a partial contribution and who need only to be subsidised partially.
- o Users who can fully afford the services.

It is important to identify these categories and to plan the tariffs structures accordingly. The subsidies are derived from two sources, namely:

- o Contributions by the State – The State determine the extent of these contributions from year to year and may increase or lower the contribution, while the needs of the local authority increase annually.
- o Contributions from Municipal funds – These funds must be budgeted for.

Services may also be subsidised from a combination of the aforementioned funds.

The tariffs structure has been compiled in the following manner in order to make provision for subsidising:

- o Fully subsidised in terms of the Indigent policy
- o Full tariff payable.

3.6 Equalisation of principles

In order to accomplish the total legalisation of tariffs, the tariffs must as far as possible be standardised throughout the whole municipality. Unique circumstances of a particular town will, however, play a role in preventing the tariffs from being 100% identical throughout. The principles for the determination of the tariffs should however, never vary.

3.7 Phasing in of new tariffs structures

Time is needed for the phasing in of any new structure. In practice this will mean that different towns will be subjected to different tariff increases during the period of phasing in.

3.8 Profit-taking

The following goals for profit-taking are applicable within Witzenberg.

o	Electricity	-	Profit of 15%
o	Water	-	Profit of 15%
o	Sewerage	-	Profit of 0,5%
o	Refuse removal	-	Profit of 0,5%

3.9 Basic and Availability charges

Tariffs are set in a manner that will ensure sustainability of the service. Therefore basic services charges and service availability charges are levied on every site whether the service is utilized or not. The aim is to recover all fixed costs and a portion of the variable cost of the relevant service

4. Tariffs structure

4.1 Electricity

The following directions of the NER were considered during the drafting of the electricity tariffs structure:

- Tariffs must be economically sustainable.
- Clients must be given a choice of tariffs.
- The tariffs should be based on the costs of delivery, while also complying with the guidelines laid down in NRS 058.
- The tariffs must be transparent and the level of cross-subsidising must be known.
- The tariffs must be comparable with the tariffs of neighbouring suppliers
- The tariffs must be conveniently administered and must reflect the standard of service provision.

NERSA suggested five categories of tariffs to form the basis of the tariffs structure.

Name of Tariff	Tariff Components			
	Minimum levy (Rand/client/month)	Energy levy (Cent/ kWh)	Duration of use of energy tariff (Cent/ kWh)	Demand tariff (Rand/KVA)
Singular energy tariff		√		
Dual tariff	√	√		
Dual time of consumption tariff	√		√	
Tripartite tariff	√	√		
Tripartite time of consumption tariff	√		√	√

The structuring of the tariffs structure for the provision of electricity, with due consideration of the NER directions, is based on the following principles:

- Structure is divided into client groups;
- A costing structure is allocated to each client group;
- Five tariffs structures and components were used as per the NER's directions;
- Profit-taking of the existing tariffs in the new structure;
- Phasing in of existing tariffs into new structure.

4.1.1 Client groups

The tariffs structure is divided into the following client groups:

- Residential clients
- Commercial clients
- Industrial clients
- Rural clients
- Large-scale clients

The classification of the client is left up to the client himself, and will largely be determined by the client's own needs.

- Street lights and sports bodies are identified as a special group.

4.1.2 Tariffs structures

The following tariffs are used:

- Availability tariff

This tariff is levied on all vacant premises with the potential of being linked to the municipal services.¹

The availability tariff is levied monthly or part thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

- Singular energy tariff

This structure is only available to clients who are residential, street lights or sports bodies. The tariff is based on the quantity kwh consumed. Provision is made for the following varying sizes of connections:

- Pre-paid meters up to 1 X 40A
- Single phase
- Three-phase

It is up to the client to decide which connection meets his particular requirements. Depending on the consumption of kWh, the client should decide whether a single-phased tariffs structure will suit his requirements better than a dual tariffs structure. The cut-off point is approximately 1 000kwh consumption.

- Dual tariff

This tariffs structure is available for commercial, rural and residential clients. The tariff consists of a minimum component and an energy component.

The minimum levy is a levy per month, or portion thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

The energy component is based on the kWh consumed from one reading to the next.

Two sizes of residential connections are provided:

- single phase
- three phase.

For the commercial client a distinction is made between single and three-phase supplies as well as between the following sizes per phase:

20A
40A
60A
80A
100A
150A
200A
250A

Rural clients are divided into smaller than 25KVA, larger than 25KVA but smaller than 50KVA and larger than 50KVA to a maximum of 100KVA. The energy tariff is divided into two tariffs, i.e. fewer than 1000 units and more than 1000 units during a period measured from one reading to the next.

¹ Amended by council on 28 May 2014

- Tripartite tariff

This tariffs structure is available to commercial, industrial, rural and large-scale clients.

As with the dual structure, the levies are based on a minimum as well as an energy levy. Additionally, however, a demand levy is imposed, based on the client's maximum demand during the previous month.

Within the groups, a distinction is made between:

- Bigger than 1MVA high tension
- Smaller than 1MVA high tension
- Low tension

- Tripartite tariff for time of use

This tariffs structure is exactly the same as the tripartite tariff. It is also available to the same groups of clients. The only difference is that the time of consumption is linked to the tariff. The client has to apply for this tariff, usually following a thorough examination by him.

- SSEG Tariffs

The Municipality aims to implement SSEG tariffs which both cover municipal costs (fixed and variable) in different tariff categories, and will also be cognizant of a reasonable return-on investment for the SSEG customer. The tariff will be implemented only once NERSA has approved such a tariff.

4.2 Water

4.2.1 Client groups

Recovery of the costs of the water service is not based only on consumption and the type of client, but also on the extent to which the client has access to the service and what the service must provide for, as well as the actual consumption. The principle of equity is taken into account when the client groups are classified.

Clients are classified in accordance with the size of their connections to the main supply. By classifying the client in accordance with the size of the connection, a more equitable basis for contributions towards costs is obtained than when a tariff is simply allocated to a certain type of consumer. In this way, cross-subsidising is largely eliminated.

2.2 Tariffs structures

The following tariffs structures will be in existence:

- Availability levy on all vacant premises within the town areas linked to the water network.
- Minimum levies for every size of connection with distinction being made between the following sizes:

Size of connections	Factor
Vacant premises	1.64
0-25mm	1.00

26-50mm	11.45
51-80mm	28.92
81-100mm	45.78
101-150mm	102.41
Client consuming > 20 000 kl./per month	2228.92
Un-metered connections	3.37

- The consumption tariff is a block tariff, with the client able to choose between block A and B:

- Block A**

Consumption	Factor
0-6	0.32
7-30	0.92
31-60	0.92
61-300	0.92
Above 300	3.19

- Block B**

Consumption	Factor
0-300	1.00
301-1000	1.00
1001-8000	0.97
Above 8000	0.97

- Block C** (Only for consumers with consumption of over 20 000 kilolitres per month)

Consumption	Factor
0-20 000	0
Above 20 000	0.31

- Block D** (Only municipal consumption)

Consumption	Factor
Above 0	0.26

The block tariffs should encourage consumption, but discourage abuse, with Block A for residential clients and Block B for commercial clients. The choice nevertheless remains the client's. The third block is clients with consumption of over 20 000 kilolitres per month.

The above factors will be phased out as the water demand is growing in relation to the water supply.²

- Pre-paid water tariff – This tariff is calculated together with the other tariffs with a factor of 0.85.
- Municipal tariff – A departmental tariff based on the size of the connection is levied together with a consumption tariff. The departmental levy is aimed at the mere recovery of maintenance and running costs. In calculating this, loan costs, administrative levies, provision for bad debts and profit-taking are not considered.

The availability and minimum levies are levied monthly or part thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

² Amended by Council resolution 30/05/2017

If a client on Block A consumption is higher than 300 kl of water per meter reading cycle, then that client may apply for relief if the client can proof that leakage existed. The relief application will be considered based on the following criteria:

- (a) Usage portion of the client indicated that the clients consumption prior to the leakage was less than 300kl and
- (b) Proof can be provided of the cost of repair of the leakage.

The account will be adjusted as follow:

A = Usage during period of meter reading (can be more than one period)
 B = 300
 C = Tariff of Block A for consumption (61 – 300)

Formula: _____ A – B X C

If a client's consumption increased due to a leakage, an average consumption can be charged for a period not exceeding 3 months on submission of proof that the leakage existed and was subsequently repaired.

That the authority for the approval of the relief be assigned to the Manager: Income or Chief Financial Officer.³

Clients are entitled to one claim in a financial year for relief for high water accounts caused by leaking pipes and fittings. Any additional applications can only be approved by the Chief Financial Officer.⁴

4.2.3 Calculation of tariffs during water restrictions

Council determine water saving tariffs with the annual budget and tariff approval process. Provision is made for moderate and extreme restrictions.

4.3 Refuse removal

No distinction is made between fixed and variable costs in the costing structure of refuse removal.

The total costs are divided amongst the clients in relation to the municipal valuation of residential property.

All other consumers are billed according to the size and number of wheelie bins removed.

Where more than one dwelling unit **or business unit**, as defined in the Council's zoning scheme regulations, is situated on a premises (such as a semi-detached dwelling or a block of flats etc.) each such a dwelling unit or **each business unit** shall for the purpose considered to be a consumer. This will be measured by electricity connection. Dwelling or business unit is define as a formal structure with a building plan. That discretion for possible exemption be given to the Accounting Officer regarding this paragraph to evaluate on a case by case basis. ?????? should be removed

The unit of measurement will be reflected in approved tariffs.4.3.1 Client groups

³ Amended by Council resolution 27/8/2014

⁴ Amended by Council resolution 30/05/2017

The following client groups are distinguished:

- ◆ Non Residential Clients with one removal per week
- ◆ Non Residential Clients with two removals per week
- ◆ Non Residential Clients with three removals per week
- ◆ Residential Clients with one removal per week

4.3.2 Tariffs structure

A minimum tariff equal to one removal per week is levied on all commercial and industrial clients, irrespective of whether the service is utilised or not.

All levies are levied monthly or part thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

Non Residential Clients are compelled to use wheelie bins for refuse removal purposes. The minimum monthly charge will be equal to the charge for a 240L Wheelie Bin.

4.4 Sewerage

Different types of services provided by the Municipality are in existence in respect of sewerage. These include a water-closet system and a suction-drain system, primarily in Prince Alfred's Hamlet.

4.4.1 Costs structure and client groups

In order to determine a basis for the equitable sharing of costs, each client group's share in the costing structure should be considered.

Potential dumping is used as the fairest method. The client is levied in accordance with his dumping potential. This is determined by the size of the water connection to the property. The client with a bigger connection has the ability to dump more water into the sewerage system. The quantity of water used is not taken into account.

As sewage sludge is based on the flow of water, the costs are largely incurred in respect of the dumping into the sewage works and the treatment of the substances.

The following categories are distinguished:

- <20mm water connection
- 21-50mm water connection
- 80mm water connection
- 100mm water connection
- 150> water connection

A special category was created for Qbiqua Prison.

⁶Where more than one dwelling unit or business unit, as defined in the Council's zoning scheme regulations, is situated on a premises (such as a semi-detached dwelling or a block of flats etc.) each such a dwelling unit or each business unit shall for the purpose of this be considered to be a consumer. This will be measured by electricity connection. Dwelling or business unit is defined as a formal structure with a building plan. That discretion for possible

⁶ Amended by Council resolution on 30/05/2019

exemption be given to the Accounting Officer regarding this paragraph to evaluate on a case by case basis.?????????????????- Should be removed

4.4.2 Water-closet system

For the purposes of classification where one connection is in place but more than one usage are separately operated on the premises, each separate usage is regarded as a connection in accordance with the classification under which such usage would normally be connected, but not bigger than the connection that serves the premises.

Examples of these are flats, shopping centres where sub-letting takes place and a residential house with a separate flat.????????????????

All levies are a monthly levy, or part thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

The unit of measure is:

- Percentage of water consumption.
- Percentage of water consumption plus costs for strength of disposal.

A monthly availability levy is imposed on vacant premises where the possibility exists for the connection of a water-closet system to the main sewerage system. The tariff is calculated by dividing the total loan costs by the number of clients (built-up and vacant premises) and to divide that figure by twelve.

4.4.3 Suction-drain system

The suction-drain system is based on usage. Seepage systems which are never sucked make no contribution towards the costs of the service, although the service must still be provided. Fixed costs are accordingly recovered by consumer's tariffs and not by a fixed levy.

The suction-drain service structure entails the following:

- ◆ Availability levies are recovered monthly from all built-up properties in Prince Alfred's Hamlet.
- ◆ Variable costs which recover vehicle and personnel costs, are levied per suction service provided.
- ◆ A distinction is made between areas inside and outside the town area.

Based on vehicle costs, a kilometre tariff is recovered from clients outside the town area.

All levies, with the exception of the kilometre tariff and suction-drain service tariff, are imposed monthly or pro rata on both water-closet and suction-drain services, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

4.5 Property rates

The general valuation roll for Witzenberg will come into effect on 1 July 2013.⁷ The Municipality has at its disposal a rates policy which addresses the following:

- ◆ Criteria for differentiated property rates categories
- ◆ Differentiated tariffs

The purpose of property rates is to recover costs that cannot be redeemed by tariff-recovering services or direct revenue.

⁷ Amended by Council resolution 30/05/2017

5. Sundry Tariffs

The principles expounded for tariff construction, are also applicable to diverse tariffs.

5.1 Resorts

The full costs of the resorts must be recovered by the tariffs so that they place no further burden on the inhabitants of Witzenberg, while at the same time the utilisation of the resorts should be encouraged. The costs of the swimming baths within the resorts form part of the resorts' costs.

The following tariff groups are distinguished:

- Chalets or houses
- Caravan sites
- Semi-permanent camping sites
- Day visitors/motor vehicles
- Renting of conference facilities and halls

A distinction is also made in respect of seasons and the following seasons are defined:

High season

The period of 26 days during the December and January school holidays. Exact dates are determined from year to year

And

The four days coinciding with the Easter weekend during March or April.

In-season

From the commencement of the Western Cape's school holidays during September until the end of April, excluding the high seasons indicated above.

Off-season

All other days, excluding high season and in-season.

A further distinction exists between weekends and weekdays in the event of high season and in-season. No such distinction exists during the off-season.

The following rebates will be given:

- (a) Rebate of 25 % for bookings during weekdays except in school holidays of the Western Cape;
- (b) Pensioners qualifies for a rebate of 50 % in off-season;
- (c) Students accompanied by parents receives 12 % discount on day visit tariffs;
- (d) 50 % rebate for bookings of conference facilities where 5 or more chalets or houses are booked and occupied.

The Director: Community Services may use his/her discretion in terms of the delegation of powers to grant rebates other than stipulated above based on occupation rate and tourism potential.

5.2 Tariffs for halls

Tariffs are levied for the use of municipal halls (e.g. Community halls).

5.2.1 Tariff

All halls must be graded in accordance with their size, condition and available facilities, in the following grades:

A-grade	=	100%
B-grade	=	75%
C-grade	=	50%

The tariffs are determined on the basis of economical and equitable rent and are calculated as follows:

- Costs of personnel and equipment utilised from time to time during use of the hall and preparations and tidying-up activities, to be calculated on the same basis for each property.
- Letting of property, which will vary per grouping (e.g. eating utensils, etc.).
- Categories of functions.

5.2.2 Deposits

Sufficient deposits must be obtained for each letting to cover not only the Municipality's costs, but also to provide for breakage.

5.2.3 Letting periods

Letting is to be divided into morning, afternoon and evening sessions while preparation and tidying up are also provided. This division is retained and is defined as follows:

- Morning session - from 08:00 – 13:00, including preparation and tidying up
- Afternoon session – from 13:00 - 18:00, including preparation and tidying up.
- Evening session - from 18:00 – 24:00, including preparation and tidying up.
- A pro-rata contribution must be paid, in addition to the letting fee, for every hour or portion thereof falling outside those indicated above.

5.2.4 Free of Charge

The Library Halls may be provided free of charge to the following organisations:

- Youth
- Charity
- Community
- Sport
- Education
- Government and
- Local management meetings of political parties

Community halls may be provided free of charge twice a quarter per party which are represented in the Council, which may be used for political meetings with the community. The political party must however give notice in writing to the Accounting Officer.

The provision is subject to the availability of the facility and will be dealt with accordingly to priority of application based on time of receipt of the application.

5.3 Fees for Cemeteries

Cemetery fees are based on the following:

- Value of land
- Costs of preparing grave
- Maintenance in future
- Costs of digging and closing up of grave (should the family not do so)
- A premium on the sale of the grave to a non-inhabitant of Witzenberg.

As only one costing centre is used, the costs for the preparation of a grave must be the same at all cemeteries. Exceptions, however, may be made in relation to ground formation in respect of the digging of the grave. In order to provide for those who cannot afford the full tariff, a subsidy is to be calculated that is based on specific criteria, and be included in the Municipality's indigent policy.

5.4 Other

The other diverse tariffs must, wherever possible, be determined on actual costs plus a percentage.

6. Rebates

The Municipality provides rebates to people or organisations that assist with economic growth within Witzenberg by the creation of new structures or by additions to existing buildings and the creation of job opportunities.

The person or organisation who wants to apply for the rebate must do so that the application speaks to the criteria extent and conditions as stipulated below:

6.1 Criteria

The person or organisation must create new or extend building and create new job opportunities. The investor must apply for the rebate and provide at least the following information in writing:

- Total cost of building plan
- Total number of jobs created after completion of building phase
- Number of Directors
- Number of Directors classified as historically disadvantaged individuals HDI

The criteria and weights for evaluating the application are as follow:

Criteria	Points
Improvement value of Buildings extended	60
Job opportunities	30
HDI points based on Directors	10

The allocation of points will be as follow:

Improvement value of extension

1 Point for every R80,000.00 of value added

Job opportunities

2 Points for every permanent new job opportunity created, and

1 Point for every seasonal job opportunity created

HDI points

The percentage of the number of HDI directors is used as a basis to allocate a point out of 10.

The applicant must score at least 50 points to qualify for a rebate. The applicant must be prepared that an audit be performed at any stage during the period when the rebates are allocated. If at any stage it is found the applicant do not meet the requirements then the rebate will be stopped immediately.

6.2 Extent

Two categories of rebates exist. A minimum of 75 points must be obtained to qualify for a category A rebate.

The rebate will be for a period of 5 years and will be as follow:

	Rebate A Percentage rebate	Rebate B Percentage rebate
Year 1	25 %	15 %
Year 2	20 %	12 %
Year 3	15 %	9 %
Year 4	10 %	6 %
Year 5	5 %	3 %

The rebate will be applicable on all service charges as well as property rates.

The rebate will only be applicable on the additional services account of the applicant to the original account.⁸

7. Conclusion

In drafting any tariffs policy, the principles enunciated above must be applied in order to determine the equity of the tariff. However, irrespective of the fairness or equity of the tariff, huge problems will be encountered with maintaining and continuing a service if the tariff is not affordable to a large portion of the clients.

⁸ Recommended amendment Council 25/03/2020



PROPERTY RATES POLICY

FORMULATED IN TERMS OF SECTION 3 OF
THE LOCAL GOVERNMENT: MUNICIPAL
PROPERTY RATES ACT, NO. 6 OF 2004

Date of Implementation: 01 July 2010

***OUR VISION: "A MUNICIPALITY THAT CARES FOR ITS COMMUNITY,
CREATING GROWTH AND OPPORTUNITIES"***

*Amended by Council 30/05/2017
Amended by Council 18/05/2016
Amended by Council 15/06/2010
Amended by Council 28/05/2009*

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1. LEGISLATIVE CONTEXT

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended, which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended a municipality in accordance with-
- a. Section 2(1), may levy a rate on property in its area; and
 - b. Section 2(3), must exercise its power to levy a rate on property subject to-
 - i. Section 229 and any other applicable provisions of the Constitution;
 - ii. the provisions of the Property Rates Act; and
 - iii. the rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alias*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.

2. DEFINITIONS

- 2.1 **Act** means the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended.
- 2.2 **Municipality** means the municipal council for the municipal area of Witzenberg.
- 2.3 **Pensioners** mean natural persons 60 years old or older.¹
- 2.4 **All other terms** are used within the context of the definitions contained in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended.

¹ Added on 30 May 2017

3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen 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 however does not 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.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation.
- 3.4 The rates policy for the municipality is based on the following principles:
- (a) Equity
The municipality will treat all 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, reductions or rebates.
 - (c) Sustainability
Rating of property will be implemented in a way that:
 - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - ii. supports local social 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 profits generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

4. SCOPE OF THE POLICY

This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. APPLICATION OF THE POLICY

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

6. CATEGORIES OF PROPERTY

~~6.1 Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the permitted use of the property~~

6.1 The municipality has determined categories of rateable properties based on the following criteria:

- a. Use of the property
- b. For properties used for multiple purposes, the Municipality may apply the category of multiple use. For such properties the Municipal Valuer as appointed by the Municipality, will apportion a value to each distinct use of said property and apply the appropriate category for billing at the applicable rate.²

6.2 Categories of property for the municipality include-

- (a) residential properties
- (b) industrial properties
- (c) business and commercial properties
- (d) agricultural properties
- (e) mining properties
- (f) properties owned by an organ of state and used for public service purposes
- (g) public service infrastructure properties
- (h) properties owned by public benefit organisations and used for specified public benefit activities

² Recommended for amendment

- (i) properties used for multiple purposes, subject to Section 9; or
- (j) any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by notice in the Gazette.”³
- (k) **Vacant Land**⁴

7. CATEGORIES OF OWNERS

7.1 Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the-

- (a) indigent status of the owner of a property
- (b) sources of income of the owner of a property
- (c) 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;
- (d) owners of residential properties with a market value below a determined threshold;
- (e) owners of agricultural properties who are *bona fide* farmers; or
- (f) pensioners⁵

7.2 In determining whether a property forms part of a particular category indicated below, the council shall have regard to the actual zoning-use or permitted use of the property to which the relevant property is put. Vacant land is included in its own category, irrespective of the permitted use of the property. A change in zoning may result in a change in the category of the property. In table 1 the different usage is listed against the rating categories.

7.3 Business, commercial and/or industrial improvements on agricultural properties will be rated separately from the rest of the property according to the zoning and/or consent uses of the improvement.

³ Amended by Council on 27/02/2017 in terms of amendments to the Act

⁴ **Proposed for Amendment**

⁵ Added on 30 May 2017

Table 1

Rating categories	Use codes
Residential Property	GEN RES
	GROUP HOUSE
	RES
	RES 1
	RES 2
	RES 3
	RES 4
	SIN RES
	RESORT 2
	AGRI 1/ROS 2
	RURAL RESIDENTIAL ZONE I
	SINGLE RESIDENTIAL ZONE I
	SINGLE RESIDENTIAL ZONE II
	GENERAL RESIDENTIAL ZONE I
	GENERAL RESIDENTIAL ZONE II
	GENERAL RESIDENTIAL ZONE III
	GENERAL RESIDENTIAL ZONE IV
	GENERAL RESIDENTIAL ZONE V
	AGRICULTURAL ZONE III
Informal Settlements	INF RES
Business/Commercial Property	BUS
	BUS 1
	BUS 2
	BUS 4
	BUS 5
	CEMETERY
	COM
	EDUC
	GUEST HOUSES
	INST
	INST 1
	INST 2
	INST 3
	LOC BUS
	OPEN S1
	OPEN S 2
	OPEN S 3
	PARKING
RES 5	

Rating categories	Use codes
	RESORT 1
	ROS 1/ OPEN S 3
	BUSINESS ZONE I
	BUSINESS ZONE II
	BUSINESS ZONE III
	BUSINESS ZONE IV
	BUSINESS ZONE V
	BUSINESS ZONE VI
	RESORT ZONE I
	OPEN SPACE ZONE II
	OPEN SPACE ZONE III
	OPEN SPACE ZONE IV
	TRANSPORT ZONE III
	RENEWABLE ENERGY ZONE
	TELECOMMUNICATION STATION ZONE
	UNDETERMINED ZONE
Industrial property	IND
	IND 1
	IND 3
	INDUSTRIAL ZONE 1
	INDUSTRIAL ZONE II
	INDUSTRIAL ZONE III
	INDUSTRIAL ZONE IV
	UNDETERMINED ZONE
Agricultural Properties:	
Bona fide Agricultural	AGRI 1/RES 1
	AGRI 1/RES 2
	AGRI 1/SERVT
	AGRI 1
	AGRI 1/OS 2
	AGRI 1/OS 3
	AGRI 1
	AGRI 1/INST ⁶
	AUTH
	AGRICULTURAL ZONE I
Agricultural / Business	AGRI 1/BUS 2/RES 5
	AGRI 1/ROS 1/RES 5
	AGRI 1/BUS 2
	AGRI 1/RES 5

⁶ Updated by Council 29/05/2013 with effect from July 2012

Rating categories	Use codes
Agricultural / Industrial	AGRI 1/AGRI 2
	AGRI 1/IND 1
	AGRI 1/IND 2
	AGRI 2
	AGRICULTURAL ZONE II
State Owned Property	AGRI 1
	AUT
	BUS
	EDUC
	GEN RES
	INST
	INST 1
	INST 2
	INST 3
	LOC BUS
	OS 1
	OS 2
	OS 3
	OS
	RES
	RES 1
	SERV
	SIN RES
	SPORT
	TRANS
	TRANS 1
	TRANS 2
	TRANS 3
	UNDET
	COMMUNITY ZONE I
	COMMUNITY ZONE III
TRANSPORT ZONE I	
TRANSPORT ZONE II	
AUTHORITY ZONE	
Municipal Property	AGRI 1
	AUT
	BUS

Rating categories	Use codes
	EDUC
	GEN RES
	INST
	INST 1
	INST 2
	INST 3
	LOC BUS
	OS 1
	OS 2
	OS 3
	POS
	RES
	RES 1
	SERV
	SIN RES
	SPORT
	TRANS
	TRANS 1
	TRANS 2
	TRANS 3
	UNDET
	COMMUNITY ZONE IV
	OPEN SPACE ZONE I
AUTHORITY ZONE	
Vacant Land - Urban	VACANT
	POS
Public Service Infrastructure	SERV STAT
	TRANS
	TRANS 1
	TRANS 2
	UNDET
Place of worship	COMMUNITY ZONE II⁷

⁷ Zonings in terms of new zoning scheme approved 26 May 2021

8. DIFFERENTIAL RATING

- 8.1 Criteria for differential rating on different categories of properties will be according to-
- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
 - (b) The promotion of social and economic development of the municipality.
- 8.2 Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category.

8.3 Rates ratios to be applied

The rates ratio in relation to residential properties to be applied on non-residential properties is set in the table 2 below:

Table 2:

Categories	Ratio in relation to residential Property ⁸
Residential Property:	
Bona Fide residential	1:1
Informal settlements	1:1
Business / Commercial property:	1:1.81
Industrial Property	1:1.76
Agricultural Properties:	
Bona Fide Agricultural	1:0.16
Agricultural/Business	1:1.81
Agricultural / Industrial	1:1.76
State owned Property	1:1.63
Vacant Land – Urban	1:1.50
Public Service Infrastructure	1:0.25
Building clauses	1:1.25

⁸ Updated in line with proposed tariffs

9. EXEMPTIONS

9.1 The following categories of property are exempted from rates:

- (a) Municipal properties
Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.

- (b) Public Benefit Organisations
The following 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. Welfare organisations
Properties owned by not for gain institutions or public benefit organisations and are solely use for the benefit of the institution and or for charitable purposes and performs welfare and humanitarian work as contemplated by part 1 of the ninth Schedule of the Income Tax Act (Act 58 of 1962). Council may grant a rebate as of 100% in the case of Inst. 2 uses and 50% in the case of Inst. 3 users.

 - ii. 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.

- (c) In terms of section 17(i) of the MPRA, the council do not levy a rate on the property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

(The exclusion lapses if not used for the purposes as indicated above.)

- (d) **Public Service Infrastructure properties (PSI)**

The Municipality will apply the rate ratio as set out in the MPRA (Definitions, Sections 17 (1) (a) and 17 (1) (a)(A) and the Regulations) to public service infrastructure.⁹

⁹ Sub-paragraph recommended for inclusion

9.2 Exemptions will be subject to the following conditions:

- (a) all applications must be addressed in writing to the municipality;
- (b) a SARS tax exemption certificate must be attached to all applications;
- (c) the municipal manager or his/her nominee must approve all applications;
- (d) applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought; and
- (e) the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

10. REDUCTIONS

10.1 A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted where the value of a property is affected by-

- (a) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
- (b) any other serious adverse social or economic conditions

10.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

10.3 All categories of owners can apply for a reduction in the rates payable as described above

11. REBATES

Categories of property

(a) Business, commercial and industrial properties

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy and as included in the council tariff policy.
- ii. Rebates will be granted once an application was received and approved by the municipal manager or his/her delegate.

(b) Conservation Land

No rebates are granted to privately owned properties whether designated or used for conservation purposes.

(c) Historical or heritage properties

No rebates are granted other than residential rebates if appropriate.

(d) Cemeteries.

Privately owned cemeteries received a rebate of 50% and must be exclusively be used for the purpose of a cemetery.

(e) Residential Properties.

The Municipality will not levy a rate on the first value up to R 120 000 of the market value as per the Valuation Roll of Residential Properties, as follows:

- on the first R15 000 on the basis set out in Section 17(1)(h) of the MPRA; and
- on the balance of the market value up to R105 000 in respect of residential properties, as an important part of the Councils indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-value properties.¹⁰

(f) Other properties: informal settlements; industrial properties; business and commercial properties. (Refer to paragraph 6.2)

The Municipality will not levy a rate on the first value up to R120 000 of the market value as per the Valuation Roll of informal settlements, industrial properties or business and commercial properties as categorise in paragraph 6.2.¹¹

(g) Pensioners may qualify for a rebate of 50% on residential property.

- Pensioners may qualify for a rebate of 50% on residential property in terms of councils' policy.
- Only the primary property of the owner will qualify for the 50% rebate.¹²
- Only persons 60 years and older will qualify for the 50% rebate.¹³

¹⁰ Subsection (e) added by Council 18/05/2016

¹¹ Subsection (f) added by Council 18/05/2016

¹² Amended by council 26/05/2021

¹³ Amended by council 26/05/2021

- Rebates will be granted once an application was received and approved by the municipal manager or his/her delegate.¹⁴

12. MULTIPLE-USE PROPERTIES

Properties with split zoning and/or consent use (properties used for multiple purposes) as per Section 9 of the MPRA will be categorised separately for each distinct use as determined by the Municipality and applied for billing at the appropriate and applicable rate.¹⁵

13. RATES INCREASES

- (a) The municipality will consider increasing rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time.
- (b) Rate increases will be used to finance the increase in operating costs of community and subsidised services.
- (c) Affordability of rates to ratepayers.
- (d) All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

14. NOTIFICATION OF RATES

- (a) The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days' notice will be based on the new rates.
- (b) A notice stating the purport of the municipality's resolution and the date on which the new rates become operational will be displayed by the municipality at places installed for that purpose.

15. PAYMENT OF RATES

- 15.1 Liability for and payment of rates is governed by the MPRA and the Municipality's Credit Control and Debt Collection Policy and By-Laws as well as any other applicable legislation.¹⁶

¹⁴ Paragraph (g) - added by Council 30/05/2017

¹⁵ Amended by council 26/05/2021

¹⁶ Paragraph 16.1 added by Council 18/05/2016

- 15.2 Ratepayers may choose, not later than 31 August in any financial year, or such later date in such financial year as may be determined by the municipal manager or his/her nominee, between paying rates annually in one instalment on or before 30 September or in twelve equal instalments on or before the 15th day of the month following on the month in which it becomes payable.¹⁷
- 15.3 An owner is liable for payment of a rate whether or not that person has received a written account. The furnishing of accounts for rates in terms of this section is subject to section 102 of the Municipal Systems Act.¹⁸
- 15.4 A rate levied by a municipality on a sectional title unit is payable by the owner of the unit.¹⁹
- 15.5 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.
- 15.6 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, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and indigent policy of the Municipality.
- 15.7 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.
- 15.8 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 current valuation roll.
- 15.9 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 Paragraph 16.2 amended by Council 18/05/2016

¹⁸ Paragraph 16.3 added by Council 18/05/2016

¹⁹ Paragraph 16.4 added by Council 18/05/2016

16. CLEARANCE CERTIFICATES

- (a) Are issued in terms of Section 118 (1) (a) of the Local Government: Municipal Systems Act, 2000, Act No. 32 of 2000, and will be valid for a period of 60 days from the date it has been issued.
- (b) Are issued within 7 working days after receipt of the applicable fees and receipt of the clearance application form.
- (c) Are issued when all amounts due in connection with that property for municipal fees, surcharges, property rates and other municipal taxes, levies and duties have been fully paid.
- (d) All rates in respect of the financial year when the transfer is reasonably expected are immediately payable.
- (e) If an amount liable for rates and services in respect of a property is outstanding and the property needs to be transferred, a rates clearance certificate will only be issued upon payment of the current account and after completion of an agreement by the new owner for any municipal services in arrears, subject to Council's Credit Control and Debt Collecting Policy in respect of the following transfers:
 - (i) Transfer of a property from the Municipality to the new owner;
 - (ii) Transfer of a property from one spouse to the other;
 - (iii) Transfer of a property from the owner (parent) to a child.²⁰

17. REGULAR REVIEW PROCESSES

The rates policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

18. SHORT TITLE

This policy is the Property Rates Policy of the Witzenberg Municipality.

19. ENFORCEMENT/IMPLEMENTATION

This policy has been approved by the Municipality and came into effect from 1 July 2009.

²⁰ Paragraph 17 added by Council 18/05/2016



CREDIT CONTROL & DEBT COLLECTION POLICY

***OUR VISION: "A MUNICIPALITY THAT CARES FOR ITS COMMUNITY, CREATING
GROWTH AND OPPORTUNITIES"***

Date of implementation: 01 July 2008

Latest review and updates by Council on 30/05/2019

Reviewed and amended by Council 29/05/2019
Reviewed and amended by Council 28/05/2014
Reviewed by Council 29/05/2013
Reviewed by Council 31/05/2012
Reviewed by Council 28/09/2011
Reviewed by Council 20/04/2011
Reviewed by Council 15/06/2010
Council 28/05/2009 Item 8.1.2
Council 04/08/2008

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PREAMBLE

WHEREAS Section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 (*the Constitution*) provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

AND WHEREAS Section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

AND WHEREAS Section 195 (1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including-

- the promotion of the efficient, economic and effective use of resources;
- the provision of services impartially, fairly, equitably and without bias; and
- the fact that people's needs must be responded to.

AND WHEREAS Section 4 (1) (c) of the Local Government: Municipal Systems Act 33 of 2000 (*the Systems Act*) provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties;

AND WHEREAS Section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS Section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Chapter 9, Sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority.

The Witzenberg Municipal Council, at its meeting of 28May 2008adopts this policy to be known as: The Witzenberg Municipality Credit Control and Debt Collection Policy". This policy replaces that policy in its entirety.

1. DEFINITIONS

In this policy, unless the context indicates otherwise, the word or expression has the following meaning:

- 1.1 “**Accounting Officer**” The Municipal Manager appointed in terms of Section 82(1) (a) or (b) of the Municipal Structures Act, 1998 (Act No. 117 of 1998);
- 1.2 “**Actual consumption**” means the measured consumption of a consumer of a municipal service during a specified period;
- 1.3 “**Arrangements**” means a formal agreement entered into between the Council and a debtor where specific repayment parameters are agreed to.
- 1.4. “**Arrears**” mean any amount due, owing and payable by a customer in respect of a municipal account not paid on the due date;
- 1.5. “**Average consumption**” means the deemed consumption of a customer of a municipal service a specific period, which consumption is calculated by adding the recorded monthly average consumption and the current actual consumption and dividing the total by 2;
- 1.6. “**Bank guarantee**” refers to an undertaking by a registered financial institution whereby it guarantees a specified maximum amount to be paid if the principal debtor (the consumer) fails to pay;
- 1.7. “**Calculated amounts**” refers to the amounts calculated by the Chief Financial Officer, in consultation with the relevant technical departments, to be due to the Council by a consumer in respect of the supply of the applicable municipal services for any period during which the exact quantity of the supply cannot be determined accurately for reasons beyond the control of the Chief Financial Officer. This shall normally be based on the average consumption figures, if available, for the service rendered to the customer or, failing the availability of such data, on the average consumption figures applicable to one or more properties of similar size and nature in the area in which the customer resides or carries on business;
- 1.8. “**Charges**” refers to charges incurred by the municipality to collect arrears;
- 1.9. “**Chief Financial Officer**” refers to the person so designated in terms of Section 75(2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) or any person duly authorised to act on behalf of such person and shall have the same meaning as Strategic Executive Manager: Finance or City Treasurer;
- 1.10. “**Consolidated account**” refers to one combined account for all municipal services, housing rents and instalments, rates and basic charges payable, and “**consolidated bill**” has a corresponding meaning;
- 1.11. “**Consumer**” means a customer;

- 1.12 **“Conventional electricity and water meters means** “electricity and/or water meters, as the case may be, which are used to determine the supply of electricity and water and which are normally read on a monthly or other fixed interval basis;
- 1.13 **“Council”** refers to The Witzenberg Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to this policy;
- 1.14 **“Councillor”** refers to any member of a municipal council;
- 1.15 **“Credit Control ”**refers to all functions relating to the collection of monies owed by customers and users of municipal services.
- 1.16 **“Customer”** refers to any occupier of any premises to which Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;
- 1.17 **“Defaulter”** refers to any customer owing the municipality money in respect of rates and / or service or sundry charges; not paid on the due date as stipulated on the account or on the agreement. The owner will be held responsible for occupiers / tenants, arrear accounts, for water, electricity and any other service or sundry accounts;
- 1.18 **“Deposit”** refers to a minimum sum of money specified by the Chief Financial Officer and payable by the consumer to the Municipality prior to occupation of the property or prior to the date on which services to the property are required;
- 1.19 **“Due date”** in the absence of any express agreement in relation thereto between the Council and the customer, refers to the date stipulated on the account and determined from time to time as the last date on which the account must be paid;
- 1.20 **“Equipment”** refers to any building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;
- 1.21 **“Estimated ”**consumption arises when no actual reading can be taken and is equivalent to the existing average consumption;
- 1.22 **“Existing”** customers refers to the customers who have already entered into an agreement for the supply of municipal services;

- 1.23 **"Financial year"** refers to the period starting from 1 July in a year to 30 June the next year;
- 1.24 **"Fees"** refers to expenses incurred by the municipality to collect arrears;
- 1.25 **"Implementing Authority"** means the Municipal Manager or his nominee, acting in terms of Section 100 of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000);
- 1.26 **"Interest"** is a charge levied with the same legal priority as service fees and calculated at a rate determined by Council from time to time on all arrear monies;
- 1.27 **"Meter"** audits refer to an investigation to verify the correctness of the consumption and supply of electricity and water;
- 1.28 **"Municipality"** when referred to as:
- (a) a corporate body, means a municipality as described in Section 2 of the Municipal Systems Act, 2000 (Act No. 32 of 2000);
 - (b) A geographic area means a municipal area determined in terms of the Local Government Municipal Demarcation Act, 1998 (Act No. 27 of 1998).
- 1.29 **"Municipal Manager"** means the person appointed as Municipal Manager in terms of Section 82 of the Local Government Municipal Structures Act, 1998, (Act No. 117 of 1998) and includes any person acting in that position or to whom authority has been delegated;
- 1.30 **"Municipal services"** refers to any services provided by the municipality or any authorised and contracted service provider, available or applied for, or provision made for any service, for which it is entitled to charge a fee or formulate a tariff, payable by a customer or user, thereof;
- 1.31 **"Normal office hours"** means the hours when the Chief Financial Officer's offices are open to the public from Mondays to Fridays, excluding public holidays, Saturdays and Sundays;
- 1.32 **"Official"** refers to an employee of The Witzenberg Municipality
- 1.33 **"Occupier"** means any person, who occupies any property or part thereof, without regard to the title under which he or she occupies the property,
- 1.34 **"Owner"** means:

- (a) The person in who from time to time is vested the legal title to premises, which title is registered at the Deeds Office;
 - (b) In a case where the person in whom the legal title is vested is insolvent or deceased, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
 - (c) In a case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises with a building thereon;
 - (d) In the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof;
 - (e) In relation to
 - i. A piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property; or
 - ii. A section, as defined in such Act, the person in whose name such a section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;
 - (f) Any legal person including but not limited to
 - i. A company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a Trust, a Closed Corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984) and a voluntary association;
 - ii. Any department of State;
 - iii. Any Council or Board established in terms of any legislation applicable to the Republic of South Africa;
 - iv. Any Embassy or other foreign entity;
- 1.35 **"Premises"** includes any piece 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 (9 of 1927), or in terms of the Deed Registry Act, 1937 (47 of 1937); or
 - (b) A sectional plan registered in terms of the Sectional Titles Act, 1986 (95 of 1986), which is situated within the area of jurisdiction of the Council;
- 1.36 **"Rates"** refers to property rates on property situated in the municipal area, any other tax, duty or levy imposed by the municipality;

- 1.37 **"Service agreement"** refers to an agreement for the consumption of electricity and/or water and other services as determined from time to time;
- 1.38 **"Terminated account"** refers to:
- (a) the final account for services after the customer has left the premises, whether or not the customer has given notice to terminate the supply of service; OR
 - (b) the final account for services if the customer has contravened the service provisions of this policy and attendant municipal bylaws;
- 1.39 **"Variable flow-restricting device"** refers to a device that is coupled to the water connection that allows the water supply to be restricted or closed;
- 1.40 **"Visitation fee"** refers to the fee charged for attendance and/or disconnection/reconnection of an electricity/water supply when the supply has been disconnected due to non-payment and/or tampering, or where access to disconnect/restrict has not been gained, which fee shall be
- 1.41 **"Voluntary garnishee order/emoluments order"** refers to a court order for the deduction of an amount of money from the salary or other income of a customer.

2. INTRODUCTION

- 2.1. The Council cannot develop the local economy and provide acceptable services to its residents unless it receives payment, in full, of all bills raised for the services that it provides.
- 2.2. The municipality must develop, maintain and implement a credit control and debt collection policy that is consistent and complies with the relevant legislation.
- 2.3. In regard to payments expected from registered indigents and Council tariffs, this policy is to be read in conjunction with The Witzenberg Municipality Indigent Policy and The Witzenberg Municipal Tariff Policy.

3. OBJECTIVES

The objectives of the Credit Control and Debt Collection Policy are:

- 3.1 To define a framework within which the municipality can develop an effective procedure to bill and collect its revenues;
- 3.2 To ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interests of the community, residents and ratepayers and in a financially sustainable manner as prescribed by the Municipal Systems Act, 2000 (Act No. 32 of 2000), and other applicable legislation;
- 3.3 To maintain and implement a credit control and debt collection policy, which is consistent and complies with Section 97 of the Municipal Systems Act, 2000 (Act No. 32 of 2000).
- 3.4 To ensure that the municipality develops credit control procedures and mechanisms that are considered to be consistent, fair and effective to all its consumers.

4. UNDERLYING PRINCIPLES OF THIS POLICY

- 4.1 The administrative integrity of the municipality must be maintained at all times. The democratically elected councillors are responsible for policymaking, while it is the responsibility of the Councillors, Municipal Manager and all staff to ensure the execution of these policies.
- 4.2 This policy shall take effect and be enforceable from the date of approval thereof by Council.
- 4.3 The collection process must be cost-effective and enforcement of payment for services rendered must be prompt, consistent and effective.
- 4.4 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 and/or restrictions, penalties, loss of rights and criminal prosecutions.
- 4.5 All Witzenberg Municipality employees shall:
 - 4.5.1 Embrace the principles of Batho Pele and treat all debtors with dignity and respect at all times
 - 4.5.2 Employees shall execute their duties in an honest and transparent manner whilst protecting the confidentiality of information in accordance with the Access to Information Act.

5. ROLE AND RESPONSIBILITY OF MUNICIPAL MANAGER

- 5.1 In terms of Section 100 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Municipal Manager is responsible for implementing the credit control and debt collection policy. In line with this, the Municipal Manager is to perform the following:
 - 5.2 install and maintain appropriate accounting system.
 - 5.3 bill customers.
 - 5.4 demand payment on due dates.
 - 5.5 raise penalties and interest for defaulters.
 - 5.6 appropriate payments received.

- 5.7 collect outstanding debt.
- 5.8 provide different/alternate payment methods.
- 5.9 determine credit control and debt collection measures.
- 5.10 determine all relevant work procedures for, inter alias, public relations, arrangements, disconnection/reconnection of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
- 5.11 instruct attorneys to proceed with the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders, etc.).
- 5.12 appoint staff to execute Council's policy and by-laws.
- 5.13 determine internal control procedures.
- 5.14 monitor contracts with service providers in connection with credit control and debt collection.
- 5.15 The Municipal Manager may delegate these responsibilities to the Chief Financial Officer. However, this delegation does not absolve the Municipal Manager from being held accountable for implementing this policy.
- 5.16 The Municipal Manager is to report monthly to the Executive Committee, and quarterly to the Council, on the actions taken in terms of this policy, and on the payment levels for the periods concerned.
- 5.17 Although the Municipal Manager is held accountable for implementing this policy, it is the responsibility of all officials of the municipality to promote and support this credit control and debt collection policy.

6 ROLE AND RESPONSIBILITY OF COUNCILLORS

- 6.1 To approve budgets consistent with the needs of communities, ratepayers and residents.
- 6.2 To impose rates and taxes and to determine service charges, fees and penalties to finance the budget.
- 6.3 To facilitate sufficient funds to give access to basic services for the poor.
- 6.4 To provide for a bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the municipality.
- 6.5 To, together with the Chief Financial Officer, set an annual improvement target for debt collection (refer Section 9), in line with acceptable accounting ratios and the ability and performance of any appointed external service providers.
- 6.6 To approve a reporting framework for credit control and debt collection.
- 6.7 To consider and approve by-laws to give effect to the Council's policy.
- 6.8 To revise the budget should Council's targets for credit control and debt collection is not met.
- 6.9 To take disciplinary and/or legal action against Councillors, officials and agents who do not execute Council policies and by-laws, or act improperly in terms of such policies.
- 6.10 To approve a list of suitably qualified service providers that will act on behalf of Council in all collection and legal matters relating to debt collection.
- 6.11 To provide sufficient capacity in the Municipality's Budget and Treasury Office for credit control and debt collection or, alternatively, to appoint service providers or debt collection agents to assist with the credit control and debt collection procedures.
- 6.12 To assist the Municipal Manager in the execution of his duties, if and when required.
- 6.13 To provide funds for the training of staff in connection with credit control and debt collection.
- 6.14 In terms of Section 99 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Executive Committee, is to monitor and supervise the application of this policy, and is to report to Council on the extent and success of the municipality's credit control actions.

- 6.15 In order to maintain the credibility of the municipality in the implementation of the present policy, Councillors, by adopting this policy, pledge that their own accounts will at no stage fall into arrears.

7. DUTIES AND FUNCTIONS OF WARD COUNCILORS

- 7.1 To adhere to and convey Council policies to residents and ratepayers.
- 7.2 To adhere to the Code of Conduct for Councillors.
- 7.3 The ward committees will act in terms of roles and functions as approved by Council.
- 7.4 The ward committees are encouraged to actively promote this policy, and to ensure, at the same time, that the municipality's customer service is of a standard acceptable to the community.

8. DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS

- 8.1 To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
- 8.2 To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality on or before the due date for payment.
- 8.3 To observe the mechanisms and processes of the municipality in exercising their rights.
- 8.4 To allow municipal officials access to their property to execute municipal functions.
- 8.5 To comply with the by-laws and other legislation of the municipality.
- 8.6 To refrain from tampering with municipal services and property.

9. EXPECTED DEBTOR PAYMENT LEVELS

- 9.1 The municipality is to aim at ensuring that payment levels (i.e. the percentage level of income received from debtors) for the present and future financial years, in respect of all amounts due to the municipality, exclusive of the balance of the monthly accounts payable by registered indigents, are maintained at an annual average of at least 96%.
- 9.2 The long-term target is a debtor turnover ratio of 30 days, that is, debtors are expected to pay for services on average within one month of receiving accounts.

10. AREA OF APPLICATION

- 10.1 This policy shall apply and be enforceable throughout the entire area of jurisdiction of The Witzenberg Municipality
- 10.2 The Council reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying this policy. The Council will, on application of this policy, avoid discrimination as forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution.

11 APPLICATION FOR SERVICES AND SERVICE AGREEMENTS

- 11.1 Before being provided with electricity, water and/or other customer services, and prior to taking occupation of premises, every customer shall enter into a service agreement with the Council in which, inter alia, the customer agrees that the electricity, water and/or other services, supplied by either Prepaid or Credit meter systems, may be used for credit control purposes to collect arrears in respect of all outstanding debt.
- 11.2 All consumers wishing to utilise municipal services must apply to enter into a service agreement.
- 11.3 The service agreement will be entered into prior to the provision of services and prior to the consumer taking occupation of the premises.

- 11.4 A new service agreement will only be entered into once all amounts owed by a consumer on other debtor accounts are settled in full.
- 11.5 A new service agreement will only be entered into on a property, once all outstanding amounts owed on the property are settled in full. The owner of the property shall have the responsibility to ensure that all debts incurred after are fully paid by the tenant in order to mitigate the non-provision of services to tenants/residents after the date mentioned above.
- 11.6 Paragraph 11.5 is not applicable to outstanding accounts in respect of houses allocated by the housing committee.¹
- 11.7 Where municipal services are used/consumed or made use of, and the owner, tenant, or occupants of a property, have not entered into nor completed an agreement for such services, the owner responsible for the payment of rates on the property will be billed for the metered consumption and all municipal service charges applicable to the property.
- 11.8 The service agreement shall indicate that transfer of a property may not be registered until the municipality issues a clearance certificate which reflects that all amounts due in connection with that property for municipal service fees, property rates and other municipal taxes, levies and duties have been fully paid. The outstanding monies include accounts relating to tenants who may have left the property of the seller.
- 11.9 Application forms are available at the municipal offices and the application process must occur at least ten (10) working days prior to taking occupation of the premises. This will ensure that services are available when occupation is taken. Failure to adhere to the timeframe may result in customers not having the services available when occupation is taken.
- 11.10 The Municipality will render the first account after the first meter reading cycle following the date of signing the service agreement or as soon as is administratively possible.
- 11.11 Consumers who illegally consume services without a valid service agreement will be subject to disconnection and/or removal of the service and may have charges laid against them for theft and fraud.

¹ Amended by Council on 28 May 2014

11.12 The service agreement shall set out the conditions under which the services are provided and shall require the signatories thereto to accept the contents of the municipality's credit control and debt collection policy, as well as the provisions of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

(a) An undertaking by customers:

- That the electricity, water and/or other services supplied by either the Prepaid or Credit meter systems, may be used for credit control purposes to collect arrears in respect of all outstanding debt and shall include rates if the customer is the owner of the property;
- That they are liable for the costs of collection, including any administration fees, penalties for late payment, legal costs, interest, disconnection fees and reconnection fees, and
- That any alleged non-receipt of an account does not affect the customers' liability for the account, nor stop the credit control process;

(b) An undertaking by Council:

- That it will deliver accounts to customers by Post Office delivery and emails
- That if customers do not receive an account and have accordingly requested one, a statement will be supplied to them.

11.13 Where a signatory is not the owner of the property to which the services are to be provided, a letter from the owner indicating that the signatory is the lawful occupant of the property and where a lessor/lessee arrangement exists between the parties, a copy of such agreement shall be attached to the service agreement.

11.14 Where a consumer has failed to enter into a service agreement with the Council, water and/or electricity shall be restricted or disconnected, as the circumstances may require, until such time as a service agreement has been entered into and the applicable deposits have been paid. In such circumstances, the consumer will be held liable for any calculated amounts.

11.15 The Municipality shall open only one account per property for the rates, fixed levies, service and other charges. Tenants/ occupier accounts will be open in the case of an approved indigent opening an account, and or the air of a deceased estate???? (refer to section 35)

11.16 This will be done in a phased in manner e.g. when a current tenant closes an account the services will be transferred to the owners account.

12 DEPOSITS AND GUARANTEES

- 12.1 Every customer is to pay a deposit on application for the provision of municipal services before the municipality renders any service to the property. Deposits are payable when new customers sign service agreements and when existing customers move to a new supply address. All deposits shall be paid at least 5 (days) days prior to occupation of the property or prior to the date on which the services are required. Failure to comply with this clause may result in a delay in the connection of services and the Council shall not be liable for any loss or prejudice suffered by a customer as a result thereof.²
- 12.2 Subject to the provisions of clauses 12.3, 12.4 and 12.5 hereunder, the calculation for deposits shall be based on two months' consumption of metered services together with any charges for other municipal services, or a minimum amount specified by the Chief Financial Officer from time to time. Also refer to 6.3.4 of the tariff listing
- 12.3 In the case of Housing Projects an amount of R500.00 is payable for deposit. To be reviewed by the CFO from time to time. In determining the deposit described in Section 12.2, the Chief Financial Officer may differentiate between areas to give cognisance to differences in service standards and usage.
- 12.4 The Chief Financial Officer may re-assess customer deposits for new domestic, commercial and industrial customers three months after the initial deposit date and may, as a result of this reassessment, require an additional deposit from the customer.
- 12.5 The Chief Financial Officer may review deposits annually and, in the case of a customer' s service being disconnected or restricted as a result of non-payment or tampering, may increase the deposit. Should the deposit be increased as a result of this review the customer must immediately make payment of the increased amount in line with the instruction from the Chief Financial Officer.
- 12.6 The outcome of the review contemplated in clause 12.5 shall be communicated to the customer in the event of any variation in the deposit arrangements being required.
- 12.7 Should a customer's services be disconnected twice during any twelvemonth period due to non-payment, the customer's deposit shall be adjusted the following month to conform to Clause 12.5.
- 12.8 Not applicable no current guarantees

² Amended by Council on 28 May 2014.

12.9 The municipality will pay no interest on deposits³

13 ACCESS TO PROPERTY TO READ METERS

13.1 In terms of Section 101 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the occupier, owner or tenant of a property is to allow municipal officials or the municipality's authorised service providers access to read meters, install or repair meters as well as to, discontinue or restrict the provision of a service. The official is to have the proper authorisation and can only request access during reasonable hours.

13.2 If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible, the municipality shall estimate the consumption of the service concerned and thereafter bill the accountholder for the monetary value of such estimated consumption.

13.3 In the event that the Council continues to be unsuccessful in obtaining access to the property and, therefore, is unable to obtain an accurate meter reading, the Chief Financial Officer or his authorised representative may disconnect the supply of services.

13.4 Voluntary readings:

- These will be permitted provided the municipality obtains any final reading should the consumer move to another supply address.
- Consumers may be liable for a fee to cover the costs of obtaining a reading if no advance warning is given and special arrangements are required to obtain a reading.
- The Municipality is entitled to make suitable adjustments to the readings should a consumer fail to ensure that a final reading is obtained.
- An audit reading during the normal reading cycles must be obtained at least once every 6 months. If a special audit reading becomes necessary this will be done at the cost of the consumer.
- The consumer may elect to supply voluntary readings subject to compliance with these rules. The Chief Financial Officer may, however, cancel the voluntary reading convenience if the consumer fails to render readings on two or more consecutive occasions.

³ Amended and reviewed by Council on 30 May 2019

14 ACCOUNTS, BILLING AND PAYMENT

14.1 The Council shall produce and post one consolidated monthly bill to consumers for services supplied or available (inter alias, electricity, water, refuse and sewerage charges) and for rates levied on property within the municipal area unless, for whatever reason, the rates account has not been consolidated with the services account in which case separate monthly accounts will be posted. These accounts will be produced in accordance with meter reading cycles at regular intervals or as prescribed by law. 14.2 The account/invoice will reflect the following details:

- Consumer name;
- Consumer account number;
- Consumer postal address;
- Address details to which the services have been supplied;
- The consumption or estimated consumption for each metered service within a specified period;
- The applicable service tariff;
- The monthly amount due on property rates and the total annual amount due;
- The valuation of the property;
- The amount due on any other service charges;
- The total amount due and payable;
- The amount in arrears, if any;
- The final date for payment (due date);
- The method, name and location of any municipal offices and authorised agents where payments may be made, and
- A notification that failure to settle the total amount due by due date will result in termination or restriction of services.

- 14.3 The Council shall undertake to post the consolidated account to the customer address, in South Africa, as specified by each customer. However, non-receipt of an account does not negate the responsibility of the customer to pay the amount owing by due date nor prevent interest charges and debt collection procedures. In the event of non-receipt of an account, the onus rests on the account holder to obtain a free copy of the most recent account, before the due date.
- 14.4 The consumer shall, in writing, notify the Council of any change of address, including an e-mail address, and contact details. Notwithstanding the fact that a consumer has not received an account as a result of his failing to notify the Council of his change of address or due to delays on the part of external service providers, the customer is nevertheless liable for payment of such account. Any change of address only becomes effective when the notification of the change is received and acknowledged by the Council.
- 14.5 Accounts must be paid in full on or before the due date as indicated on the account. Failure to comply with this section shall result in debt collection action (as contained in Section 27 of this policy) being instituted against the customer. Interest on arrears, at the rate determined from time to time by the Council or, in the absence of any determination, as prescribed by law, will accrue after due date if the account remains unpaid irrespective of the reason for non-payment (refer Section 18).
- 14.6 Bulk consumers may at the discretion of Council be notified of their unpaid accounts prior to the commencement of the debt collection process.
- 14.7 Payments for accounts must be received at a Municipal pay-point by close of business on or before the due date. In the case of any electronic payments the money must be received in the municipal bank account no later than the close of business on the due date. In the case of monies paid to agents, the money must be deposited with the agent prior to the close of business on due date and proof thereof may be required to validate any claims.
- 14.8 The following methods of payment and payment points can be used: Debit order payments, which forms are available from the municipal cash offices;
- Cash payments can be made at the municipality' s cash offices, any South African Post Office and their agencies, ABSA and Easy Pay Outlets e.g. Pick & Pay, Checkers, etc.
 - Electronic banking payments directly into the municipality' s account;

- 14.9 The consumer acknowledges that any agent used for transmitting payments to the Municipality is at the risk and cost of the consumer. In addition the consumer must take into account the transfer time of the particular agent.
- 14.10 All payments and/or part-payments received by the Municipality shall be allocated to services in the manner as contained in Section 20.

15. METERING OF CONSUMABLE SERVICES

- 15.1 The municipality may introduce various metering equipment for the measurement of service consumption and customers may be encouraged to convert to a system preferred by the municipality.
- 15.2 Customers who default (fail to pay by the due date) may be required by the municipality to convert to another metering system.
- 15.3 Meters (credit) will be read in monthly cycles, at regular intervals or as prescribed by Council. Should circumstances prevent such a reading, the Municipality is entitled to continue with the procedure as laid down in Section 13 of this policy.
- 15.4 A consumer is responsible to ensure access to metering equipment and will be liable for any cost incurred to ensure access (such as relocating or disconnecting the meter) if satisfactory access is not possible.
- 15.5 Routine or special maintenance of metering equipment will be communicated to the consumer prior to being undertaken in order to establish a suitable time to perform such maintenance.

16. VALUATION OF PROPERTIES

- 16.1 All properties within the boundaries of the Witzenberg Municipality are to be valued in terms of the legislation applicable to the valuation of properties for the purpose of levying property rates.
- 16.2 If the Municipality has not yet included such valuation for the purpose of levying rates, the Municipal Valuer shall conduct a valuation of the relevant property for purposes of a supplementary valuation

17. PROPERTY RATES

- 17.1 In terms of the Council Rates Policy, and in accordance with the tariff of Charges Schedule, Property Rates will be raised annually in July of each year, charged on a monthly basis and will be reflected on the consumers monthly bill.
- 17.2 All Property Rates not paid by due date will, in addition to any procedures as prescribed by law, be subject to credit control and debt collection procedures as stipulated in this policy.
- 17.3 An owner may apply to have his/her property rates be charged monthly. In which the due date for application is set at 30th June of each year.⁴
- 17.4 If in default it will reversed to yearly and the total annual rates amount become payable.
- 17.5 When a property is transferred to a new owner and the rates on a supplementary valuation become payable after the transfer, the previous owner and the new owner will jointly and separately be held responsible for the payment for the rates.

18. INTEREST ON ARREARS AND OTHER PENALTY CHARGES

- 18.1 Interest shall be charged for a full month on all arrear amounts at the percentage determined by Council irrespective of when payment is made.
- 18.2 For purposes of determining arrear amounts, all amounts that are unpaid after due date, excluding interest, penalty charges previously raised including collection charges and Value Added Taxation, shall be taken into account.
- 18.3 The Chief Financial Officer will be entitled to raise the following charges/fees in addition to the interest charge contemplated in clause 18.1:
- o charges for disconnection or restriction of services
 - o charges for reconnection or reinstatement of services
 - o charges for notices of default and other correspondence

⁴ Updated 04/08/2008 Special Council meeting

- o penalty charges for illegal reconnections
 - o Reconnection fee to be paid for both prepaid and conventional meters
 - o Charges / Fees on all legal proceedings⁶
- 18.4 Other than those penalty charges prescribed by legislation, the value of each of these charges will be determined on an annual basis by Council when considering its annual budget and shall be contained in the Witzenberg Municipality Tariff Register.

19. AGREEMENTS AND ARRANGEMENTS FOR PAYMENT OF ARREARACCOUNTS

19.1 The Chief Financial Officer is authorised to enter into agreements with customers in arrears with their accounts and to grant customers extensions of time for settlement of the amounts due to Council. No arrangement for the payment of debt in instalments may be entered into with a tenant without the consent of the property owner.⁷

19.2 Where a customer in arrears is a business or commercial concern, a minimum of 50% of the total overdue amount, as an initial payment, shall be paid, and the balance of the account shall be paid in equal instalments over a maximum period of twelve months. Any future monthly current accounts shall be paid on or before the due dates for the month in question. In respect of business or commercial consumers who are in arrears, interest will be raised in terms of Section 18 of this policy.

In exceptional circumstances, The Accounting Officer and CFO can deviate from the general rule above provided that:

- The current account is paid in full
- A written agreement is entered into that provides for the down payment of the arrears amount in monthly instalments.

19.3 Where a customer in arrears is a domestic consumer the following processes will be follows:

- i) When the customer account include outstanding debt, the customer payment incentive policy as approved by Council may apply; and
- ii) In the case of all other debt, the current account, as an initial payment, shall be paid, and the balance of the account shall be paid in equal instalments over a maximum period of forty eight [48] months.
- iii) In exceptional circumstances, The Accounting Officer and CFO can deviate from the general rule in (ii) above provided that:
 - The current account is paid in full

⁶ Amended by Council on 28 May 2014

⁷ Amended by council on 28 May 2014

- A written agreement is entered into that provides for the down payment of the arrears amount in monthly instalments.
- iv) A customer can make a maximum of 2 arrangements within a financial year of the Municipality.⁸

Any future monthly accounts shall be paid on or before the due date. Consumers, who honour their agreements and arrangements to pay, will not be charged interest from the date of the agreement on municipal service arrears, with the exception of property rates in arrears where statutory provisions may apply. Should they default on their credit extension for whatever reason, interest shall be raised from the date of default on the full outstanding debt in terms of Section 18 of this policy.”

- 19.4 A consumer may be required to complete a debit order for the payment of arrears in terms of the agreement.
- 19.5 Should a customer breach the arrangement in any way, the balance of the arrear account, together with the balance of interest outstanding on the account, shall immediately become due and payable to the municipality.
- 19.6 A customer who fails to comply with any credit arrangement shall not be permitted to enter into any further arrangement or extension of time for payment and shall have his services terminated, however a customer who brings his credit arrangement up to date by an immediate payment shall have his services reconnected as soon as is practically possible.
- 19.7 A customer who fails to comply with any arrangement of debt shall have his service agreement terminated, services disconnected/restricted, and/or his deposit adjusted with an amount of R500 to cover a part of the arrear debt.
- 19.8 Only debtors with positive proof of identity or an authorised agent with a Power of Attorney shall be permitted to enter into an Acknowledgment of Debt agreement with the Council. If the arrear account is in the name of a tenant, the owner of the property, have to give written consent to the Municipality to enter in to Acknowledgement of Debt agreement with his /her tenant.
- 19.9 Where a debtor is a close corporation, trust, or a company, the person who signs an acknowledgment of debt on behalf of such close corporation, trust or company, shall produce written proof that he is authorised to sign such acknowledgment on behalf of all members and/or directors of the close corporation, trust, or the company.

⁸Updated 28/05/2009

- 19.10 An Acknowledgment of Debt agreement shall contain all arrangements for paying off arrear accounts, which may include interest. One copy of the agreement shall be handed to the customer and another filed with the Chief Financial Officer.
- 19.11 In instances where a customer is employed, the municipality may obtain a voluntary garnishee order or emoluments attachment order.
- 19.12 Where any debt has arisen as a result of the Council having applied an incorrect charge and/or tariff, the consumer may arrange to pay the debt over a maximum period equivalent to the period over which the incorrect charge was applied or over twelve months, whichever is the shorter.
- 19.13 The Director Finance and Deputy Director Finance may deviate from the policy in special circumstances.⁹

20. ALLOCATION OF PAYMENTS AND PART-PAYMENTS

- 20.1 Receipt of the total outstanding monies will be allocated to the credit of the account in full.
- 20.2 A customer shall not be entitled to allocate any payment made to any portion of the total debt due to the Council.

21 DISHONOURED QUES/DEBIT ORDERS

- 21.1 Refusal by banks to honour payments by debit order is regarded as non- payment, upon which the relevant debtor is subject to credit control measures.
- 21.2 The Council shall, at the earliest opportunity, be entitled to disconnect or restrict, as the case may be, the electricity and/or water supply of a customer who has offered a cheque or debit order as payment for municipal services if such cheque or debit order is returned or dishonoured by the financial institution on which it is drawn as a result of a lack of funds or for any other reason.
- 21.3 A customer tendering a debit order referred to in Clause 21 .2 shall be liable for all administration charges and bank fees as determined by Council as a result of such transaction.
- 21 .4 Should a dishonoured debit order be received, the customer may be contacted telephonically with the request that a cash deposit equal in amount to that of the dishonoured cheque be made into the municipality' s account within 24 hours.

⁹ Recommended for amendment.

- 21.5 Should any attempt to contact the customer fail, then the municipality shall immediately discontinue the supply of services to the premises.
- 21.6 In the event of the customer not having sufficient funds to settle the outstanding debt, the Municipality may open a case of fraud with the South African Police Service.
- 21.7 Dishonoured cheques are to be kept on file and will only be given to account holders on request if the account is paid up to date after the reversal of the dishonoured payment.
- 21.8 A customer who has offered three dishonoured debit order payments in any 12 month period will not be allowed to make further payments by cheque for a period of at least one year, although a bank guaranteed cheque may be accepted by the Chief Financial Officer.

22. QUERIES IN RESPECT OF ACCOUNTS

- 22.1 The enquiries counters at the municipality's service centres can be contacted for all account queries.
- 22.2 An enquiry clerk stationed at the municipality's service centres shall be available to assist consumers with account balance queries as well as the opening and closing of accounts.
- 22.3 Any resident or consumer who may feel aggrieved concerning his/her account may address a written grievance / appeal to the Chief Financial Officer.
- 22.4 The municipality endeavours to investigate any query and give feedback within fourteen working days of the receipt of the query.
- 22.5 Any query in respect of the amount due and payable on the consolidated bill must be lodged, in writing, at the municipality within 10 days of the consolidated bill date in order that it may be investigated. Should the query not be lodged within 10 days, the municipality cannot be bound to the provisions of clause 22.4.
- 22.6 A customer who has lodged an enquiry is not relieved of the responsibility to maintain regular payment on his account. In the event of an accountholder reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder provided the accountholder has paid, by due date, an amount equal to the monthly average monetary value of the three most recent un-queried accounts in respect of the service under query, as well as all un-queried balances on such account, and, provided further that, such query is made in writing by the accountholder or is recorded in writing by the Chief Financial Officer or his designate on behalf of the accountholder within 10 days of the consolidated bill date.

- 22.7 If a customer has received a response to a query but is still not convinced that the account is correct, the customer will still be liable for the full outstanding amount and will be subject to credit control action.

23. UNRESOLVED CUSTOMER QUERIES

- 23.1 Should a query remain unresolved after 14 working days have passed from the date the query was lodged, the customer is to notify the Section Head of the relevant section who will follow up and resolve the query.
- 23.2 Should the Section Head, as a result of the complexity of the case, be unable to resolve the query, it is to be referred to the Consolidated Billing Manager for resolution.

24. DISCONNECTIONS/RESTRICTIONS OF SERVICE

- 24.1 The Council shall disconnect/restrict services to consumers whose consolidated accounts remain unpaid after due date.
- 24.2 The municipality shall, prior to disconnection and/or restriction of services, not be obliged to issue any final demand notices or other reminders to customers whose accounts are unpaid after due date.
- 24.3 The municipal account shall reflect a warning message that shall be deemed to be proper and sufficient notice to the customer that his services may be disconnected or restricted unless payment is received on or before due date.
- 24.4 In the event that full payment of the consolidated account, including any accumulated arrears, is not received by close of business on due date, the electricity supply and thereafter the water supply may be disconnected/restricted, unless a formal arrangement for an extension of payment, in terms of Section 19, has been approved by the Chief Financial Officer or his authorised representative.
- 24.5 Even though a customer may have concluded satisfactory credit arrangements in terms of Section 19, the Council is not obliged to effect a reconnection of services on the day that payment is received or the agreement has been signed, but will, unless unable to do so because of circumstances beyond the control of the municipality, endeavour to do so within three (3) working days in terms of Section 26 read in conjunction with Section 25.

- 24.6 Where a customer's services are disconnected, or where access to disconnect services has not been obtained, the customer shall be charged a visitation fee, as determined by the Council, which shall be paid prior to the services being reconnected.
- 24.7 Where a customer's account and/or service agreement has been terminated or is in arrears and no credit arrangement has been entered into,
- the Council may, at the customer's cost, proceed to collect such amount as is outstanding and due in terms of the procedures for debt collection contained in Section 27 of this policy.
- 24.8 Where a customer or owner's account is in arrears and no credit arrangement for the settlement of any outstanding debt has been entered into, and, whether the services to the property have been disconnected / restricted or no the Council may, regardless of whether the service agreement is terminated or not, implement the procedures for debt collection as set out in Section 27 of this policy, if such action is deemed by the Chief Financial Officer to be in the best interests of the Council.
- 24.9 Should the Chief Financial Officer be of the opinion that the termination of services, in respect of which the account is in arrear, could result in the endangerment of the life of any person, the Chief Financial Officer may appropriately restrict rather than terminate the services in question.

If a household is classified as an indigent household in terms of section 6.1 of the Assistance to the poor policy, as amended, then the following will be applicable with regard to disconnection/restriction of services:

- (i) Prepaid electricity may be blocked for purchases if the other services are in arrears; and¹⁰

24.10 Changing meters of defaulters¹¹

- (i) The water meters of defaulters can be replaced with water management meters, and the consumption can be limited to a minimum of 200 litres per day (6 kilolitres per month);
- (ii) The electricity meters of defaulters can be replaced with split prepaid meters;
- (iii) The cost of the replacement meters will be borne by the consumer who can pay the cost in three monthly instalments. If the consumer defaults on the payment for the meters, the electricity supply

¹⁰Updated 31/05/2012 Council meeting

¹¹Updated Council 28/09/2011

will be blocked and/or the water consumption will be limited to 200 litres per day (6 kilolitres per month).

25. **RECONNECTION/REINSTATEMENT OF TERMINATED/RESTRICTED SERVICES**

25.1 Services which have been terminated or restricted shall be reconnected or reinstated by the municipality only when all the following conditions have been met:

- the 30 days arrear account plus the reconnection fee has been paid in full, including the interest raised on such account; and an acceptable arrangement has been entered on the arrears older than 30 days with the municipality, including the interest raised on such account; or a query, as contemplated in Section 22, has been resolved and arrangements for payment as approved by the Chief Financial Officer have been concluded; a revised/existing service agreement has been entered into/reinstated with the municipality, as contemplated in Section 11 of this policy; and
- a suitable cash deposit, as determined by the Chief Financial Officer in terms of Section 12, has been paid to the municipality.

26. PROCEDURE FOR DEBT COLLECTION AND WRITE OFF

Where consumer accounts are in arrears, the Chief Financial Officer is authorised to institute the following procedures with the intention of proceeding until the debt is collected or written off:

26.1 Immediately after due date, disconnect and/or restrict all water and/or electricity services for all overdue amounts relating to rates, service charges or any charges for services rendered by the municipality in terms of the procedures laid down in Section 24 of this policy;

26.2 Thirty days after the due date:

- Tracing action may be authorized and instituted if the whereabouts of the debtor is unknown.

26.3 Sixty days (or any earlier period if the Chief Financial Officer deems that it is in the best interest of the Council) after the due date, and where an account rendered to a customer remains outstanding, the following action may be taken:

- All arrear amounts shall be handed over to the Council's internal or external debt collection agents.

The collection agents will then make use of normal debt collection procedures including a call centre approach and legal processes to collect the amounts owed to Council

- If necessary, the sale in execution of such property to recover arrear property rates and service charges will be instituted irrespective if the accountholder is also the owner of the property).

- All legal expenses incurred by the municipality shall be for the account of the accountholder in default¹².

26.4 The Chief Financial Officer may insist that a consumer, who is utilising a credit meter, convert from that credit metered supply to a prepayment supply. The cost of such a conversion is to be borne by the consumer.

26.5 The Chief Financial Officer may allocate up to thirty (30) percent of any payment for prepayment services to arrear debt.

26.6 The Chief Financial Officer may order that emolument attachment or garnishee orders be instituted on debtors' salaries.

¹²Updated 20/04/2011

- 26.7 The Chief Financial Officer may/must withhold rates clearance certificates in terms of Section 118 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 30 of this policy.
- 26.8 The Chief Financial Officer may/must withhold payments of grants-in-aid to consumers whose accounts are in arrears.
- 26.9 The Chief Financial Officer may/must withhold payment to suppliers whose accounts are in arrears in terms of the Supply Chain Management policy.
- 26.10 The Chief Financial Officer may withhold/reject the approval of building plans relating to improvements on properties if there are arrears on that property.
- 26.11 Whenever all the legal avenues and procedures listed above have been exhausted, or it becomes uneconomical to proceed further, the arrear amounts should be classified as irrecoverable and should be written off.
- 26.12 The Chief Financial Officer, may forward a report to Council for the writing off of consumer, if such debts may be irrecoverable.
- 26.13 The Executive Committee, in terms of its delegated authority, may authorize the writing off of the debts wherein after a report will be forwarded to full Council for ratification.
- 26.14 The Chief Financial Officer shall as soon as possible after 30 June each year, or more regularly if requested by Council to do so, present to the Council a report indicating the amount of the arrears that have been written off during the financial year, together with the reasons for the write off.
- 26.15 The Chief Financial Officer may write off debts to the value of R1000.00 per individual if he is satisfied that:
- All reasonable steps have been taken to recover the debt and the debt is considered to be irrecoverable, or
 - He/she is convinced that recovery of the debt would be uneconomical.
- 26.16 The Chief Financial Officer may approve the write off of debt outstanding for more than three years, excluding property rates, on condition that all the other debt is paid immediately in full.¹³
- 26.17 Any debtors whose amounts are written off may be listed with the Credit Bureau and may not be permitted to enter into future service contracts with the Council.

¹³ Amended by Council on 28 May 2014

- 26.18 Industrial consumers can qualify for an early payment rebate of one percent if their account is paid in full within 15 days after the month during which the services were consumed.¹⁴
- 26.19 A collection fee of up to 5% of the amount collected on behalf of the municipality may be paid to employers that deduct municipal accounts from their employees.¹⁵
- 26.20 If a household is classified as an indigent household in terms of section 6.1 of the Assistance to the poor policy, as amended, then the Chief Financial Officer must prior to implementation of sections 26.2 and 26.3 determine whether the debt would be uneconomical to recover as set out in section 26.15.¹⁶
- 26.21 That rental debt when the municipality is the lessor be referred to the Housing Committee for a decision regarding the arrear debt where the unit is to be assigned to another lessee. Where the Housing Committee's decision is to write-off the debt that this first be approved by the Municipal Council before implementation. ¹⁷

27 ILLEGAL TAMPERING AND/OR THEFT OF SERVICES

The Municipality does not condone theft and fraud of municipal services and will monitor the service networks for signs of tampering or irregularities. Furthermore,

- 27.1 Water and electricity metering and connection equipment remain the property of the municipality and anyone involved in instances of tampering, damaging or theft thereof will be liable for criminal prosecution.
- 27.2 With regard to electricity services, if tampering of any nature or theft of such services is identified, the electricity supply to the property may be discontinued by the removal of the meter and the cable and the water supply may be restricted. In addition, the customer's service agreement with the Council may be cancelled and the customer's deposit may be offset against any amounts owed to the Council.
- 27.3 If the restricted water supply is tampered with or any variable flow-restricting device removed, the water supply may be discontinued, the service connection removed and the customer's service agreement with the Council may be cancelled. The customer's deposit may be offset against any amounts owed to the Council.
- 27.4 Once Council becomes aware that any terminated or restricted service has been irregularly reconnected or reinstated, the necessary action to remedy the situation will be implemented which could include the Municipal Manager reporting such action to the South African Police Service.

¹⁴ Amended by Council on 28 May 2014

¹⁵ Amended by Council on 28 May 2014

¹⁶ Updated 04/08/2008 Special Council meeting

¹⁷ Amended by Council on 30 May 2019

- 27.5 All outstanding amounts including, all metered consumption since the date of the illegal reconnection, or the estimated consumption, if a reliable meter reading is not possible, shall be paid in full together with the required deposit, before any reconnection/reinstatement, and new services agreement are considered.
- 27.6 If found that any person (natural or juristic) are illegally connected or reconnected to municipal services, or that he/she fiddled with any meter, reticulation network or any other supply equipment, or delivered any unlawful service associated with the provision of municipal services, or stole or damaged any municipal property, he/she shall be prosecuted and/or held liable for fines, as determined by the magistrate.¹⁸

However, the receipt of payment will not necessarily impact on nor prejudice any legal or criminal proceedings against the customer.

28 UNOCCUPIED PREMISES

- 28.1 When a consumer terminates a consumption account and no new owner registers, the property is deemed to be unoccupied.
- 28.2 Whenever water and/or electricity consumption is recorded at a property that is deemed to be unoccupied effort will be made to establish the identity of the person responsible for that consumption, failing which an appropriate bill will be raised and forwarded to the owner of the property for payment. Should payment not be received then the registered owner of the property is liable for the services consumed.

29. CLEARANCE CERTIFICATES

- 29.1 Before any property can be transferred from one owner to another, all amounts owing to the municipality on the property must be settled. Only after settlement, will the Municipality issue a certificate stating that all outstanding debts have been settled. No property transfer can take place without such a certificate.
- 29.2 The Municipality requires a payment in advance equal to two¹⁹ months average consumption of all relevant services prior to the issuing of such a clearance certificate in order to allow for any consumption that may take place during the time taken for the transfer to go through.

¹⁸ Amended by Council on 30 May 2019

¹⁹ Updated 04/08/2008 Special Council meeting

- 29.3 The Municipality shall, wherever possible, issue a clearance certificate within ten working days of such request once all outstanding debts and administration fees have been paid in full.
- 29.4 The above provisions do not apply in the case of transfers from National Government, Provincial Government or another municipality of residential property where the provisions of Section 118 of the Municipal Systems Act are applicable.

30. MUNICIPAL STAFF

- 30.1 Any member of staff of the Council and any Councillor may not be in arrears with the Council for rates and/or service charges for a period longer than three months, and the Council will deduct any outstanding amounts from the salary or allowance of such member of staff or Councillor after this period, in accordance with item 10 of Schedule 2 of the Municipal Systems Act, 2000 (Act No. 32 of 2000).
- 30.2 Staff arrangements made to pay off debt will be adjusted yearly equal to the percentage salary increase.
- 30.3 Salary deductions will be made from yearly bonuses & performance bonuses to be set off against any arrears or outstanding amount.
- 30.4 Any back pay, promotions, overtime & standby are first use to reduce arrears of staff.
- 30.5 Staff members that made arrangements to pay off debt must complete a salary deduction form and this deduction may not be stopped until debt has been paid in full.
- 30.6 If a staff member is sixty (60) days in arrears and has made no arrangement to pay off the outstanding amount, deduct full amount from salary.

31. REPORTING AND PERFORMANCE MANAGEMENT

- 31.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Committee as supervisory authority in terms of Section 99 of the Municipal Systems Act, 2000 (Act No.32 of 2000), read with section 100(c).
- 31.2 If, in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent to 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 immediately move for a revision of the budget according to realistically realisable income levels.

31.3 The Executive Committee shall, at intervals of 3 months, report to Council as contemplated in Section 99(c) of the Municipal Systems Act.

32. DEFINITION OF IRRECOVERABLE DEBT

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 specific outstanding amount, or
- (b) Any amount equal to or less than R500.00, 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 debt does not warrant further action, or
- (d) The debtor is untraceable or cannot be identified so as to proceed with further action, or
 - (i) the debtor has immigrated leaving no assets of value to cost effectively recover Council's claim, or
- (e) It is not possible to prove debt outstanding, or
 - (i) a court has ruled that the claim is not recoverable, or
 - (ii) the outstanding amount is due to an irrecoverable administrative error by the Municipality, or
- (f) All arrears will be written off to bad debts where water consumers have had their water leaks repaired, provide the necessary proof and for a period of six months from the date of repair –
 - (i) Pay their water & sewer bill above the free portion on or before the due date, and
 - (ii) Maintain their water consumption within affordable levels.

33. COMMUNICATION OF POLICY TO CONSUMERS

33.1 The municipality will, at its own cost, publish the Credit Control and Debt Collection Policy in the local media. The Chief Financial Officer operating under delegated authority will publish the policy on whatever basis is to the Council's best advantage. A copy of the policy will be posted on the municipality's website and hardcopies will be made available on request at the service centres. Any amendments may be communicated on the website and in a newsletter from time to time.

- 33.2 Councillors must, from time to time, address ward committees on the contents of the policy and any amendments thereto.

34. BY-LAWS TO BE ADOPTED

- 34.1 By-laws shall be adopted to give effect to the Council's credit control and debt collection policy.
- 34.2 The by-laws are to comply with the requirements of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Water Services Act, 1997 (Act No. 108 of 1997), the Electricity Act, 1987 (Act No. 41 of 1987) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
- 34.3 The by-laws deal severely with defaulters, and their application requires a considerable degree of commitment from the Municipal Manager and his or her administration, as well as from the municipality's political structures. For the by-laws to ensure the avoidance of financial misfortunes for the municipality, and to lead to sustained financial stability, their application will have to receive the constant attention of all the municipality's key role-players and decision makers. If the by-laws are not constantly and consistently applied, from month to month and from year-to-year, the municipality's political and administrative credibility will be severely impaired, and it may not be able to ensure financial sustainability in the long run.
- 34.4 Although the by-laws envisage even the termination of basic services for defaulting accountholders this will not in itself, no matter how harsh it may seem to those councillors and officials who are disposed to greater leniency, prevent the accumulation of arrears. The monthly billing for property rates, sewerage charges and refuse removal fees will continue in respect of defaulting accountholders, even though their consumption of electricity and water may have been terminated or restricted. The termination or restriction of services must therefore be seen merely as a vital first step in the credit control programme, and the commitment by the municipality to follow up such actions with the full force of the law at the municipality's disposal is an essential further step if the accumulation of debts is to be meaningfully curtailed.

35 DECEASED ESTATES

Deceased Estates need to be registered at the Master of the High Court if, the Value of the property exceeds the amount of R250 000 if less it may be registered at the Local Court, Legal Aid

S.A.(LASA) can be contacted to assist in this regardThe accounts of deceased estates may be transferred into the names of relatives as determined by the executor of the deceased estate, to allow for the continuation of service delivery to the relevant property on the following conditions: review

The historical debt remains a claim against the deceased estate; review

The executor of the deceased estate together with the new account holder must enter into an agreement with Witzenberg municipality for the payment of the historical debt;

The normal service deposit is payable by the new account holder

If the property is let out, the service deposit is payable without any exceptions;

A clearance certificate in terms of section 118 of the municipal systems act may be issued by Witzenberg municipality on condition that the executor of the deceased estate provides the municipality with a guarantee that the outstanding debt will be paid on transfer; review

In the instance of a child-headed household the account must remain in the name of the deceased estate, but the estate will qualify for indigent support, if the other criteria for an indigent household are met.

36. ENFORCEMENT OF OTHER LEGISLATION

36.1 In addition to the credit control and debt collection provisions contained in this policy and the published by-laws relating hereto, the Council may enforce any other rights or exercise any power conferred upon it by the Municipal Systems Act, 2000 (No. 32 of 2000), the Water Services Act, 1997 (Act No. 108 of 1997), the Property Rates Act, 2004 (Act No. 6 of 2004) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

36.2 In the event of an inconsistency between the provisions of these and any other by-laws, the provisions of these by-laws shall prevail.

37. CUSTOMERS ASSISTANCE

Water Leaks Rebates

A customer will qualify for a water leak rebate if:

- the leak occurred and was not easily discernible from above ground;
- the leak had been repaired after detection;
- the customer had only applied for one rebate in a 24-month cycle;
- a certificate from a registered plumber, or a sworn affidavit from any other person who has repaired the leak, and must reach the Chief Financial Officer within 30 working days of the repair, and contain the following details:
 - the date on which the leak was repaired;
 - confirmation that the leak was not discernible from above ground;
- The adjustment will be calculated based on the difference between the greater of the average consumption (KI) for the previous year's corresponding periods
- or three months' average usage after the leakage has been fixed and the consumption of period of the leakage for a maximum period of three years. The rebate will be limited to a maximum period of 3 months

38 COMMENCEMENT DATE

This policy as amended takes effect as from the 01 July 2019.



CASH MANAGEMENT AND INVESTMENT POLICY

Date of implementation: 01 July 2008

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APPENDIX A

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) determines that a municipality must introduce an appropriate, prudent and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of section 13 of the Act, has to disclose details regarding a municipalities' investments;

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 Witzenberg Municipality adopt the cash and investment management policy set out in this document.

1. DEFINITIONS

"Act" means the local government Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

"Council" means the Municipal Council of Witzenberg Municipality

"Gazette" means the Government Gazette

"Investee" means an institution or counterparty with which an investment is placed, or its agent.

"Investment" means an amount of funds deposited in deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) on which interest is earned or received.

"Internal investment manager" means the official appointed or acting as the Manager: Financial administration of Witzenberg Municipality.

2. LEGAL FRAMEWORK

- a) Legislation – local government: Municipal Finance Management Act 56 of 2003 (As amended)
- b) Treasury regulations in terms of Section 13(1) of the Act (As amended).

3. OBJECTIVES

- a) To maximize returns from authorized investments, consistent with the secondary objective of minimizing risk
- b) To ensure compliance with all legislation governing the investment of funds.
- c) To maintain adequate liquidity to meet cash flow needs
- d) To undertake the investment of funds not immediately required for operational purposes in a prudent financial manner.
- e) To ensure diversification of permitted investment.
- f) To ensure compliance with regard to revenue management as contemplated in Sect 64(d), 64(f) and 64(h) of the Act
- g) To ensure compliance with regard to Sect 10 and 11 of the Act

4. CASH MANAGEMENT POLICY

4.1. General Policy

It is recognised that from time to time, Council has cash flow surpluses and borrowing requirements due to daily receipts and payments. Council maintains a daily cash position summary and a yearly cash flow projection is prepared during the annual planning process and is updated monthly. This determines Council's borrowing requirements and surpluses for investment. Cash invested "outside" the bank account is covered by section 4 of this policy.

4.2. Bank Accounts

Council operates one primary bank account for its day to day operational activity requirements. All monies due to Council and due by Council emanating from Council activities must pass through this primary account.

4.2.1 Cheque Management

Cheques are printed in batch format. To prevent the removing of cheques, cheques are delivered in sealed boxes where strict control is exercised over the numerical sequence of cheques on the expenditure system by means of a cheque register.

4.2.2 Delegation/Rights

The incumbents of the following post are authorized to sign cheques on behalf of Council

4.2.3 Cheques

- A-Signatories: Director: Financial Services/Chief Financial Officer
Manager: Financial Administration
Manager Income
Manager: Supply Chain
- B-Signatories: Accountant Assets & Budgets
Accountant Credit Control
Accountant Debtors
Accountant Expenditure

Each payment needs to be signed by at least two A-signatories, or one A-signatory and one B signatory.

4.2.4 Electronic Funds Transfer (EFT)

Authorisation same as cheques above

4.3 Bank Overdraft

- 4.3.1 Barring the fact that Council has an approved overdraft facility with its primary banker for possible unanticipated short-term cash flow shortfall, its general policy is to avoid going into overdraft.

Short-term debt is incurred based on expected income and must be repaid within the same financial year. (Section 45 of the MFMA)

- 4.3.2 Council set the credit limit for the bank overdraft facility at R6, 000, 000 (six million rand).
- 4.3.3 The terms of the agreement for the bank overdraft facility, including the credit limit, may be changed only by a resolution of council.
- 4.3.4 Any overdrawn bank account at any date must be reported without avail to Council supported by reasons therefore.
- 4.3.5 Any short term facility that requires review must first be approved by the Accounting Officer.

4.4 Cash collection

4.4.1 Controlled, secured and prompt cash collection

- a) All cashier banking batches and or shifts must be closed at least on a daily basis;
- b) Each cashier banking batch must be closed and deposit in the primary bank account separately;
- c) All forms, categories or types of money received must be quoted in the form or type received, for example cheques as cheques and cash as cash;
- d) A cashier must count the money he/she received, record the outcome on the cash-up sheet per category, then report to the senior responsible for the closing of the banking batches;
- e) No cashier may have access to the closing bank batch facility of the financial system;
- f) The senior verifies whether the amounts is correct and send the cashier back if necessary, otherwise closed the banking batch;
- g) The cashier in the presence of the senior put the money in the cash bags; seal it and lock it away in his/her fault for collection;
- h) All closed banking batches must be deposited and received by the bank within 72 hours;
- i) An independent service provider will collect all bags; quote the seal serial number and issue a receipt for the money bags;
- j) The service provider must ensure that the bank check the seals, verify the seal number and sign for the money bag; and
- k) All shortages must be paid in by the cashier and all surpluses must be receipted in an item number open for this purpose.

4.4.2 Availability of receipting points

- a) Cash receipting points will be available in Wolseley, Tulbagh, Ceres, Prince Alfred Hamlet and Op-Die-Berg at municipal offices;
- b) The normal office hours are Monday to Thursday 08h30 till 15h30 and Friday 08h30 till 14h30;
- c) The Municipality makes use of prepaid electricity sales points in all the suburbs where the Municipality is the approved electricity supplier, these points is open at least from 07h00 till 20h00; and
- d) The Municipality also make use of third party payments for example Easy pay and Pay – a- Bill.

4.4.3 Electronic payments directly into bank account

Electronic payments directly into the bank account are allowed provided that the client use his/her debtors account number as reference or booking number or traffic fine number.

4.4.4 Receipt of money by post

- a) All mail of the Municipality is opened by an official responsible for Archives in the presence of a cashier responsible for collecting the mail received payments;
- b) All monies (cash, cheques and postal orders) are recorded in a register signed by the mail received payments;
- c) This cashier will then capture the received payments on the financial system; records the receipting number with the date of the receipt and sign the register;
- d) When a cheque is post dated, it is written in a post dated cheque register and then kept in a safe until the valid date and then it is captured; and
- e) The senior responsible for the cashiers must verify at least once a week that all payment received via mail is received and that all post dated payments has been captured.

5. INVESTMENT POLICY

5.1 General Policy

Generally Council will invest surplus funds with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) for terms not exceeding one year in anticipation of cash flow expectations. From time to time, with prior Executive Mayoral Committee approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the National Treasury regulations from time to time.

5.2 Application

5.2.1 This policy applies to all investments made by the Witzenberg Municipality or its duly appointed investment manager.

5.2.2 In addition, all investments must be in accordance with the Municipal Investment Regulations. Where there is a conflict between this policy and the Municipal Investment Regulation, the Municipal Investment Regulations will supersede this policy.

5.2.3 This policy do not apply to -

- (a) a pension or provident fund registered in terms of the Pension Funds Act 24 of 1956, or any subsequent legislation; or
- (b) in respect of trust money administered by a municipality where a trust deed prescribes how the trust money is to be invested.

5.2.4 Investments dominated in foreign currencies prohibited

Council may make an investment only if the investment is dominated in Rand and is not indexed to, or affected by, fluctuations in value of the Rand against foreign currency.

5.4 Diversification

- 5.4.1 Council will only make investments with approved institutions which have an A rating as per Appendix A.
- 5.4.2 Not more than 30% of available funds will be placed with a single institution.
- 5.4.3 Council must regularly monitor its investment portfolio and when appropriate liquidate an investment that no longer has the minimum acceptable credit rating as specified in 4.4.1 above.

5.5 Investment Managers

5.5.1 External Investment Managers

The municipality may as and when the need arise approach an external A-graded investment manager to administer the investment portfolio on its behalf. The external investment manager will be appointed in terms of SCM policy and service level agreement will govern the functions and responsibility of the service provider. All investments made by the external investment manager on behalf of the Council of Witzenberg must be made within the ambit of this policy and with National Treasury's investment Regulations.

5.5.2 Internal Investment Manager.

All investments made by the internal investment manager shall be in accordance with section 4.4 of this policy.

5.6 INTERNAL CONTROLS OVER INVESTMENTS

5.6.1 Delegations

In terms of section 79 of the Act, the Accounting Officer has delegated to the Director: Finance (CFO), in writing, his duty under section 65(2)(h) to manage the councils available working capital effectively and economically in terms of the prescribed cash management and investment framework. The CFO has sub delegated this duty to the Manager Financial Administration.

5.6.2 Concluding deals

Written mandates, signed by the Manager Financial Administration and the CFO, shall be issued to all investees with whom the Council of Witzenberg invests funds setting out the following:

- 5.6.2.1 Authorised dealers: name and particulars of the Councils officials who are authorised to transact investments deals with the investees;
- 5.6.2.2 Authorised signatories: name and particulars of the Councils officials who are authorised to sign written confirmations or any other correspondence in respect of investments transactions.
- 5.6.2.3 A dealing sheet, signed by an authorised dealer, shall be prepared in all instances for each individual investment, detailing the quotations received and the recommended investee. The Manager Financial Administration, together with any one of the authorised signatories referred to above, shall be authorised to approve the transaction.
A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the Manager Financial Administration and the CFO.

5.7 Ownership

- 5.7.1 All investments must be made in the name of the Council of Witzenberg Municipality.
- 5.7.2 Written proof of investments made must be obtained from the institution where the investment is made and must be kept on file.
- 5.7.3 Council may not borrow money for the purposes of investment.

6. DUE CARE

In dealing with financial institutions, the following ethical principles must be observed:

- 6.1 The Chief Financial Officer and all staff in his/her directorate shall not accede to any influence by or interference from Councillors, investment agents, institutions or any other outsiders.
- 6.2 Under no circumstances may inducements to invest be accepted;
- 6.3 Interest rates quoted by one institution must not be disclosed to another institution; and
- 6.4 The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.
- 6.5 Investments must be made with such judgement and care, under prevailing circumstances like a person of prudence, discretion and intelligence would exercise.
- 6.6 Investment may not be made for speculation but must be a genuine investment; and
- 6.7 Investments must in the first instance be made with the primary regards being to the probable safety of the investment, in the second instance to the liquidity needs of the municipality and lastly to the probable income derived from the investment.

7. PERFORMANCE MEASUREMENT

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Financial Officer has primary responsibility for determining this overall quality. Objective measures include:-

- 7.1 Adherence to policy.
- 7.2 Timely receipt of interest income.

8. REPORTING

8.1 Reports

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Bank Balance	Report Daily	Senior Clerk Bank Reconciliations	Manager: Financial administration
Investments	Monthly within 10 working days of the end of the month. As part of section 71 of MFMA report	Accountant	Manager: Financial administration, Chief Finance Officer and Council

8.2 Monthly reports

Monthly reports must set out at least –

- (a) the market value of each investment as at the beginning of the reporting period;
- (b) any changes to the investment portfolio during the reporting period;
- (c) the market value of each investment as at the end of the reporting period; and
- (d) fully accrued interest and yield for the reporting period

9. ANNUAL REVIEW OF POLICY

This policy on investments will be reviewed annually or earlier if so required by legislation. Any changes to the investment policy must be adopted by council and be consistent with the Act and any National Treasury regulations.

10. EFFECTIVE DATE

The effective date of this amended policy shall be 1 July 2010.

APPENDIX A

APPROVED INSTITUTIONS

Banking Institution	Short-term	Long-term
ABSA Bank Ltd		AAA
Development Bank of SA		AAA
First Rand Bank Ltd		AA+
Sanlam Capital Markets Ltd		A
Imperial Bank Ltd		A+
Investec Bank Ltd		A+
Land and Agricultural Bank of SA		AA-
Nedbank Ltd		AA-
Standard Bank of South Africa Ltd		AA+

1. Long-term ratings

AAA- Obligations which have the highest rating assigned by Fitch IBCA on its nation rating scale for that country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Capacity for timely repayment of principal and interest is extremely strong, relative to other obligors in the same country.

AA- Obligations for which capacity for timely repayment of principal and interest is very strong relative to other obligors in the same country. The risk attached to these obligations differs only slightly from the country's highest rated debt.

A- Obligations for which capacity for timely repayment of principal and interest is strong relative to other obligors in the same country. However, adverse changes in business economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.



CONSUMER PAYMENT INCENTIVE POLICY (CPIP)

Date of implementation 01 July 2009

Reviewed by Council 15/06/2010

Reviewed by Council 20/04/2011

Reviewed by Council 31/05/2012

Reviewed by Council 29/05/2013

Reviewed and amended by Council on 28/05/2014

Reviewed and amended by Council on 27/05/2015

Reviewed and amended by Council on 18/05/2016

Reviewed and amended by Council on 30/05/2017

1. BACKGROUND

The Credit Control and Debt Collection Bylaws were reviewed and adopted by Council on the 28 May 2008. The purpose of the policy is to encourage the residents of Witzenberg to pay for services and also to promote the culture of payment amongst its citizens. The policy also aims to promote the Municipal Systems Act 32 of 2000, Sec 97(F) which relates to the extension of time for payment of services. The main focus of the policy is to institute incentive schemes to encourage prompt payment of debtor accounts.

2. OBJECTIVE OF THE SCHEME

To outline the parameters, criteria and procedures within which identified debts of participants to the scheme is written-off in exchange for prompt and timeous payment of future accounts rendered by the Municipality.

3. INCENTIVE DEFINED

3.1 Benefits derived by a participant to scheme

- One tenth of verified debt to be written-off every six months until debt is written-off in totality upon the participant fully complying with the conditions of the scheme.
- Assist consumers in improving the status of their municipal account in two ways, namely the decreasing of their existing debt through write-off and assisting them in ensuring that their current accounts do not deteriorate to a similar state.
- Registered Indigents must ensure that their monthly accounts are up-to-date if consumption has been more than the subsidy provided.
- The Incentive Policy is applicable only on debt relating to Service Charges excluding charges on Property Rates.

3.2 Benefit to Council

- Promotes sustainable and reliable revenue for the Council for future years.
- Creates amongst consumers the awareness and principle of paying for services consumed.
- Limits the financial burden of bad debt on the municipal council in future years.

4. CONDITIONS APPLICABLE TO THE SCHEME

- 4.1 Participant to promptly and timorously pay six (6) consecutive months' account rendered. The account must be paid before or on due date.
- 4.2 Participant to honour the acknowledgement of debt agreement entered into for the debt not identified for write-off, failing which it invalidates the application on the Incentive Policy.

5. WHO MAY APPLY

- 5.1 Only domestic consumers and educational schools and Hostels service accounts (Rates excluded) that have active accounts at date of application.
- 5.2 Only consumers that have outstanding debts as at the 30th June 2020 and the said debt or portion thereof is at date of application still outstanding.¹

6. WHO MAY NOT APPLY

- 6.1 Registered indigent consumers.
- 6.2 Commercial and Industrial consumers.
- 6.3 Government Departments, which includes schools and Parastatals.
- 6.4 Consumers utilising domestic premises to operate businesses.

7. METHOD OF COMMUNICATION ON THE SCHEME

- 7.1 The incentive scheme will be advertised in different mediums - newspapers, road shows and through the monthly statements.
- 7.2 A consumer must then complete an application form.
- 7.3 A reconciliation of the account will then be performed to verify whether the applicant qualifies.

8. THE PROCEDURE APPLICABLE

- 8.1 Verified debt as at 30th June 2020² to be "parked" and written-off in instalments as the conditions are met.
- 8.2 Verified debt accrued after 1st July 202³ to be dealt with via an acknowledgement of debt and arrangement for payment by the participant.
- 8.3 Incentive to be applied with effect from the 1st July 2010 retrospectively and upon approval.

¹ Adjusted annually

² Adjusted annually

³ Adjusted annually

9. INCENTIVE CALCULATION

One tenth of applicable debt to be written-off upon the participant promptly and timorously paying six (6) consecutive months account rendered in addition to the acknowledgement of debt accrued after 1st July 2020.⁴

Example

(a)	Verified outstanding debt as at the 30 th June 2020 amounts to	R5 000-00
(b)	Incentive portion written off each quarter 1/10 th of debt as per (a)	R500-00
(c)	Verified outstanding debt for the period accrued after 1st July 2020	R2 400-00
(d)	Monthly accounts rendered to be paid timeously.	
(e)	Acknowledgement of debt agreement (2400/36)	R66-67 per month

Incentive calculation

- The R5 000-00 is "parked thereby targeting it for write-off.
- An agreement is entered into for the R2 400 at R66-67 per month (2400/36)
- For every three consecutive months that the participants' current account and the arrangement of (66-67) must be paid up, an amount of R500-00 will be written-off from the "parked debt".

10. PARTICIPANTS TO THE SCHEME THAT DEFAULT

- 10.1 Participants, who default will not automatically be removed from the scheme, however their participation will be automatically suspended by the financial system that Council is using should they be in default for by two months or more.
- 10.2 The participants, in order to be reinstated on the Incentive Policy, must pay all outstanding amounts from the last account which was paid.
- 10.3 The incentive portion will only be affected if the participant has fully complied with the said conditions referred to in Section 4 of this scheme.
- 10.4 Participants who default on a regular basis will at management's discretion be removed from the scheme and normal credit control actions in terms of the bylaws will be instituted.

⁴ Recommended for adjustment



PETTY CASH POLICY

Date of implementation: 01 July 2010

Petty Cash Policy

1. INTRODUCTION

The management of expenditure of the municipality in an effective and controlled manner is the responsibility of the Accounting Officer of the municipality. Therefore the following petty cash policy is adopted by the Witzenberg Municipality.

Witzenberg Municipality includes the towns **and rural areas** of:

Bella Vista
Ceres,
Nduli
Prince Alfred's Hamlet,
Op-die-Berg,
Tulbagh, and
Wolseley

2. OBJECTIVES

To comply with regulatory framework in terms of the relevant legislation.

3. REGULATORY FRAMEWORK

- a) The Municipal Finance Management Act (56 of 2003)
- b) **Paragraph 15** **The** Municipal Supply Chain Management Regulations of 2005
- c) **Paragraph 15** **The** Municipal Supply Chain Management Policy

4. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (**Section 65**) are:

- (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.
- (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—
 - (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
 - (b) that the municipality has and maintains a management, accounting and information system which—
 - (i) recognises expenditure when it is incurred;
 - (ii) accounts for creditors of the municipality; and
 - (iii) accounts for payments made by the municipality;

Petty Cash Policy

- (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 hereby delegates authority to the Chief Financial Officer.

5. PETTY CASH PURCHASES

Petty cash requests will be made to the designated Petty cash officer in writing. The applicant must ensure that the items requested must be approved Petty Cash items. Petty cash officers will be held accountable for the safe guarding of petty cash.

- (a) Petty cash is strictly restricted to cash purchases:
 - i. up to a transaction value of R1 990.00 (VAT included)
 - ii. Submission must contain approved quote, petty cash requisition and MBD9 as a minimum
- (b) Approved list of Petty cash purchases are as follows:
 - i. Condolences, well wish cards, bouquets and flowers to the value of R350 (to be approved by Municipal Manager or relevant Director); No Gift baskets
 - ii. Keys for offices; Courier services; Postage
 - iii. Temporary vehicle licensing and public driver permits
 - iv. Tollgate fees when an employee is driving with an official vehicle registered in the name of the Municipality
 - v. Refunds (Library book fees);
 - vi. Refreshments and catering – only if approved by Municipal Manager
 - vii. Purchases are not split over two or more cash purchase claims;
 - viii. Purchase other than that specified in (i) to (v) above, may be approved by the CFO in exceptional cases where it is impractical or impossible to follow the official procurement processes, hence through a full deviation process:
 - 1. No approved store items may be purchased by means of a petty cash transaction;
 - 2. No fixed asset may be purchased by means of a petty cash transaction;

Petty Cash Policy

3. No travel and subsistence claims or disbursements may be paid via petty cash;

c. Petty cash Receipts

- i. Receipts must be provided immediate when petty cash has been issued to the purchaser and goods has been paid and received;
- ii. Failure to provide receipts, the receiver of petty cash automatically gives permission that the petty cash can be recovered from their monthly salary in a once off amount

6. MAXIMUM AMOUNT OF PETTY CASH PER MONTH

Petty cash will only be held in Ceres. The maximum float may not exceed R5 000.00 at any point in time. The maximum amounts of petty cash purchases are limited to R10 000.00 per month.

7. REPORTING

A monthly reconciliation report must be provided within 5 working days after month end to the chief financial officer, including:

- (a) The total amount of petty cash purchases for that month: and
- (b) Receipts and appropriate documents for each purchase



INDIGENT POLICY

OUR VISION

A Municipality that cares for its community, creating growth and opportunities.

OUR MISSION

The Witzenberg Municipality is committed to improve the quality of life of its community by:

- Providing and maintaining affordable services.
- Promoting Social and Economic Development
- The effective and efficient use of available resources
- Effective Stakeholder and Community participation

Recommended for adjustment March 2022
Reviewed by Council September 2021
Reviewed by Council 27/05/2020
Reviewed by Council 30/05/2019
Reviewed by Council 30/05/2017
Reviewed by Council 18/05/2016
Reviewed by Council 28/09/2011

Adopted by Council 15/06/2010

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1. INTRODUCTION

Witzenberg acknowledges the fact that priority must be given to the basic needs of the community and that the social and economic development of the community is assisted in an effort to provide access to the basic level of service in terms of the Constitution of South Africa, Sect 152 (1) (b) and 153 (b).

In an effort to make basic services accessible to the poor and to contribute to poverty alleviation program of National Government, the Council will allocate funds to assist the Poor. This policy, the Indigent Policy, is the tool to ensure that eventually the poor is in the safety net and are protected from measures to deny them access to the basic services. It is however acknowledged that the assistance will only be possible with the assistance of National Governments Fiscal support.

2. AIM

To ensure a sound and sustainable manner to provide affordable basic services to the Poor by means of assisting them financially within the legal framework of the powers and functions of the Municipality in order to improve the livelihood, in an effort to creating a prosperous Municipality free of poverty.

3. OBJECT OF THE POLICY

The object of this policy is to:

- Ensure a transparent, accountable and sustainable manner to assist the poor to access of basic services as defined later in the policy;
- Ensure a sustainable manner to assist the poor with the graveyard costs, transfer duties and to change the municipal accounts in the cases of death, legal separation, divorce, etc. when necessary; and to
- Ensure that a fair portion of the equitable share, as provided by National Government, is utilized as a contribution to poverty alleviation.

4. LEGAL FRAMEWORK

The legal framework within to provide basic services, are in terms the Constitution of South Africa:

- Sect 152 (1) (b) – provision of services in sustainable manner,
- Sect 153 (b) – participation in national and provincial programs, and
- Sect 156 – powers and functions to be performed by the municipalities.

Section 74(2)(c) of the Systems Act, Act 32 of 2000 deals with the ability of the municipality to make provision for the provision of access to at least basic services for the poor households. Sect 118 of the same Act provides the powers to the Municipality to issue clearance certificates and to hold back those of owners who are in arrears.

It is also seen that Sect 151(1) (b) of the Constitution, read with Section 74(2) (c) of the systems act provides enough powers to the Municipality to subsidize the poor with regard to other tariffs as well as to ensure that the household can maintain access to basic services when the head of the household should pass away.

5. DEFINITIONS

In this policy the under mentioned means, unless the context indicates otherwise-

"Household" a family unit consisting of a head of the family, and his or her spouse.¹

"Indigent household" a household that complies with the criteria as determined in section 6 of this policy.

"Income" All sources of income of a head of the family, and his or her spouse², for example salaries, allowances, pensions, rental and business income not limiting it to the examples mentioned, excluding state child support grants, care dependency grants, foster care grants or maintenance support.³

"Spouse" includes husband, wife or living partner, including traditional marriages.⁴

6. CRITERIA

Assistance is provided to households that meet the criteria as set out in 6.1, to old age homes that meet the criteria as set out in 6.2 and to schemes aimed at providing housing for the less privileged elderly as set out in 6.3.

6.1. The qualification criteria for urban households in order to receive assistance are as follow:

6.1.1. The head of the household must be a South African citizen;

6.1.2. An application on the prescribe form, fully completed with the required information and signed, must be provided;

6.1.3. The household, except in the case of rural households, must receive an account from the Municipality of Witzenberg;

6.1.3.1. If the municipal account is not in the name of the people residing in the house the following procedures may be followed:

6.1.3.1.1. An indigent application process to determine whether the household qualifies for benefits – if they qualify then:

6.1.3.1.1.1. A letter from the owner, or the executor of the estate, if applicable, authorising the municipality to open a service account in the name of the person residing in the house;

6.1.3.1.1.2. If the owner has died and an executor has not been appointed, all the children of the deceased must give permission with an affidavit that the account can be opened in the specific person's name;

6.1.3.1.1.3. In the case of municipal property, the housing committee will determine the lessee.

6.1.3.1.2. The municipal manager is delegated to write off the old debt on the property if the property is transferred into the name of the beneficiary within 24 months after the approval of the indigent application.⁵

6.1.4. No member of the household, except in the case of rural households which resides on the farm where he/she works and is not the owner, may own a fixed property other than the site on which the household resides; and

6.1.5. The household joint gross income may not exceed the level of R 5,000.00⁶ per month. The average monthly income for seasonal workers may be calculated by multiplying the monthly income with the

1 Amended by Council 30/05/2019

2 Amended by Council 30/05/2019

3 Amended by Council 28/09/2011

4 Amended by Council 30/05/2019

5 Paragraph 6.1.3.1 Amended by Council Sept 2021

number of months the person normally works and dividing the answer by 12. The monthly income for weekly wages may be calculated by multiplying the weekly wage by 4.3.⁷

- 6.1.6. Two individual government pension (old age or disability) that exceeds the threshold as per 7.1 may qualify for the 100% benefit if it is the only household income.⁸
- 6.1.7. The municipal manager may approve a household as indigent in exceptional circumstances.⁹
- 6.1.8. As a pre-requisite the municipality will install water demand management meters free of charge at indigent properties as a prerequisite to be registered as an indigent and all water leaks on the property will be repaired by the municipality at the cost of the municipality.¹⁰
- 6.1.9. No applicants who have a mobile shop in their erven (whether they are the owner or operator of the shop or not) is eligible for any Indigent benefit;¹¹
- 6.1.10. No Indigent application will be approved if any illegal trading is conducted on the property;¹²
- 6.1.11. Where there is a business operated by the main account holder or their spouse/ life partner, an affidavit must be accompanied stating that the income (profit) from the business is not more than the thresholds of the Indigent (100% or 50%) subsidy. Where discretion regarding this matter is needed, the application is to be referred to the Municipal Manager or Director Community for approval.¹³
- 6.1.12. No Indigent application will be approved in the case of any person that lives/stay on the property who is employed by any State Department, Local Government or District Municipality, excluding EPWP type employment.¹⁴
- 6.2. The qualification criteria for old age homes in order to receive assistance are as follow:
 - 6.2.1. More 50% of the residence within the old age home must receive less than R 3,000 per month income; and
 - 6.2.2. An application on the prescribe form, fully completed with the required information and signed, must be provided.
- 6.3. People residing in approved schemes aimed at providing housing for the less privileged elderly will qualify automatically for the full indigent benefit.:
 - 6.3.1. Maple Park
 - 6.3.2. Moredou
 - 6.3.3. Hamlet Sefsgoord.
 - 6.3.4. Other schemes approved by council.¹⁵

7. BENEFITS

6 Amended by Council 27/05/2020

7 Recommended for amendment Sept 2021

8 Amended by Council 30/05/2019, Amended by Council Sept 2021

9 Amended by Council 30/05/2017

10 Amended by Council 27/05/2020

11 Amended by Council Sept 2021

12 Amended by Council Sept 2021

13 Amended by Council Sept 2021

14 Amended by Council Sept 2021 Recommended to be removed

15 Amended by Council Sept 2021

All benefits are awarded in the form of free use consumption tickets or as a subsidy on the municipal account.

The following benefits are available for:

7.1. Households with a joint gross household income less than R 3,000

7.1.1 Property rates

In terms of the Property Rates Act, Act 6 of 2004, section 17(h) all residential sites are exempt from the first R 15,000 of the market value on property. As additional subsidy the Municipality will increase this level to R105 000 by means of a subsidy in the form a credit on the municipal account. This subsidy will be equal to the smallest of R 105 000 market value or the total valuation of property.

7.1.2 Electricity

A subsidy equal to the amount charged for the first 50 kWh consumed per month.

7.1.3 Water

A subsidy equal to the amount charged for the first 6 kilolitres consumption per month as well as 100% subsidy on the basic charge for water, where the Municipality is the service providers.

7.1.4 Sanitation

A subsidy equal to 100% of the amount charged for the service per month where the Municipality is the service provider.

7.1.5 Refuse removal

A subsidy equal to 100% of the amount charged for the service per month where the Municipality is the service provider.

7.1.6 House rental

A subsidy equal to 100% of the amount charged in the case of municipal sub economical rental stock as house rental per month.

7.1.7 Graveyard costs

A subsidy equal to 100% of the amount charged for graveyard cost. The subsidy can be in terms of every deceased member of the household and minor dependents.

7.1.8 Transfer costs

7.1.8.1. A subsidy equal to 100% of the amount charged for transferring the municipal services accounts as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit.

7.1.8.2. A subsidy equal to 100%, but limited to R 5000.00¹⁶ of the costs of an attorney to transfer the property into the spouse name, as a result of death of the head of the household whilst approved as an Indigent household and the current, registration is not in both parties' name registered in the deeds office. The appointment of the attorney is entirely the prerogative of the Municipality.

7.2. Households with a joint gross household income more than R 3,000 but less than R 5,000.¹⁷

7.2.1. Property rates

In terms of the Property Rates Act, Act 6 of 2004, section 17(h) all residential sites are exempt from the first R 15,000 of the market value on property. As additional subsidy the Municipality will increase this level to R105 000 by means of a subsidy in the form of a credit on the municipal account. This subsidy will be equal to the smallest of R 105 000 market value or the total valuation of property.

7.2.2. Electricity

A subsidy equal to 100% of the amount charged for the first 25 kWh consumed per month, where the Municipality is the service provider.

7.2.3. Water

A subsidy equal to 100% of the amount charged for the first 3 kilolitres consumption per month as well as 50% subsidy on the basic charge for water, where the Municipality is the service provider.

7.2.4. Sanitation

A subsidy equal to 50% of the amount charged for the service per month where the Municipality is the service provider.

7.2.5. Refuse removal

A subsidy equal to 50% of the amount charged for the service per month where the Municipality is the service provider.

7.2.6. House rental

A subsidy equal to 50% of the amount charged in the case of municipal sub economical rental stock as house rental per month

7.2.7. Graveyard costs

A subsidy equal to 50% of the amount charged for graveyard cost. The subsidy can be in terms of every deceased member of the household and minor dependents.

7.2.8. Transfer costs

7.2.8.1. A subsidy equal to 50% of the amount charged for transferring the municipal services accounts as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit.

7.2.8.2. A subsidy equal to 50%, but limited to R 5000.00¹⁸ of the costs of an attorney to transfer the property into the spouse name, as a result of death of the head of the household whilst approved as an Indigent household and the current registration is not in both parties name registered in the deeds office. The appointment of the attorney is entirely the prerogative of the Municipality.

¹⁷ Paragraph 7.2 inserted by council 27/05/2020

¹⁸ Amended by Council Sept 2021

- 7.3. The rebates in terms of sections 7.2.2', 7.2.3, 7.2.4, 7.2.5 and 7.2.6 is subject to the payment of the municipal account by the applicant. The accounts will be monitored on regular intervals and if it is found that the applicant failed to pay the monthly account, the rebates may be stopped.
- 7.4. Old age Homes
- 7.4.1. Electricity
- A subsidy equal to 10% of the amount charged for the service per month
- 7.4.2. Water
- A subsidy equal to 81.2% of the amount charged for the service per month
- 7.4.3. Sanitation
- A subsidy equal to 59% of the amount charged for the service per month.
- 7.4.4. Refuse removal
- A subsidy equal to 33% of the amount charged for the service per month.
- 7.5. The municipal manger is delegated to write off all outstanding debt on indigent accounts as at 30 September 2021 and all outstanding debt of new approvals as a once off benefit.¹⁹
- 7.6. If an applicant failed to pay the monthly account, 30% of prepaid electricity purchases may be utilised as payment on the municipal account.²⁰

8. RESTRICTIONS / LIMITATIONS ON INDIGENT RELIEVE:²¹

- 8.1. The water meters of indigents who consumed in excess of 6 kilolitre water per month and do not pay regularly for the excess can be replaced with water management meters, and the consumption can be limited to a minimum of 200 litres per day (6 kilolitres per month);
- 8.2. The electricity meters of indigents who consumed in excess of 50 kWh units of electricity per month and do not pay regularly for the excess can be replaced with split prepaid meters and the connection can be limited to a minimum of 40 Amps;²²
- 8.3. The cost of the replacement meters will be borne by the municipality.

9. ADMINISTRATIVE PROCEDURES

9.1. Organizational Structure

The organizational structure dealing with assistance to the poor is split in decision making and execution.

The decision making component will consist of the elected councillors in the Finance Committee, with the execution unit being the advisors of the committee.

¹⁹ Amended by Council Sept 2021

²⁰ Amended by Council Sept 2021

²¹ Amended council 28/09/2011

²² Amended by Council Sept 2021

Responsibilities of the Committee:

This committee will ensure that recommendations be made with regard to:

- Policy changes;
- Monitoring of the assistance provided; and
- Serve as the dispute handling committee.

The execution portion will be dealt with by the Social and Economic Development unit of Witzenberg Municipality.

Responsibilities of the unit will include at least:

- Assist households with applications;
- Consider applications according to criteria
- Approve applications;
- Ensure implementation of approved applications;
- Keep administrative record of all applications,
- Assist in reconciling information with the financial system; and
- Prepare monitoring reports.

9.2. Application Procedure – First/new applications

9.2.1. The head of the household, if not the municipal account holder supported by the municipal account holder, must apply for the subsidy in person. The onus to apply is placed on the head of household.

9.2.2. The application must be on the prescribe application form. Attached as Annexure 12.1.2.

9.2.3. The application form must at least include the following documents:

9.2.3.1. Copy of the latest municipal accounts, where applicable;

9.2.3.2. Copy of the head of the household identification document and in the case of not the account holder the account holder documentation;

9.2.3.3. Copy of the deceased identification and death certificate documents, where applicable;

9.2.3.4. Proof of income, certified by employer as a true reflection, if applicable;

9.2.3.5. Copy of the pension card, UIF card, or interest certificate, etc., if applicable;

9.2.3.6. An affidavit that certifies that the information provided is the truth and nothing but the truth. (Attached as Annexure 12.1.3)

9.2.3.7. Copy of the last three months' bank statements when required; and

9.2.3.8. Additional information such as tax information or other information may be requested as mandatory for the indigent application process.²³

9.2.4. The municipality acknowledged the fact that support must be offered in order to ensure access to the subsidy. For this purpose, a unit is in tack to assist the poor. All applications must be lodged at this unit, called the Social & Economic Development unit of Witzenberg Municipality.

9.2.5. The Municipality reserves the right that an official of the unit may visit the household residing place in order to establish or confirm the information provided.

9.2.6. The Municipality reserves the right to verify information received by means of ITC checks.²⁴

²³ Amended by Council Sept 2021

²⁴ Amended by Council 30/05/2019

- 9.2.7. The Municipality undertakes to remind the household, ±two months prior to expiry of the approval, of the expiry. The non-receiving of the notice in the form of a house visit, letter or via the municipal account will not place the responsibility on the Municipality to ensure re-application.
- 9.2.8. Elderly people and or people with medical conditions may apply for house visits for application purposes.²⁵
- 9.2.9. No credit control measures will be implemented for a period of two months from date of application, to allow for the follow up and consideration of the application.²⁶

9.3. RENEWAL PROCEDURE²⁷

- 9.3.1. For renewal purposes the application procedure may be replaced by an affidavit stating:

- 9.3.1.1. There have been no changes in the income of the household;
- 9.3.1.2. The households' income is still below the monthly thresholds as per the municipal indigent policy;
- 9.3.1.3. That the person making the affidavit acknowledge that it is a criminal offence to make a false declaration.

9.4. Measurement and duration of applications for approval

- 9.4.1. Measurement whether the application qualify in terms of the criteria as set in section 6 is based on the information as on the date of the application. The municipality reserves the right to lodge their own investigation in order to ensure compliance with the criteria.
- 9.4.2. An approved application is valid for a period of twelve months.
- 9.4.3. If an applicant's financial position changes and it is of a permanent nature the applicant must inform the Municipality of the change. If the change affects the household in such a manner that it no longer meet the criteria as set in section 6 the approval will automatically stop.
- 9.4.4. The onus rest with the applicant to inform the Municipality of any such changes.
- 9.4.5. The approval will stop automatically two months after the head of the household passed away. If the household left behind is still financially in the same position the subsidy must be transferred to the new head of the household. The onus to apply is placed on the new head of the household.
- 9.4.6. Where the applicant is deceased the surviving next of kin (husband/wife/child/grandchild) have to apply as the new head of the household.²⁸
- 9.4.7. The applicant must:²⁹
- indicate that the owner is deceased;
 - attached an affidavit (declaration) that he or she is the person to whom the house has been allocated to in the estate;
 - If there is no estate, all surviving next of kind have to give consent to the applicant to occupy the estate property.

10. Disputes

²⁵ Amended by Council Sept 2021

²⁶ Paragraph 9.2.9 Amended by Council Sept 2021

²⁷ Paragraph 11 Amended by Council Sept 2021

²⁸ Paragraph 9.3.6 included by council 27/05/2020

²⁹ Paragraph 9.3.7 included by council 27/05/2020

Any dispute based on the administrative process or approval of an application will be dealt with by the Finance Committee. The Committee may call the applicant to put their dispute in words or ask the applicant to put it in writing. The Social and Welfare unit must be afforded to provide the committee with documentary proof of the process followed and or reasons for the decision made. The committee may not include in their decision any deviation of this policy.

11. TERMINATION OF INDIGENT SUPPORT³⁰

Indigent Support will be terminated under the following circumstances:

- 11.1. Death of account-holder;
- 11.2. Upon sale of the property;
- 11.3. When circumstances in the indigent household have improved in terms of a gross income exceeding the limit;
- 11.4. If the applicant is found to have furnished false information regarding indigent status;
- 11.5. If the household head owns ~~a business or~~³¹ a second property or there is a business operated in the property;
- 11.6. If it is determined during a visit that the household does not meet the requirements any longer.³²
- 11.7. If there is any illegal trading on the property.³³

12. COMMENCEMENT DATE

This amended policy takes effect when approved by Council.

³⁰ Paragraph 10 included by council 27/05/2020

³¹ Amended by Council Sept 2021

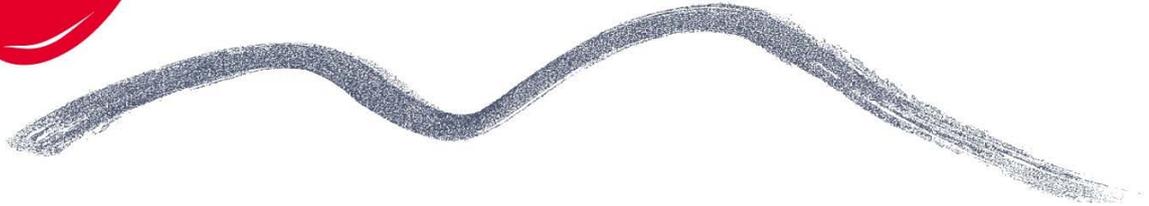
³² Amended by Council Sept 2021

³³ Amended by Council Sept 2021



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase



BUDGET VIREMENT POLICY

Date of implementation 01 July 2010

Index

1. Definitions
2. Abbreviations
3. Objective
4. Financial Responsibility
5. Transfer/ Virement Restrictions
7. Transfer / Virement Procedure

Annexure "A" Vote Classification

Annexure "B" Item Classification

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 approved by a municipal council.

“Budget-related policy” means a policy of a municipality affecting or affected by the annual budget of the municipality as defined in the Budget Policy of the Council

“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.

“Deputy Chief financial officer” Deputy Director: Finance¹

“Capital Budget” This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off 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.

“Line Item” an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures [See annexure “B” for current item structure]

“Operating Budget” The Town's financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them.

“Ring Fenced” an exclusive combination of line items grouped for specific purposes for instance salaries and wages.

“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 vote to another, with the approval of the Municipal Manager. To enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.

“Vote” means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. [See annexure “A” for current Vote structure]

“Budget transfer” means the transfer of an approved budget allocation from one operating or capital line item to another within a vote, with the approval of the relevant senior manager.

¹Updated 31/05/2012 Council meeting

2. Abbreviations

- 2.1. CFO – Chief Financial Officer
- 2.2. Deputy CFO: Deputy Chief Financial Officer
- 2.3. IDP – Integrated Development Plan
- 2.4. MFMA – Municipal Finance Management Act No. 56 of 2003
- 2.5. SDBIP -Service delivery and budget implementation plan
- 2.6. CM – Council Minute/s

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. Financial Responsibilities

4.1 Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments is identified at the earliest possible opportunity. (Section 100 MFMA)

4.2 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)

4.3 It is the responsibility of each manager or head of a department or activity to which funds are allotted, 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 102.

5. Virement Restrictions

5.1 No funds may be viremented between votes without consent of both vote holders and the Municipal Manager.

5.2 Virements may not exceed a maximum annual limit of 5 % per vote from which the virement originates.

5.3 A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years.

5.4 No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of the Mayoral Committee.

5.5 No funds may be transferred between line items without approval of the vote holder authorization, in other words the senior Manager's approval.

5.6 Budget may not be transferred from Support service (interdepartmental) costs, Capital financing, Depreciation, Contributions, Grant Expenditure, Insurance and Income Foregone.

5.7 Budget may only be transferred from or to Salaries or employee related costs if approved by the CFO.

5.8 Transfers Virements in capital budget allocations are only permitted within specified action plans and not across funding sources without the written approval of the CFO and the Municipal Manager and must in addition have comparable asset lifespan classifications. ²

5.9 No virements are permitted in the first three months or the final month of the financial year without the express agreement of the CFO or the Deputy CFO.

5.10 An approved virement/transfer does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the supply chain management policy of Council as periodically reviewed.

5.11 Virements/transfers may not be made between Expenditure and Income.

5.12 No virements/transfers are allowed in terms of income line items.

5.13 No virement/transfers are allowed from capital budget to the operating budget

5.14 Virements/transfers should not result in new projects on the capital budget without the written approval of the CFO and the Municipal Manager³

5.15 Virements/transfers of conditional grant funds to a purpose outside than specified in the relevant conditional grant framework are not permitted.

5.16 Virements / Transfers to Travelling and Accommodation and Entertainment line items are only permitted with the approval of the CFO and Municipal Manager⁴

5.17. Virements / Transfers from Repairs & Maintenance Projects are only permitted with the approval of the CFO and Municipal Manager

5.18 Virements / Transfers from Specific Operational Typical Work streams Projects are only permitted with the approval of the CFO and Municipal Manager

5.19 No virements be permitted from projects allocated to specific regions/areas

5.20 No virements be permitted from projects used to measure performance in terms of the SDBIP

5.21 No virements be permitted for Funds allocated as grants to individuals (e.g. bursaries)

Appendix A Classification be repealed and replaced with the updated Municipal Votes as disclosed in the Budget Schedules

Appendix B Classification be repealed and replaced with the mSCOA line items

6. Virement Procedure

6.1 All virement/transfer proposals must be completed on the appropriate documentation and

forwarded to the relevant Finance Officer for checking and implementation.

6.2 All virements must be signed by the Initiator, Vote Holder, Municipal Manager and the official responsible for budgets.

6.3 All transfers must be signed by the Initiator, Vote holder, the official responsible to process the proposals and a Line Manager within Finance.

6.4 The form must be completed for all Budget Transfers, virements as well as transfers.

²Updated 31/05/2012 Council meeting

³Updated 31/05/2012 Council meeting

⁴Updated 31/05/2012 Council meeting

6.5 Virements/transfers in excess of R 50,000 require the approval of the Deputy CFO and Virements / Transfers in excess of R 200,000 require the approval of the Chief Financial Officer⁵

6.6 All documentation must be in order and approved before any expenditure can be committed or incurred. (Section 79 MFMA)

6.7 The Municipal Manager will report to the Mayor on a quarterly basis on those virements that have taken place during that quarter.

APPENDIX A WITZENBERGMUNICIPALITY
GFS CLASSIFICATION, COST CENTRE & VOTE STRUCTURE

GFS Classification	Cost centres	Municipal Votes	Vote Holder (Responsible Sec 57 Appointment)	Support Vote Holder (Responsible Line Manager)
Budget & Treasury Office	Property rates	Budget & Treasury Office	Director: Financial Services	Manager: Income
Budget & Treasury Office	Treasury: Administration	Budget & Treasury Office	Director: Financial Services	Manager: Financial Administration
Budget & Treasury Office	Treasury: Debtors	Budget & Treasury Office	Director: Financial Services	Manager: Income
Budget & Treasury Office	Treasury: Credit control	Budget & Treasury Office	Director: Financial Services	Manager: Income
Budget & Treasury Office	Treasury: Supply Chain	Budget & Treasury Office	Director: Financial Services	Manager: Supply Chain
Budget & Treasury Office	Treasury: Audit	Budget & Treasury Office	Director: Financial Services	Manager: Financial Administration
Community & Social Services	Cemeteries	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Community & Social Services	Library services	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Community & Social Services	Community Halls & Facilities	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Community & Social Services	Thusong Centre	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Community & Social Services	Social & Welfare services	Community & Social Services	Director: Community Services	Manager: Social and Economic services
Corporate Services	Control centre	Community & Social Services	Director: Community Services	Manager: Protection Services
Corporate Services	Property maintenance	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Corporate Services	Administration	Corporate Services	Director: Corporate Services	Manager: Administration
Corporate Services	Property administration	Corporate Services	Director: Corporate Services	Unknown
Corporate Services	Information Technology	Corporate Services	Director: Corporate Services	Manager: Administration
Corporate Services	Human resources	Corporate Services	Director: Corporate Services	Manager: Human Resources
Corporate Services	Tourism	Corporate Services	Director: Corporate Services	Manager: Communications
Corporate Services	Administration	Corporate Services	Director: Corporate Services	Manager: Administration
Corporate Services	Mechanical Workshop	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Corporate Services	Marketing & Communications	Corporate Services	Director: Corporate Services	Manager: Communications
Electricity	Electricity: Administration	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Electricity	Electricity: Client Services	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Electricity	Electricity: Generation	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Electricity	Electricity: Distribution	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Environmental Protection	Environmental Protection	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Executive & Council	Municipal Manager	Executive & Council	Municipal Manager	Manager: IDP

⁵Updated 31/05/2012 Council meeting

**APPENDIX A WITZENBERGMUNICIPALITY
GFS CLASSIFICATION, COST CENTRE & VOTE STRUCTURE**

GFS Classification	Cost centres	Municipal Votes	Vote Holder (Responsible Sec 57 Appointment)	Support Vote Holder (Responsible Line Manager)
Executive & Council	Council cost	Corporate Services	Director: Corporate Services	Manager: Administration
Executive & Council	Town secretary	Corporate Services	Director: Corporate Services	Manager: Administration
Executive & Council	Chief Executive's	Executive & Council	Municipal Manager	Manager: IDP
Housing	Housing: Administration	Housing	Director: Community Services	Manager: Housing
Housing	Housing: Construction	Housing	Director: Community Services	Manager: Housing
Housing	Housing: Maintenance	Housing	Director: Community Services	Manager: Housing
Planning & Development	Licensing & regulation	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Planning & Development	Local Economical Development	Community & Social Services	Director: Community Services	Manager: Social and Economical services
Planning & Development	Integrated Development Planning	Executive & Council	Municipal Manager	Manager: IDP
Planning & Development	Building Control	Planning	Director: Technical Services	Manager: Planning & Projects
Planning & Development	Town Planning	Planning	Director: Technical Services	Manager: Planning & Projects
Planning & Development	Project Management	Planning	Director: Technical Services	Manager: Planning & Projects
Planning & Development	Performance Management	Planning	Director: Technical Services	Manager: Planning & Projects
Public Safety	Electricity: Street Lights	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Public Safety	Fire Protection	Public Safety	Director: Community Services	Manager: Protection Services
Public Safety	Police & Traffic	Public Safety	Director: Community Services	Manager: Protection Services
Public Safety	Disaster management	Public Safety	Director: Community Services	Manager: Protection Services
Road Transport	Vehicle Licensing & Testing	Public Safety	Director: Community Services	Manager: Protection Services
Road Transport	Roads	Civil services	Director: Technical Services	Manager: Roads & Storm water
Sport and Recreation	Pine forest: Administration	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Pine forest: Security services	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Pine forest: Semi permanent units	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Pine forest: Cleaning services	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Pine forest: Swimming pools	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Klipriver park: Administration	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Klipriver park: Cleaning services	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Klipriver park: Swimming pool	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Parks	Sport & Recreation	Director: Community Services	Manager: Amenities & Environment
Sport and Recreation	Sport grounds	Sport & Recreation	Director: Community Services	Manager: Amenities & Environment
Sport and Recreation	Swimming pools	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Waste Management	Public Toilets	Civil services	Director: Technical Services	Manager: Solid Waste
Waste Management	Solid Waste - Dumping Site	Civil services	Director: Technical Services	Manager: Solid Waste
Waste Management	Solid Waste - Garden	Civil services	Director: Technical Services	Manager: Solid Waste
Waste Management	Solid Waste - Removal	Civil services	Director: Technical Services	Manager: Solid Waste
Waste Water Management	Sewerage	Civil services	Director: Technical Services	Manager: Water & Sewerage
Waste Water Management	Storm water Management	Civil services	Director: Technical Services	Manager: Roads & Storm water
Water	Water Storage	Civil services	Director: Technical Services	Manager: Water & Sewerage
Water	Water Distribution	Civil services	Director: Technical Services	Manager: Water & Sewerage

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
3001	3000	Salaries	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3002	3000	Bonuses	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3003	3000	Standby	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3004	3000	Overtime	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3005	3000	Housing Allowances	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3006	3000	Housing Subsidies	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3007	3000	Entertainment Allowances	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3009	3000	Leave paid out	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3010	3000	Transport Allowances	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3011	3000	Resettlement Costs	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3101	3100	Medical contributions	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3102	3100	Pension contributions	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3103	3100	UIF	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3104	3100	Group Life Insurance	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3105	3100	Bargaining Council Levies	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3106	3100	Employees Awards	Employee related costs - Social contributions	Expenditure	No	Yes*
3107	3100	Post-retirement benefits	Employee related costs - Social contributions	Expenditure	No	Yes*
3108	3100	Exgratia Pension	Employee related costs - Social contributions	Expenditure	No	Yes*
3109	3900	Finance Cost Medical	Interest Expense - External borrowings	Expenditure	No	No
3110	3900	Finance Cost Long service	Interest Expense - External borrowings	Expenditure	No	No
3111	3900	Finance Cost Exgratia	Interest Expense - External borrowings	Expenditure	No	No
3301	3300	Employee Cost Transferred	Less Employee Costs Allocated	Expenditure	No	No
3401	3400	Mayor	Remuneration of Councillors	Expenditure	No	No
3402	3400	Deputy Mayor	Remuneration of Councillors	Expenditure	No	No
3403	3400	Speaker	Remuneration of Councillors	Expenditure	No	No
3404	3400	Mayoral Committee Allowances	Remuneration of Councillors	Expenditure	No	No
3405	3400	Councillor Allowances	Remuneration of Councillors	Expenditure	No	No
3406	3400	Medical	Remuneration of Councillors	Expenditure	No	No
3407	3400	Pension	Remuneration of Councillors	Expenditure	No	No
3501	3500	Impairment of debtors	Bad Debts	Expenditure	No	No
3502	3500	Impairment of long-term debtors	Bad Debts	Expenditure	No	No
3503	3500	Impairment Debtors (Non-Exchange)	Debt impairment	Expenditure	No	No
3601	3600	Debt Collection Fees - Extern	Collection costs	Expenditure	Yes	Yes
3602	3600	Summonses & Legal Lawsuits	Collection costs	Expenditure	Yes	Yes
3603	3600	Debt Collection Fees - Intern	Collection costs	Expenditure	Yes	Yes
3701	3700	Depreciation	Depreciation and asset impairment	Expenditure	No	No
3702	3700	Depreciation for Rehabilitation	Depreciation and asset impairment	Expenditure	No	No
3704	3700	Impairment for Rehabilitation	Depreciation and asset impairment	Expenditure	No	No
3705	3700	Amortisation	Depreciation and asset impairment	Expenditure	No	No
3801	3800	Buildings	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3802	3800	Network	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
3803	3800	Network - Patchwork	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3805	3800	Network - Resealing	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3806	3800	Network - Main roads	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3807	3800	Network - Traffic signs	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3808	3800	Network - Storm water	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3809	3800	Network - Sidewalks	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3810	3800	Meter replacement	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3811	3800	Pump stations	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3812	3800	Efficient treatment works	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3813	3800	Site - works	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3814	3800	Furniture and Equipment	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3815	3800	Vehicles	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3816	4400	Maintenance: Swimming Pool	Other Expenditure	Expenditure	Yes	Yes
3817	4400	Repairs & Maintenance- Computer	Other Expenditure	Expenditure	Yes	Yes
3818	4400	Repairs & Maintenance- Plant & Equipment	Other Expenditure	Expenditure	Yes	Yes
3819	4400	Fire Fighting Equipment	Other Expenditure	Expenditure	Yes	Yes
3901	3900	Interest on Bank overdraft	Interest Expense - External borrowings	Expenditure	Yes	Yes
3902	3900	Interest on External Borrowing	Interest Expense - External borrowings	Expenditure	No	No
3903	3900	Unamortized Discount - Interest	Interest Expense - External borrowings	Expenditure	No	No
3904	3900	Interest Cost Employee Benefit	Interest Expense - External borrowings	Expenditure	No	No
3905	3900	Interest Rehabilitation	Interest Expense - External borrowings	Expenditure	No	No
3906	3900	Interest Paid	Interest Expense - External borrowings	Expenditure	No	No
4101	4100	Electricity purchases (KVA)	Bulk purchases	Expenditure	Yes	Yes
4102	4100	Electricity purchases (kWh)	Bulk purchases	Expenditure	Yes	Yes
4104	4100	Electricity purchases (Fixed charges)	Bulk purchases	Expenditure	Yes	Yes
4105	4100	Electricity (Variable charges)	Bulk purchases	Expenditure	Yes	Yes
4201	4400	Bank charges	General Expenses - other	Expenditure	Yes	Yes
4202	4200	Service supplier contracts	Contracted services	Expenditure	Yes	Yes
4203	4200	Rental of Compactor	Contracted services	Expenditure	Yes	Yes
4204	4200	Legal Costs	Contracted services	Expenditure	Yes	Yes
4205	4200	Town & Regional Planning	Contracted services	Expenditure	Yes	Yes
4206	4400	Insurance	General Expenses - other	Expenditure	Yes	Yes
4207	4200	Transport (Contractor)	Contracted services	Expenditure	Yes	Yes
4208	4200	Transport: Cash	Contracted services	Expenditure	Yes	Yes
4210	4200	Cleaning Contract	Contracted services	Expenditure	Yes	Yes
4212	4200	Cleaning Services	Contracted services	Expenditure	Yes	Yes
4213	4200	Upkeep of Valuation records	Contracted services	Expenditure	Yes	Yes
4214	4200	Toilet services	Contracted services	Expenditure	Yes	Yes
4215	4200	Service Supplier Contracts (Se	Contracted Services	Expenditure	Yes	Yes
4220	4200	Security	Contracted Services	Expenditure	Yes	Yes
4221	4200	Legal Cost (Labour)	Contracted Services	Expenditure	Yes	Yes

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
4301	4400	Subsidy National Government	General Expenses - other	Expenditure	Yes	Yes
4302	4400	Subsidy Provincial Government	General Expenses - other	Expenditure	Yes	Yes
4303	4400	District Municipality	General Expenses - other	Expenditure	Yes	Yes
4304	4400	Grant Other	General Expenses - other	Expenditure	Yes	Yes
4305	5000	Inform. Settl. without account - Refuse	Internal Charges (ACB)	Expenditure	No	No
4306	5000	Inform. Settl. without account - Sewerage	Internal Charges (ACB)	Expenditure	No	No
4307	5000	Inform. Settl. without account - Water	Internal Charges (ACB)	Expenditure	No	No
4308	4400	Grant Belgium - Federal Gov.	General Expenses - other	Expenditure	Yes	Yes
4309	4400	Grant Belgium - Flemish Gov.	General Expenses - other	Expenditure	Yes	Yes
4310	4400	MSIG Wyk 1	General Expenses - other	Expenditure	No	No
4311	4400	MSIG Ward 2	General Expenses - other	Expenditure	No	No
4312	4400	MSIG Ward 3	General Expenses - other	Expenditure	No	No
4313	4400	MSIG Ward 4	General Expenses - other	Expenditure	No	No
4314	4400	MSIG Ward 5	General Expenses - other	Expenditure	No	No
4315	4400	MSIG Ward 6	General Expenses - other	Expenditure	No	No
4316	4400	MSIG Ward 7	General Expenses - other	Expenditure	No	No
4317	4400	MSIG Ward 8	General Expenses - other	Expenditure	No	No
4318	4400	MSIG Ward 9	General Expenses - other	Expenditure	No	No
4319	4400	MSIG Ward 10	General Expenses - other	Expenditure	No	No
4320	4400	MSIG Ward 11	General Expenses - other	Expenditure	No	No
4321	4400	Indigent Electricity (Eskom)	General Expenses - other	Expenditure	No	No
4322	4400	Change of connections	General Expenses - other	Expenditure	No	No
4323	4400	Indigent Change/Transfer cost	General Expenses - other	Expenditure	No	No
4324	4300	Donations	Grants & Subsidies Paid	Expenditure	No	No
4325	4400	Grant exp - Workshops	General Expenses - other	Expenditure	No	No
4326	4400	Grant exp - Development project	General Expenses - other	Expenditure	No	No
4327	4400	Grant exp - Stationary & print	General Expenses - other	Expenditure	No	No
4328	4400	Grant exp - Telephone	General Expenses - other	Expenditure	No	No
4329	4400	Grant exp - Traveling & subsistence	General Expenses - other	Expenditure	No	No
4332	4400	OPEX NAT.Grant Expenditure-FMG	General Expenses - other	Expenditure	No	No
4333	4400	OPEX NAT.Grant Expenditure-MSIG	General Expenses - other	Expenditure	No	No
4334	4400	OPEX NAT.Grant Expenditure-EPW	General Expenses - other	Expenditure	No	No
4335	4400	OPEX NAT.Grant Exp-Transformation	General Expenses - other	Expenditure	No	No
4336	4400	Opex NAT.Grant Exp- DWAF	General Expenses - other	Expenditure	No	No
4337	4400	Opex NAT.Grant Exp- MIG	General Expenses - other	Expenditure	No	No
4338	4400	Opex NAT.Grant Exp- RBIG	General Expenses - other	Expenditure	No	No
4339	4400	Opex NAT.Grant Exp- INEP	General Expenses - other	Expenditure	No	No

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
4340	4400	Opex Prov.Grant Exp- Library	General Expenses - other	Expenditure	No	No
4341	4400	Opex Prov.Grant Exp- CDW	General Expenses - other	Expenditure	No	No
4342	4400	Opex Prov Grant Exp- Main Road	General Expenses - other	Expenditure	No	No
4343	4400	Opex Prov Grant Exp- Wolseley	General Expenses - other	Expenditure	No	No
4344	4400	Opex Prov Grant Exp- Hand Craf	General Expenses - other	Expenditure	No	No
4345	4400	Opex Prov Grant Exp- Aqua Cult	General Expenses - other	Expenditure	No	No
4346	4400	Opex Prov Grant Exp- Planning	General Expenses - other	Expenditure	No	No
4347	4400	Opex Prov Grant Exp- Housing	General Expenses - other	Expenditure	No	No
4348	4400	Opex Prov Grant Exp- Sport	General Expenses - other	Expenditure	No	No
4349	4400	Opex Prov Grant Exp- PTIP	General Expenses - other	Expenditure	No	No
4350	4400	Opex Prov Grant Exp- Multi Pur	General Expenses - other	Expenditure	No	No
4351	4400	Opex Distr Grant Exp- Asset In	General Expenses - other	Expenditure	No	No
4352	4400	Opex Distr Grant Exp- Water In	General Expenses - other	Expenditure	No	No
4353	4400	Opex Distr Grant Exp- Housing	General Expenses - other	Expenditure	No	No
4354	4400	Opex Distr Grant Exp- Hawkers-	General Expenses - other	Expenditure	No	No
4355	4400	Opex Distr Grant Exp- Streets	General Expenses - other	Expenditure	No	No
4356	4400	Opex Distr Grant Exp- Solid Wa	General Expenses - other	Expenditure	No	No
4357	4400	Opex NAT Grant Exp - Housing	General Expenses - other	Expenditure	No	No
4358	4400	Opex NAT Grant Exp- Rural Dev	General Expenses - other	Expenditure	No	No
4402	4400	Advertising/Printing Stationery	General Expenses - other	Expenditure	Yes	Yes
4404	4400	Pauper Burials	General Expenses - other	Expenditure	Yes	Yes
4405	4400	Rewards	General Expenses - other	Expenditure	Yes	Yes
4406	4400	Fertilisers	General Expenses - other	Expenditure	Yes	Yes
4407	4400	Damages/Replacements	General Expenses - other	Expenditure	Yes	Yes
4409	4400	Chemicals	General Expenses - other	Expenditure	Yes	Yes
4410	4300	Donations	Grants & subsidies paid	Expenditure	No	No
4411	4400	Eskom Electricity	General Expenses - other	Expenditure	Yes	Yes
4412	4400	Advertising	General Expenses - other	Expenditure	Yes	Yes
4413	4400	Gas/Rental of gas bottle	General Expenses - other	Expenditure	Yes	Yes
4415	4400	Dog Expenses	General Expenses - other	Expenditure	Yes	Yes
4416	4400	Rental of Houses	General Expenses - other	Expenditure	Yes	Yes
4417	4400	Rental of Offices	General Expenses - other	Expenditure	Yes	Yes
4418	4400	Communication & Events	General Expenses - other	Expenditure	Yes	Yes
4419	4400	Inspection fees	General Expenses - other	Expenditure	Yes	Yes
4420	4400	Inventory - New	General Expenses - other	Expenditure	Yes	Yes
4421	4400	Koekedouw Dam	General Expenses - other	Expenditure	Yes	Yes
4422	4400	Commission on Recoveries	General Expenses - other	Expenditure	Yes	Yes
4424	4400	Membership fees	General Expenses - other	Expenditure	Yes	Yes
4425	4400	Licensing Radio's	General Expenses - other	Expenditure	Yes	Yes
4426	4400	Machine Rental	General Expenses - other	Expenditure	Yes	Yes
4428	5000	Municipal Services	Internal Charges (ACB)	Expenditure	No	No
4429	4400	Investigations	General Expenses - other	Expenditure	Yes	Yes
4430	4400	Entertainment Mayor	General Expenses - other	Expenditure	Yes	Yes

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
4431	4400	Entertainment Speaker	General Expenses - other	Expenditure	Yes	Yes
4432	4400	Disinfectants	General Expenses - other	Expenditure	Yes	Yes
4433	4400	Public Drivers permit	General Expenses - other	Expenditure	Yes	Yes
4434	4400	Public Entertainment (Tea & Coffee)	General Expenses - other	Expenditure	Yes	Yes
4435	4400	Training	General Expenses - other	Expenditure	Yes	Yes
4436	4400	Auditing External	General Expenses - other	Expenditure	Yes	Yes
4437	4200	Auditing Internal	Contracted services	Expenditure	Yes	Yes
4438	4400	Plant & pest control (chemical)	General Expenses - other	Expenditure	Yes	Yes
4439	4400	Plant material & seeds	General Expenses - other	Expenditure	Yes	Yes
4440	4400	Post Evaluation Cost	General Expenses - other	Expenditure	Yes	Yes
4441	4400	Publicity/tourism	General Expenses - other	Expenditure	Yes	Yes
4442	4400	Rations	General Expenses - other	Expenditure	Yes	Yes
4443	4400	Travelling & Accommodation	General Expenses - other	Expenditure	Yes	Yes*
4445	4400	Sewerage analysis	General Expenses - other	Expenditure	Yes	Yes
4446	4400	Condolences	General Expenses - other	Expenditure	Yes	Yes
4447	4400	Security Services	General Expenses - other	Expenditure	Yes	Yes
4448	4400	Cleaning materials	General Expenses - other	Expenditure	Yes	Yes
4449	4200	Disconnection of services	Contracted services	Expenditure	Yes	Yes
4450	4400	Developing Projects	General Expenses - other	Expenditure	Yes	Yes
4451	5000	Street lighting	Internal Charges (ACB)	Expenditure	No	No
4454	4400	Study bursary	General Expenses - other	Expenditure	Yes	Yes
4455	4400	Telephone and Postage	General Expenses - other	Expenditure	Yes	Yes
4456	4400	Tourism	General Expenses - other	Expenditure	Yes	Yes
4458	4400	Translation services	General Expenses - other	Expenditure	Yes	Yes
4461	4400	TV Transponder	General Expenses - other	Expenditure	Yes	Yes
4462	4400	Pointing out of markers	General Expenses - other	Expenditure	Yes	Yes
4463	4400	Uniforms	General Expenses - other	Expenditure	Yes	Yes
4464	4400	Insurance Claims Expenses	General Expenses - other	Expenditure	No	No
4465	4400	Skills Development Levies	General Expenses - other	Expenditure	No	No
4466	4400	Trade Union costs	General Expenses - other	Expenditure	Yes	Yes
4467	4400	Consumable Items	General Expenses - other	Expenditure	Yes	Yes
4468	4400	Lost Books	General Expenses - other	Expenditure	Yes	Yes
4469	4400	Courier of Council Notifications	General Expenses - other	Expenditure	Yes	Yes
4470	4400	Vehicle Fleet Costs	General Expenses - other	Expenditure	Yes	Yes
4471	4400	Refuse bags	General Expenses - other	Expenditure	Yes	Yes
4472	4400	Valuation costs	General Expenses - other	Expenditure	Yes	Yes
4473	4400	Laundry expenses	General Expenses - other	Expenditure	Yes	Yes
4474	4400	Water sampling - Waste disposal site	General Expenses - other	Expenditure	Yes	Yes
4475	4400	Water research levy	General Expenses - other	Expenditure	Yes	Yes
4476	3100	Employees Awards	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
4477	4400	Special Projects	General Expenses - other	Expenditure	Yes	Yes
4478	3100	Compensation Commissioner	Employee related costs - Social contributions	Expenditure	No	No

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
4479	4400	Water Levies	General Expenses - other	Expenditure	Yes	Yes
4480	4400	Water Rights Vredebes	General Expenses - other	Expenditure	Yes	Yes
4481	4400	Audit Committee	General Expenses - other	Expenditure	Yes	Yes
4482	4400	Festivals Contribution	General Expenses - other	Expenditure	Yes	Yes
4483	4400	Heating Fuel	General Expenses - other	Expenditure	Yes	Yes
4484	4400	Inauguration of Mayor	General Expenses - other	Expenditure	Yes	Yes
4485	4400	Awareness program	General Expenses - other	Expenditure	Yes	Yes
4486	4400	Removal of aliens	General Expenses - other	Expenditure	Yes	Yes
4487	4400	Special Projects- Old Age Function	General Expenses - other	Expenditure	Yes	Yes
4488	4400	Cleaning & disinfection material	General Expenses - other	Expenditure	Yes	Yes
4489	4400	TV Licences	General Expenses - other	Expenditure	Yes	Yes
4490	4400	Telephone	General Expenses - other	Expenditure	Yes	Yes
4491	4400	Cell phone	General Expenses - other	Expenditure	Yes	Yes
4492	4400	Data lines	General Expenses - other	Expenditure	Yes	Yes
4493	4400	Postage	General Expenses - other	Expenditure	Yes	Yes
4494	4400	Veldt Fire Roads	General Expenses - other	Expenditure	Yes	Yes
4495	4400	Pound of animals	General Expenses - other	Expenditure	Yes	Yes
4496	4400	Projects	General Expenses - other	Expenditure	Yes	Yes
4497	4400	Mayors Golf day	General Expenses - other	Expenditure	Yes	Yes
4498	4400	Ward Committees	General Expenses - other	Expenditure	Yes	Yes
4499	4400	Inventory - Replacements	General Expenses - other	Expenditure	Yes	Yes
4500	4400	Entertainment Director Finance	General Expenses - other	Expenditure	Yes	Yes*
4501	4400	Entertainment Director Corporate	General Expenses - other	Expenditure	Yes	Yes*
4502	4400	Entertainment Municipal Manager	General Expenses - other	Expenditure	Yes	Yes*
4503	4400	Strategic Partnership	General Expenses - other	Expenditure	Yes	Yes
4504	4400	Generator fuel	General Expenses - other	Expenditure	Yes	Yes
4505	4400	Housing plan & policy	General Expenses - other	Expenditure	Yes	Yes
4506	4400	Relief parcels	General Expenses - other	Expenditure	Yes	Yes
4507	4400	Samro licences	General Expenses - other	Expenditure	Yes	Yes
4508	4400	Courier services	General Expenses - other	Expenditure	Yes	Yes
4509	4400	Public participation	General Expenses - other	Expenditure	Yes	Yes
4510	4400	Steering committee & Forum	General Expenses - other	Expenditure	Yes	Yes
4511	4400	Review process cost	General Expenses - other	Expenditure	Yes	Yes
4512	4400	Vehicle Tracking Costs	General Expenses - other	Expenditure	Yes	Yes
4513	4400	International relationships	General Expenses - other	Expenditure	Yes	Yes
4514	4400	Entertainment Director Technical Services	General Expenses - other	Expenditure	Yes	Yes*
4515	4400	Entertainment Director Community Services	General Expenses - other	Expenditure	Yes	Yes*
4516	4400	Op die Berg Office	General Expenses - other	Expenditure	Yes	Yes
4517	4400	MEDICAL EXAMINATIONS	General Expenses - other	Expenditure	Yes	Yes
4518	4300	Donations	Grants & Subsidies Paid	Expenditure	No	No
4519	4400	Refreshments - Disciplinary &	General Expenses - other	Expenditure	Yes	Yes

**APPENDIX B WITZENBERG MUNICIPALITY ITEM
 CLASSIFICATION**

Line Item number	NT code	Description	Classification	Comment	Transfer From	T
4520	4400	FIRE AMMUNITION	General Expenses - other	Expenditure	Yes	Ye
4521	4400	Fire Fighting Foam	General Expenses - other	Expenditure	Yes	Ye
4522	4400	Corporate Branding	General Expenses - other	Expenditure	Yes	Ye
4523	4400	Consultant Fees	General Expenses - other	Expenditure	Yes	Ye
4524	4400	In-service Training	General Expenses - other	Expenditure	Yes	Ye
4525	4400	Stock losses/write-off's	General Expenses - other	Expenditure	Yes	Ye
4526	4400	Actuarial Loss	General Expenses - other	Expenditure	Yes	Ye
4527	4400	Registrar of Deeds	General Expenses - other	Expenditure	Yes	Ye
4528	4400	Vehicle Cost Grant	General Expenses - other	Expenditure	Yes	Ye
4529	4400	Vehicle Repair Grant	General Expenses - other	Expenditure	Yes	Ye
4530	4400	Cleaning of Rivers	General Expenses - other	Expenditure	Yes	Ye
4531	4400	Festive Lights	General Expenses - other	Expenditure	Yes	Ye
4532	4400	Monitoring Alarm	General Expenses - other	Expenditure	Yes	Ye
4533	4400	Generator Repairs	General Expenses - other	Expenditure	Yes	Ye
4534	4400	Prepaid Electricity (Internal)	General Expenses - other	Expenditure	Yes	Ye
4535	4400	DRIVERS PDP'S & LICENSING	General Expenses - other	Expenditure	Yes	Ye
4536	4400	Towing Cost	General Expenses - other	Expenditure	Yes	Ye
4537	4400	Life Guards	General Expenses - other	Expenditure	Yes	Ye
4538	4400	PPP Investigations	General Expenses - other	Expenditure	Yes	Ye
4903	5000	Internal Recoveries (ABC)	Internal Charges (ACB)	Expenditure	No	No
5101	6210	Asset replacement reserve to	Contributions (from)/ to provisions	Nett Assets	No	No
5102	6280	Back dated Remuneration	Contributions (from)/ to provisions	Nett Assets	No	No
5103	6280	Redundant/ shortages of stock	Contributions (from)/ to provisions	Nett Assets	No	No
5104	6280	Valuation reserve to	Contributions (from)/ to provisions	Nett Assets	No	No
5105	4450	Provision Landfill rehabilitation	Contributions (from)/ to provisions	Expenditure	No	No
5202	6220	Housing account	Contributions (from)/ to provisions	Nett Assets	No	No

Under special condition



ASSET MANAGEMENT POLICY

Date of Implementation: 01 July 2010

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1. INTRODUCTION

This policy for the management of assets has been designed to assist management and officials of the Witzenberg Municipality with the description of management procedures for Property, Plant and Equipment, Investment Property, Agricultural Assets and Intangible Assets. It also should assist with the capacity to differentiate between activities, which are acceptable in terms of general authorization, supervisory responsibilities and limits of authority to the management of assets and functions of the organisation.

This policy will provide certainty with respect to the handling of asset management procedures undertaken within the organization and will ensure that management and employees understand their respective responsibilities and duties.

For the purpose of this policy, assets exclude inventory and monetary assets such as debtors.

This policy replaces all asset management procedures/instructions and memoranda that have been previously issued.

Failure to comply with this policy will result in the institution of disciplinary procedures in terms of the stipulated human resource policies and procedures of Witzenberg Municipality.

2. OBJECTIVE

The objective of this policy is to ensure that assets of the Municipality are properly managed and accounted for by:

- The accurate recording of essential asset information;
- The accurate recording of asset movements;
- Exercising strict physical controls over all assets;
- Treating the assets correctly in the Municipality's financial statements;
- Providing accurate and meaningful management information;
- Compliance with the Council's accounting policies and Generally Recognised Accounting Practices;
- Adequate insuring of assets;
- Maintenance of Council's assets;
- Ensuring that managers are aware of their responsibilities with regard to the assets; and
- Setting out the standards of management, recording and internal controls so as to safeguard the assets against inappropriate utilisation or loss.

3. STATUTORY FRAMEWORK

The statutory framework for this policy is:

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- Local Government: Municipal Structures Act, No 117 of 1998;
- Local Government: Municipal Systems Act, No 32 of 2000;

- Local Government: Municipal Finance Management Act, No. 56 of 2003;
- Regulation No. 31346 of 2008;
- Municipal Supply Chain Management Regulations No. 27636;
- Generally Recognised Accounting Practice.

4. ACCOUNTING STANDARDS

This document constitutes a policy statement and shall not take precedence over the standards specified by the Accounting Standards Board. The relevant accounting standards include:

- GRAP 1 – Presentation of Financial Statements;
- GRAP 13 – Leases;
- GRAP 16 – Investment Property;
- GRAP 17 - Property, Plant and Equipment;
- GRAP 100 - Non – current Assets Held for Sale and Discontinued Operations;
- GRAP 101 - Agricultural;
- GRAP 102 – Intangible Assets; and
- IAS 36 - Impairment of Assets

Other relevant accounting standards are:

- GRAP 12 on Inventories
- GRAP 11 on Construction Contracts

5. DEFINITIONS

Every effort has been made to use definitions established through legislation, standards of accounting and other guidance on asset management.

“Accounting Officer” means the municipal manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and being the head of administration and accounting officer in terms of Section 60 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

“Agricultural Activity” is the management by an entity of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets.

“Active market” is a market in which all the following conditions exist:

- The item traded within the market are homogeneous;
- Willing buyer and seller can normally be found at any time; and
- Prices are available to the public.

“Agricultural Produce” is the harvested product of the entity’s biological assets.

“Amortisation” is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

“Assets” are resources controlled by the municipality as a result of past events and from which future economic benefit or service potential are expected to flow. However for the purpose of this policy exclude inventory and other monetary assets.

“Asset categories” are the six main asset categories defined as follows:

“Asset Life-Cycle” is the cycle of activities that an asset goes through – including planning, design, initial acquisition and/or construction, cycle of operation and maintenance and capital renewal and finally disposal.

“Asset Manager” is any official who has been delegated responsibility and accountability for the control, usage, physical and financial management of the municipality’s assets in accordance with the entity’s standards, policies, procedures and relevant guidelines.

“Asset Register” is a record of information on each asset that supports the effective financial and technical management of the assets, and meets statutory requirements.

“Biological Asset” is a living animal or plant.

“Biological Transformation” comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes to a biological asset.

“Carrying amount” is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

“Chief Financial Officer” means an officer of a municipality designated by the municipal manager to be administratively in charge of the budgetary and treasury functions.

“Class of property, plant and equipment” means a grouping of assets of a similar nature or function in a municipality’s operations, which is shown as a single item for the purpose of disclosure in the financial statements.

“Commercial service” means a service other than a municipal service

- (a) rendered by a private sector party or organ of state to or for a municipality or municipal entity on a commercial basis; and
- (b) which is procured by the municipality or municipal entity through its supply chain management policy.

“Community Assets” – are defined as any asset that contributes to the community’s well-being. Examples are parks, libraries and fire stations.

“Cost” – is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or where applicable, the amount attributed to that asset when initially

recognized in accordance with the specific requirements of Standards of GRAP.

“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.

“Depreciated replacement cost”, in relation to a capital asset, means an amount equivalent to the cost to replace the capital asset on the date of transfer adjusted by a deemed depreciated cost at the date of the transfer taking into account the age and condition of the asset.

“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.

“Disposal management system” means the system contemplated in regulation 40 of the Municipal Supply Chain Management Regulations, published by General Notice No. 868 of 2005.

“Enhancements / Rehabilitation” is an improvement or augmentation of an existing asset beyond its original recognized service potential for example useful life, capacity, quality and functionality.

“Fair Value” – is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

“GRAP” is Standards of Generally Recognised Accounting Practice

“Head of department / senior manager” – means a manager referred to in section 56 of the Municipal Systems Act.

“Heritage Assets” – are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

“Historical cost” means the original purchase price or cost of acquisition of the capital asset at the time the asset was acquired

An **“impairment loss”** of a cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An **“impairment loss”** of 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 asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage

purification and trunk mains, transport terminals and car parks.

“Intangible assets” are identifiable non-monetary assets without physical substance.

“Investment Properties” – are defined as property (land or a building-or part of a building-or both) held (by the owner or by lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production and supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

“Municipality” means the Witzenberg Municipality.

“Other Assets” – are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

“Property, Plant and Equipment” (PPE) – are tangible assets that:

- 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
- are expected to be used during more than one period.

“Realisable value” means the amount of cash or cash equivalents that could currently be obtained by transferring the capital asset, less the estimated cost of completion and the estimated costs necessary to make the transfer.

“Recoverable Amount” – is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.

“Recoverable service amount” is the higher of a non-cash-generating asset’s fair value less costs to sell and its future value in use.

“Residual Value” – of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and condition expected at the end of its useful life.

“Right to use, control or manage” means a right to use, control or manage the capital asset for a period exceeding one calendar month without ceding legal ownership in the asset. In other words, where the granting of such rights do not amount to the transfer or permanent disposal of the asset, for example when a right is acquired through a leasing, letting or hiring out arrangement.

“Senior Manager” is a manager referred to Section 57 of the Municipal Systems Act (MSA) being someone reporting directly to the municipal manager.

“Service provider” –

- (a) in relation to a municipal service, means a private sector party or organ of state appointed by a municipality in terms of Chapter 8 of the Municipal Systems Act to perform a municipal service in accordance with that Act; or
- (b) in relation to a commercial service, means a private sector party or organ of state appointed in terms of the supply chain management policy of a municipality or municipal entity to render a commercial service to or for the municipality or entity as an independent contractor.

“Supply chain management policy” means the supply chain management policy which a municipality or municipal entity is required to have in terms of Chapter 11 of the Act.

“The Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

“Transfer”, in relation to a capital or subsidiary asset, means transfer of ownership in the asset as a result of a sale or other transaction.

“Useful Life” – is either:

- the period of the time over which an asset is expected to be used by the municipality, or
- the number of production or similar units expected to be obtained from the asset by the municipality.

6. BACKGROUND

The utilization and management of property, plant and equipment, investment property, intangible assets and agricultural assets is the prime mechanism by which the Municipality can fulfil its constitutional mandates for:-

- Delivery of sustainable services;
- Social and economic development;
- Promoting safe and healthy environments; and
- Fulfilling the basic needs to the community.

As trustees on behalf of the local community, the Municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in assets.

The policy for the management of assets deals with the Municipal rules required to ensure the enforcement of appropriate stewardship of assets. Stewardship has two components being the:-

- Financial administration by the Chief Financial Officer; and
- Physical administration by the relevant managers.

Statutory provisions are being implemented to protect public property against arbitrary and inappropriate management or disposals by local government.

Accounting standards have been approved by the Accounting Standards Board to

ensure the appropriate financial treatment for property, plant and equipment, investment property, intangible assets and agricultural assets. The requirements of these new accounting standards include:-

- The compilation of asset registers covering all assets controlled by the Municipality.
- Accounting treatment for the acquisition, disposal, recording and depreciation/amortisation of assets.
- The standards to which financial records must be maintained to comply with the new accounting standards.

7. DELEGATION OF POWERS

This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials as well as between the Council and the Executive Mayor and the Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.

In accordance with the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA), the Municipal Manager is the accounting officer of the Municipality and therefore all designated officials are accountable to him/her. The Municipal Manager is therefore accountable for all transactions entered into by his/her designates.

The overall responsibility of asset management lies with the Municipal Manager. However, the day to day handling of assets should be the responsibility of all officials in terms of delegated authority reduced in writing.

8. RESPONSIBILITY

Municipal Manager

The Municipal Manager is responsible for the management of the assets of the Municipality, including the safeguarding and the maintenance of those assets. He/she must ensure that:-

- The Municipality has and maintains a management, accounting and information system that accounts for the assets of the Municipality.
- The Municipality's assets are valued in accordance with standards of Generally Recognized Accounting Practice (GRAP).
- The Municipality has and maintains a system of internal control of assets, including an asset register.
- Senior managers and their teams comply with this policy.

Chief Financial Officer

The Chief Financial Officer is responsible to the Municipal Manager to ensure that

the financial investment in the Municipality's assets is safeguarded and maintained. He/she may delegate or otherwise assign responsibility for performing these functions but he/she will remain accountable for ensuring that these activities are performed. He/she must ensure that:-

- Appropriate systems of financial management and internal control are established and carried out diligently.
- The financial and other resources of the Municipality assigned to him/her are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented.
- 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 effective management.
- Financial processes are established and maintained to ensure the Municipality's financial resources are optimally utilized through appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets.
- The senior managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

Senior Managers

The Senior Managers must ensure that:-

- Appropriate systems of physical management and control are established and carried out for assets in their area of responsibility.
- The Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful utilization and losses resulting from criminal or negligent conduct are prevented.
- Their management systems and controls can provide an accurate, reliable and up to date account of assets under their control.
- They are able to justify that their plans, budgets, purchasing, maintenance and disposal decisions for assets optimally achieve the Municipality's strategic objectives.

The senior managers may delegate or otherwise assign responsibility for performing these functions but they will remain accountable for ensuring that these activities are performed.

Each senior manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

The responsibility for the physical control of assets rests with the relevant senior manager to whom the responsibility was delegated to in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003.

Each senior manager shall ensure that assets entrusted to him / her are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, No 56 of 2003, is adhered to.

No amendments, deletions or additions to the asset register shall be made other than by the Asset Manager or by an official acting as the Asset Manager and must be authorized by the Chief Financial Officer.

Upon the resignation / retirement of an employee, the applicable senior manager must inform the Chief Financial Officer and Corporate Service Department in writing that the asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary the applicable senior manager must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant senior manager.

9. ASSET REGISTER

The asset register shall be maintained in the format determined by the Chief Financial Officer, which format shall comply with the requirements of generally recognised accounting practice (GRAP) and any other accounting requirements which may be prescribed.

The asset register shall reflect the following information:

- a brief but meaningful description of each asset
- the date on which the asset was acquired or brought into use
- the location of the asset
- the responsible senior manager and department(s) or vote(s) within which the assets will be used
- the title deed number, in the case of property
- the stand number, in the case of property
- where applicable, the identification number
- the measurement based used (Cost or Fair Value)
- the original useful live
- the revised useful live
- the residual value
- the original cost, or the revalued amount or the fair value if no costs are available
- the (last) revaluation date of the assets subject to revaluation
- the revalued value of such assets
- who did the (last) revaluation
- accumulated depreciation to date
- the depreciation charge for the current financial year
- the carrying value of the asset
- the method and rate of depreciation

- impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- method of calculating recoverable amount (when impairment test are required in terms of GRAP)
- increases or the decreases resulting from revaluations (if applicable)
- the source of financing
- condition of the asset
- the current insurance arrangements
- whether the asset is required to perform basic municipal services
- whether the asset has been used to secure any debt, and – if so – the nature and duration of such
- security arrangements
- the date on which the asset is disposed of
- the disposal price
- the date on which the asset is retired from use, if not disposed of.

All heads of department under whose control any asset falls shall promptly provide the Chief Financial Officer in writing with any information required to compile the asset register, and shall promptly advise the Chief Financial Officer in writing of any material change which may occur in respect of such information.

An asset shall be capitalised, that is, recorded in the asset register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately capitalised as a fixed asset. An asset shall remain in the asset register for as long as it is in physical existence.

The Asset Manager must ensure that reconciliations are performed on a monthly basis between the general ledger values and the asset values and to be submitted to the Chief Financial Officer.

The Chief Financial Officer must check and authorize the reconciliations as correct.

Depreciation methods and rates used must be approved by the Chief Financial Officer.

The asset manager should allocate depreciation rates and methods to each asset class, and ensure that depreciation calculations are correctly applied and posted in the general ledger.

10. CLASSIFICATION OF ASSETS

In compliance with the requirements of the National Treasury, the Chief Financial Officer shall ensure that all assets are classified under the following headings in the Fixed Assets Register, and Heads of Departments shall in writing provide the Chief Financial Officer with such information or assistance as is required to compile a proper classification:

10.1 Property, Plant and Equipment

- Land (not held as investment assets).
- Infrastructure assets (assets which are part of a network of similar assets).
- Community assets (assets contributing to the general well-being of the community).
- Heritage assets (culturally significant assets).
- Other assets (ordinary operational assets).
- Housing (rental stock or housing stock not held for capital gain).

Save for land and buildings other assets shall be classified under the following headings:

- Computer equipment;
- Office equipment;
- Furniture and fittings;
- Radio Equipment;
- Plant and machinery;
- Motor Vehicles; and
- Emergency Equipment.

10.2 Investment Property

Investment assets (resources held for capital or operational gain and which are not used by the Municipality). Properties occupied by the Municipality, Councillors or officials are classified as owner-occupied property and are therefore not classed as investment property

Investment properties will be treated in accordance with GRAP 16 and will separately be classified in the Statement of Financial Position. Investment properties will not be depreciated but will annually be revalued.

10.3 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance.

Intangible assets will be treated in accordance with GRAP 102 and will separately be classified in the Statement of Financial Position. Intangible assets shall be valued at cost less any accumulated amortization and any impairment losses.

10.4 Agricultural Assets

Agricultural Assets will be treated in accordance with GRAP 101 and will separately be classified in the Statement of Financial Position,

10.5 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 asset register in the same manner as other fixed assets, but a separate section of the asset register shall be maintained for this purpose.

The Chief Financial Officer shall use the classifications indicated in the Annexure on estimated lives of assets, as a guideline and in the case of an item of assets not appearing in the Annexure shall use the classification applicable to the asset most closely comparable in the Annexure.

11. CAPITALISATION CRITERIA

PPE and Intangible Assets

All assets may only be acquired in terms of council's Supply Chain Management Policy and in terms of the budgetary provisions. The responsibility for the purchase of assets would be delegated in terms of council's Delegation Framework and Supply Chain Management Policy. Depending on the cost of the asset to be purchased the following procedure for purchasing an asset must be followed:

- Senior managers shall at all times ensure that there are enough funds in their departmental budgets before requesting approval to any requisition to purchase an asset;
- Senior managers shall ensure that the correct vote and expenditure line item are used and recorded on the requisition requesting approval to purchase an asset;
- Tenders or quotations as required in terms of council's Supply Chain Management policy should be obtained and where required submitted to council's tender committee for approval;
- The tender committee resolution of the approved tender or recommended quotation should be attached to the requisition signed by the relevant head of department;
- The order would then be generated by the Budget and Treasury department;
- Once delivered the asset must be labelled / bar-coded by the Budget and Treasury department before such asset is put into use;
- The senior manager should endorse receipt of the asset on the invoice and forward it for payment to the Budget and Treasury department; and
- The Budget and Treasury department would then generate payment.

The completion of any immovable asset by or under control of every head of department should promptly be declared to the Chief Financial Officer in writing

stating the full details required for recording in the assets register.

All PPE and intangible assets shall be carried in the asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation or amortisation in the case of intangible assets.

The original cost of an item of PPE or intangible assets may include:

- Cost price;
- Financing costs (MFMA section 46(4));
- Import tax;
- Non-claimable purchase tax; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When payment for an item of PPE or intangible assets is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When an item of PPE is acquired to be exchanged or partly exchanged for a dissimilar item of PPE or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

The only exceptions to this rule shall be revalued items of PPE (see part 7.9 below) and heritage assets in respect of which no depreciation is recorded in the fixed asset register.

Subsequent expenditure relating to an asset that has already been capitalized, should only be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the municipality.

Investment Property

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of purchased investment property includes all directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs).

When payment for an investment property is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When investment property is acquired to be exchanged or partly exchanged for a dissimilar investment property or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

After initial recognition investment property will be measured at fair value. A gain or loss arising from a change in fair value shall be recognized as a profit or loss in the Statement of Financial Performance in the period in which it arises. The fair value of investment property shall reflect market conditions at reporting date.

In terms of GRAP 16 transfers to and from investment property shall be made when there is a change in use:

- (a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) Commencement of development with a view to sale, for a transfer from investment property to inventories;
- (c) End of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) Commencement of an operating lease to another party, for a transfer from inventories to investment property.

When an investment property is transferred to inventory or owner-occupied property, the property's deemed cost is the fair value of the property at the date of the change in use.

For a transfer from inventories to investment property, that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in the Statement of Financial Performance.

Reinstatement, Maintenance and Other Expenses

Only expenses incurred in the enhancement of an 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 an asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of an 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 capitalised, irrespective of the quantum of the expenses concerned.

Expenses, which are reasonably ancillary to the bringing into operation of an asset, may be capitalised as part of such asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, and installation, assembly and communication costs.

Intangible Assets

Assets that meet the criteria of GRAP 102 (Intangible Assets) shall be recognized as Intangible Assets at cost.

Heritage Assets

If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer 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 Position purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

Donated Assets

Where an asset is donated to the municipality, or an asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the asset register at its fair value, as determined by the Chief Financial Officer.

12. DEPRECIATION

Depreciation of PPE

All PPE, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which PPE is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on an annual basis against the appropriate line item in the department or vote in which the item of PPE is used or consumed.

However, depreciation shall initially be calculated from the day following the day in which an item of PPE is acquired or – in the case of construction works and plant and machinery – the day following the day in which the item is brought into use, until the end of the year concerned. Thereafter, depreciation charges shall be calculated annually.

Each Head of Department, acting in consultation with the Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable PPE 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 amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

Rate of Depreciation and Amortisation

The Chief Financial Officer shall assign a useful operating life to each depreciable item of PPE recorded on the Municipality's asset register. In determining such a useful life the Chief Financial Officer shall use to the useful lives set out in the annexure to this document as a guideline.

In the case of an item of PPE which is not listed in this annexure, the Chief Financial Officer shall determine a useful operating life, if necessary in consultation with the Head of Department who shall control or use the item in question, and shall be guided in determining such useful life by the likely pattern in which the item's economic benefits or service potential will be consumed.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

Method of Depreciation

The Chief Financial Officer shall allocate the depreciable amount of all depreciable PPE and intangible on a systematic basis over its useful life.

The residual value and useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

13. AMENDMENT OF ASSET LIVES AND DIMINUTION IN THE VALUE OF PPE

Only the Chief Financial Officer may amend the useful operating life assigned to any PPE, and when any material amendment occurs the Chief Financial Officer shall inform the Council of such amendment.

The Chief Financial Officer shall amend the useful operating life assigned to any item of PPE if it becomes known that such item 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 item's economic benefits or service potential will be consumed.

If the value of an item of PPE or intangible assets has been diminished to such an extent that it has no or a negligible further useful operating life or value such item shall be fully depreciated or eradicated in the financial year in which such diminution in value occurs.

Similarly, if an item of PPE has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the item has physically ceased to exist, it shall be written off in the asset register.

In all of the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the item of PPE or intangible asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable item of PPE, and such item has been capitalised at a value other than a purely nominal value, such item shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable item of PPE, and the department or vote controlling or using the item in question shall bear the full depreciation expenses concerned.

Additional depreciation not budgeted for as a result of unforeseeable or unavoidable circumstances must be provided for in an adjustments budget and, if such circumstances arises close to the end of the financial year and there will not be time for Council to consider the adjustments before the end of the financial year, may in advance be approved by the Mayor in terms of Section 29 of the MFMA, provided that any other provisions of the MFMA be complied with.

14. IMPAIRMENT OF ASSETS

The accounting treatment relating to impairment losses is outlined in IAS37.

The carrying amount 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.

When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to the 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 works 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 the recoverable amount.

The following may be indicators that an asset is 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.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Departments will identify and inform the Chief Financial Officer of assets that:
 - o Are in a state of damage at year end.
 - o Are technologically obsolete at year end. .
 - o Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
 - o Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts.
- The recoverable amounts of these assets need to be determined by calculating the net selling price per asset as defined above.
- The impairment loss per asset is the difference between the net selling price and the carrying value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.

15. REVALUATION OF ITEMS OF PPE

All land and buildings recorded in the Municipality's asset register shall be revalued when the Council is of the opinion that economic conditions have had a substantial impact on the on the value of land and buildings within the municipal area. Under such circumstances a sworn valuer will be appointed to perform a valuation of all land and buildings.

The Chief Financial Officer shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the items as recorded in the valuation roll, provided the Chief Financial Officer is satisfied that such value reflects the fair value of the land and buildings concerned.

The Chief Financial Officer shall also, where applicable, create a revaluation reserve for each such item equal to the difference between the value as recorded in the valuation roll and the carrying value of the item before the adjustment in question.

The buildings concerned shall thereafter be depreciated on the basis of its revalued amount, over its remaining useful operating life, and such increased depreciation expenses shall be budgeted for and debited against the appropriate line item in the department or vote controlling or using the buildings in question.

The Chief Financial Officer shall ensure that an amount equal to the difference between the new (enhanced) annual depreciation expense and the depreciation expenses determined in respect of such buildings before the revaluation in question is transferred each year from the revaluation reserve to the Municipality's appropriation account. An adjustment of the aggregate transfer shall be made at the end of each financial year, if necessary.

If the amount recorded by the valuer is less than the carrying value of the item of

land or buildings recorded in the asset register, the Chief Financial Officer shall adjust the carrying value of such item by increasing the accumulated depreciation of the item in question by an amount sufficient to adjust the carrying value to the value as recorded by the valuer. such additional depreciation expenses shall form a charge, in the first instance, against the balance in any revaluation reserve previously created for such item, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the item of land or building in question

Revalued land and buildings shall be carried in the asset register, and recorded in the annual financial statements, at their revalued amount, less accumulated depreciation (in the case of buildings).

16. ACQUISITION OF ASSETS

Pre-acquisition Planning

Before a capital project is included in the budget for approval, the Chief Financial Officer must demonstrate that he/she has considered the following:

- The projected cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including the tax and tariff implications;
- The financial sustainability of the project over its use full life including revenue generation and subsidisation requirements;
- The physical and financial stewardship of that asset through all stages of its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
- The inclusion of the capital project in the Integrated Development Plan and future budgets; and
- Alternatives to the capital purchase.

The heads of department are accountable to ensure that the Chief Financial Officer receives all reasonable assistance, guidance and explanation to enable him to achieve his planning requirements.

Approval to Acquire Property, Plant and Equipment

Money can only be spent on a project if:

- The money has been appropriated in an approved Capital Budget;
- The project, including the total cost has been approved by the Council;
- The Chief Financial Officer confirms that funding is available for that specific project; and
- Any contract that will impose financial obligations beyond two years after the budget year is appropriately disclosed.
- The Supply Chain Management Policy is adhered to.

Authorization for the acquisition of assets should be as per this municipality's delegation of authority and payment for assets shall be in accordance with financial policies and regulations of this Municipality.

Funding of Capital Projects

Within the Municipality's on-going financial, legislative or administrative capacity, the Chief Financial Officer must establish and maintain the funding strategies that optimise the municipality's ability to achieve its strategic objectives as stated in the Integrated Development Plan. The acquisition of assets may not be funded over a period longer than the useful life of that asset.

17. PURCHASE OR HIRE OF IMMOVABLE PROPERTY

The municipality may acquire by purchase, or by hire, immovable property within or outside the municipal boundary provided it complies with the requirements of the MFMA and the Supply Chain Management policy and subject to the following:

- The cost of the purchase or hire had been budgeted for; and
- The intention to buy or hire the immovable property had been advertised for public comment.
- After consideration of any public comments/objections the Council will:
 - o In the case of the following paragraph complies with the requirements of that paragraph; and
 - o In the case of all other immovable property, finally resolve to continue with the purchase or hire and apply the supply chain management processes
- The Council will not continue with the purchase or hire of any immovable property where:
 - o The price is in excess of the market value thereof as assessed by an appraiser; or
 - o The rental which, when calculated per annum in the case of:
 - Immovable property hired for agricultural purposes, exceeds six present; and
 - Immovable property hired for any other purpose, exceed twelve present of the market value of the property, as assessed by an appraiser.

The Council may accept a gift or conveyance of immovable property either for the municipality or in trust for charitable or other public purposes not connected with public worship, and hold the same in such trust or for such purpose as may be declared by such donors and may administer, utilize and improve such property.

The trustees of any immovable property held in trust for any township village of settlement which has become a municipality or part of a municipality may transfer such property to the Council, subject to any special trusts in their deeds of title and upon conditions not at variance therewith.

18. GUIDELINE PROCEDURES FOR ADDITIONS TO ASSETS

The Asset Manager must ensure all additions to assets are in accordance with an approved Capital Budget. Additions must be updated on a monthly basis in the Municipality's Asset Register. All additions must be approved by the Chief Financial Officer.

19. FUNDING OF PPE AND RESERVES

The purchase of assets may be funded from the raising of external loans, leases, government- and public contributions, the Capital Replacement Reserve and surplus cash.

The Chief Financial Officer shall ensure that in respect of all assets financed from grants or subsidies or contributions received from other spheres of government or from the public at large, as well as in respect of assets donated to the Municipality, a government grants reserve or public contribution reserve for future depreciation is created equal in value to the capitalised value of each item of asset in question.

The Chief Financial Officer shall thereafter ensure that in the case of depreciable PPE an amount equal to the annual depreciation expenses of the items concerned are transferred each year from such reserve to the Municipality's accumulated surplus.

20. ALIENATION OF ASSETS

In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any item of PPE shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy and the Municipal Asset Transfer Regulations

Every head of department shall report in writing to the Chief Financial Officer on 30 April of each financial year on all assets controlled or used by the department concerned which such head of department wishes to alienate by public auction or public tender.

The Chief Financial Officer 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.

The council shall delegate to the municipal manager the authority to approve the alienation of any moveable asset with a carrying value less than R200 000 (two hundred thousand rand). The council shall ensure that the alienation of any asset with a carrying value equal to or in excess of R200 000 (two hundred thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004.

In terms of Section 14 of the Municipal Finance Management Act, 2004 the Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of assets needed to provide the minimum level of basic municipal services.

The Municipality may transfer ownership or otherwise dispose of assets other than one contemplated above, but only after the Council, in a meeting open to the public:-

- has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- has considered the fair market value of the item and the economic and community value to be received in exchange for the asset;
- That a public participation process be held before council's assets can be alienated.

The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be subsequently reversed by the Municipality after that asset has been sold, transferred or otherwise disposed of.

Once the assets are alienated, the Chief Financial Officer shall treat the disposal of the items in terms of GRAP and amend the relevant records of the asset register. If the proceeds of the alienation are less than the carrying value recorded in the asset register, such difference shall be recognised as a loss in the Statement of Financial Performance of the department or vote concerned.

If the proceeds of the alienation, on the other hand, are more than the carrying value of the asset concerned, the difference shall be recognised as a gain in the Statement of Financial Performance of the department or vote concerned.

All gains realised on the alienation of 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 assets of any department or vote, only the net gain (if any) on the alienation of such assets shall be appropriated to the Capital Replacement Reserve.

Transfer of assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the Municipal Asset Transfer Regulations.

21. GUIDELINE PROCEDURES FOR THE DISPOSAL OF ASSETS

The Senior Manager must submit a motivation for the disposal of an asset under his/her control to the Chief Financial Officer.

The Chief Financial Officer must authorize, by signature the motivation and submit the motivation to the Accounting Officer for his/her approval.

Before computer equipment is disposed the Chief Financial Officer must consult the IT section.

All combined motivations must be submitted to the Asset Manager to update the asset register of the municipality and the book of accounts regarding the sale.

The following information should be update in the asset register:

- Reason for disposal;
- Information relating to the buyer;
- Individual requesting disposal;
- Cost, book value and proposed selling price of the asset;
- Date of sale;
- Method of payment;
- Receipt number; and
- The relevant asset information

22. OTHER WRITE-OFFS OF PPE

An item of PPE, even though fully depreciated, shall be written off when it can no longer be used, in consultation with the Head of Department controlling or using the item concerned.

Every Head of Department shall report to the Chief Financial Officer on 31 October and 30 April of each financial year on any item of PPE which such Head of Department wishes to have written off, stating in full the reason for such recommendation.

The Chief Financial Officer shall consolidate all such reports, and shall promptly notify the Council on the PPE to be written off.

The only reasons for writing off PPE, other than the alienation of such item of PPE, shall be the loss, theft, and destruction or material impairment of the PPE in question.

If an item of PPE must be written off as a result of an occurrence out of the control of the municipality, such as malicious damage, theft or destruction, the municipal manager must determine whether a third party or an employee was involved in the loss and take all reasonable steps to recover such loss, including reporting the incident to the South African Police Services and the Auditor General, the insurance as well as institute disciplinary steps against any employee who might have been involved in such incident.

In every instance where a not fully depreciated item of PPE is written off, the Chief Financial Officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the item concerned.

23. MANAGEMENT AND OPERATION OF ASSETS

Accountability to manage assets

Each Senior Manager is accountable to ensure that Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. This will include:

- o Developing appropriate management systems, procedures, processes and controls for managing assets;
- o Providing accurate, reliable and up to date account of assets under their control; and
- o The development and motivation of relevant strategic asset management plans and operational budgets that optimally achieve the Municipality's strategic objectives.

Contents of a strategic management plan

Senior Managers need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Senior Manager will need to develop strategic asset management plans that cover:-

- o Alignment with the Integrated Development Plan;
- o Operational guidelines;
- o Performance monitoring;
- o Maintenance programs;
- o Renewal, refurbishment and replacement plans;
- o Disposal and Rehabilitation plans;
- o Operational, financial and capital support requirements, and
- o Risk mitigation plans including insurance strategies

The operational budgets are the short to medium term plan for implementing this strategic asset management plan.

Reporting of Emerging Issues

Each Functional Manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

Verification of Assets

The Municipality shall at least once during every financial year undertake on a

date as determined by the Chief Financial Officer a comprehensive verification of all moveable assets controlled or used by all the departments of the Municipality.

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all relevant results of such verification, provided that each such item of asset verification shall be undertaken and completed during 30 June of each financial year, and that the resultant report shall be submitted to the Chief Financial Officer not later than 30 June of the year in question.

Movement of Assets

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all transfers from its original location of assets (including minor assets items) within 5 working days after transfer of such item.

24. MAINTENANCE

Maintenance Plans

Every Head of Department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Council for approval.

If so directed by the Municipal Manager, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The Head of Department controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July or the earliest Council meeting thereafter, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the item concerned.

Deferred Maintenance

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset, the Chief Financial Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the annual financial statements. Such note shall also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the Chief Financial Officer shall re-determine the useful operating life of the fixed asset in question, if necessary in consultation with the Head of Department controlling or using such item, and shall recalculate the increased annual depreciation expenses accordingly.

General Maintenance of Assets

Every Head of Department shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such item attain their useful operating lives.

25. REPLACEMENT STRATEGY

The Municipal Manager, in consultation with the Chief Financial Officer and other Heads of Departments, shall formulate norms and standards for the replacement of all normal operational assets. Such norms and standards shall be incorporated in a formal strategy, which shall be submitted to the Council for approval. This strategy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items.

Such strategy shall also provide for the replacement of assets which are required for service delivery but which have become uneconomical to maintain.

26. TRANSFER OF ASSETS

When assets are transferred to other Government Departments or municipalities, a document with specific authorization should be attached to the asset to ensure the validity of the transfer.

The document should also include:

- Asset description;
- Cost of the asset;
- Date of acquisition;
- Unique asset number;
- Effective date of transfer;
- Quantity; and
- Authorization by both transferor and transferee.

The asset manager must then effect the transactions in the book of accounts of the municipality on the day the asset is transferred to the transferee.

27. PHYSICAL SECURITY OF ASSETS

Every Senior Manager shall be directly responsible for the physical safekeeping of any asset controlled or used by their department.

In exercising this responsibility, every Senior Manager shall adhere to directives issued by the Chief Financial Officer with regard to the control and safekeeping of the municipality's assets.

All assets should be kept in a secure location, maintained regularly, insured against theft or destruction, utilized economically and efficiently.

When it is suspect that an employee abuses assets, this fact should be reported to the Chief Financial Officer within 48 hours. Such an employee should be subject to the disciplinary procedures as described in terms of the Standard

Conditions of Service.

All items of Property, Plant and Equipment lost, stolen or damaged must be reported to the Chief Financial Officer within 48 hours after discovery for further investigation and reporting required by the Municipal Finance Management Act No. 56 of 2003.

28. INSURANCE OF ASSETS

The Accounting Officer must ensure that all movable assets are insured at least against fire and theft, and municipal buildings and infrastructure are insured at least against fire and allied perils.

The Accounting Officer shall recommend, after consultation with the Chief Financial Officer, the basis of insurance cover to be applied: either the carrying value or the replacement value of the assets. Such a recommendation shall take due cognizance of the budgetary resources of the municipality.

Any theft, loss or damage to an asset should immediately be reported to council's insurance brokers by the relevant head of department under whose responsibility the asset falls. A copy of the insurance claim submitted should be forwarded to the Chief Financial Officer. All insurance claims must be recorded in an insurance register and all outstanding insurance claims reported on a monthly basis to the Chief Financial Officer. It is the responsibility of the relevant head of department to ensure that all documents / information for the completion of the claim is forwarded to council's insurance brokers and that copies thereof is forwarded to the Chief Financial Officer. The head of department should in writing request the replacement of the asset which can only be authorized, if sufficient provision for the replacement of the asset is on the capital budget, by the Municipal Manager after consultation with the Chief Financial Officer. If sufficient provision is not on the capital budget the asset can only be replaced if provision for the replacement is made on an Adjustments budget. In the case where an asset must be replaced as an emergency measure, the Mayor may authorise such expenditure, subject to compliance with Section 29 of the MFMA.

Third-party (insurance) pay-outs must be treated as revenue when the amount is certain and may not be offset against the cost of replacing the item. The carrying value of items lost, stolen or damaged beyond repair must be treated as impairment against the relevant department or vote. The full cost of the replacement item must then be capitalised.

If the municipality operates a self-insurance reserve, the Chief Financial Officer shall annually determine the premiums payable by the departments or votes after having received a list of the assets and insurable values of all relevant assets from the heads of departments concerned.

The municipal manager shall recommend to the council of the municipality, after consulting with the Chief Financial Officer, the basis of the insurance to be applied to each type of asset: either the carrying value or the replacement value of the assets concerned. Such recommendation shall take due cognizance of the

budgetary resources of the municipality.

The Chief Financial Officer shall annually submit a report to the council of the municipality on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.

29. SHORT TITLE

This policy shall be called the Asset Management Policy of the **Witzenberg Municipality**.

APPENDIX A

SCHEDULE OF EXPECTED USEFUL LIVES OF ASSETS			
	ASSET LIFE		ASSET LIFE
<u>INFRASTRUCTRE ASSETS</u>		<u>INFRASTRUCTRE ASSETS</u>	
ELECTRICITY:		GAS:	
Power stations	30	Meters	20
Cooling towers	30	Main supply	20
Transformer kiosks	30	Storage tanks	20
Meters	20	Supply and reticulation networks	20
Load control equipment	20		
Switchgear	20	SEWERAGE:	
Supply and reticulation networks	20	Sewer mains	20
Main supply	20	Outflow sewers	20
		Sewerage purification works	20
ROADS:		Sewerage pumps	15
Motorways	15	Sludge machines	15
Other roads	10		
Traffic islands	10	PEDESTRAIN MALLS:	
Traffic lights	20	Footways	20
Street lights	25	Kerbing	20
Overhead bridges	30	Paving	20
Storm water drains	20		
Bridges, subways and culverts	30	AIRPORTS:	20
Car parks	20	Taxiways	20
Bus terminals	20	Runways	20
		Aprons	20
		Airport and radio beacons	20
WATER		SECURITY	
Meters	15	Fencing	3
Mains	20	Security systems	5
Rights	20	Access control systems	5
Supply and reticulation networks	20		
Reservoirs and storage tanks	20		
<u>COMMUNITY ASSETS</u>		<u>COMMUNITY ASSETS</u>	
RECREATIONAL FACILITIES		BUILDINGS	
Bowling greens	20	Ambulance stations	30
Tennis courts	20	Aquariums	30
Swimming pools	20	Beach developments	30
Golf courses	20	Care centres'	30
Jukskei pitches	20	Cemeteries	30
Outdoor sport facilities	20	Civic theatres and community centres'	30
Organ	20	Clinics and hospitals	30
Lakes and dams	20	Game reserves and rest camps	30
Fountains	20	Stadiums and indoor sports	30
Flood lights	20	Museums and galleries	30
		Parks and public conveniences	30
		Recreational centres' and zoo	30
<u>OTHER ASSETS</u>		<u>OTHER ASSETS</u>	

SCHEDULE OF EXPECTED USEFUL LIVES OF ASSETS			
	ASSET LIFE		ASSET LIFE
BUILDINGS		EMERGENCY EQUIPMENT	
Abattoirs	30	Other fire fighting equipment	15
Asphalt plant	30	Ambulances	5-10
Cable stations	30	Fire hoses	5
Caravan Parks	30	Emergency lights	5
Bioscope	30		
Compacting stations	30	MOTOR VEHICLES	
Hostels for public / tourists	30	Fire engines	20
Hostels for employees	30	Buses	15
Housing schemes	30	Motor vehicles	5-7
Kilns	30	Motorcycles	3
Laboratories	30	Trucks and light delivery vehicles	5-7
Markets	30		
Nurseries	30	AIRCRAFT	15
Office buildings	30		
Old age homes	30	WATERCRAFT	15
Quarries	30		
Tip sites	30	PLANT AND EQUIPMENT	
Training centres	30	Graders	10-15
Transport facilities	30	Tractors	10-15
Workshops and depots	30	Mechanical horses	10-15
		Farm equipment	5
OFFICE EQUIPMENT		Lawn mowers	2
Computer hardware	5	Compressors	5
Computer software	3-5	Laboratory equipment	5
Office machines	3-5	Radio equipment	5
Air conditioners	5-7	Firearms	5
FURNITURE AND FITTINGS		General	5
Chairs	7-10	Cable cars	15
Tables and desks	7-10	Irrigation systems	15
Cabinets and cupboards	7-10	Cremators	15
Sundry	7-10	Lathes	15
		Machining equipment	15
BINS AND CONTAINERS		Conveyors	15
Household refuse bins	5	Feeders	15
Bulk refuse containers	10	Tippers	15
		Pulverising mills	15



FUNDING AND RESERVES POLICY

Date of implementation: 01 July 2010

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FUNDING AND RESERVES POLICY

Page 2

Version: Final

Date: 15 June 2010

Summary: This document describes the Funding and Reserves Policy that will be applicable to the municipality, detailed.

Approved: This policy was approved by the Municipal Council on 15 June 2010.

Signature: _____ **Date:** _____

Municipal Manager

FUNDING AND RESERVE POLICY

1. INTRODUCTION AND OBJECTIVE

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

2. SECTION A: FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes. and
- 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 therefore clear in that the budget must be cash – funded i.e. cash receipts inclusive of prior cash surpluses 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, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise to the management of his or her own finances 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, 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 Cash Management and Investment Policy.

2.5 DEBT MANAGEMENT

Debt must be managed in terms of the municipality's Debt Management 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 it occurs.

The municipality however, recognises the plight of the poor, and in line with national and provincial objectives, the municipality commits itself to subsidised services to the poor. This will necessitate cross subsidisation in 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 Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven

provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded from the calculation as it must be included in changes in Cash and Cash Equivalents and Payables.

Furthermore, in the budget the total grants recognised as revenue must equal the total expected expenditure from grants, inclusive of capital expenditure and VAT as per directive given in MFMA circular 48.

- e) Projected revenue from services charges must be reflected as net (all billing less revenue foregone, which is free basic services, discounts and rebates).
- f) Projected revenue from property rates must include all rates to be levied, but rebates and discounts must be budgeted for as either revenue foregone or a grant, as per directive in MFMA Budget Circular 51, depending on the conditions of the exemption, rebate or reduction.

For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.

- g) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortised discount must be included in the Operating Budget but excluded in the cash flow budget.
- h) 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, and it is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at 5% of the prior year balance of the long-term benefits, be included in the operating budget, in order to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an "Employee Benefits Reserve".
- i) Depreciation must be fully budgeted for in the operating budget.

In order to ensure a sufficient accumulation of cash for the replacement of Property, Plant and Equipment and Intangible Assets, the amount of depreciation on assets funded from own sources, excluding assets funded from grants, public contributions and external loans must be reflected as a surplus on the cash flow budget.

- j) Contributions to provisions (non-current and current) do not form part of the cash flow. It is however, 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.

It is therefore a requirement that the contribution to current provisions, as well as 20% of the prior year balance of the non current provision, is budgeted as cash surpluses until the necessary funding level is obtained.

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 contributions, grants, public contributions as well as external loans.

Own Contributions

The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve.

Notwithstanding the above the capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions are determined during the budget process.

Contributions to the Capital Replacement Reserve (CRR)

All proceeds from the sale of redundant property plant and equipment, and the VAT portion of capital grants that represents own income must be transferred to the CRR.

Funds must be transferred to the CRR in the budget process to ensure that sufficient funds are available in the reserve to finance the capital expenditure from own contributions.

Grants (Including Public Contributions)

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 unusual grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

It is therefore determined that the accounting officer must evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

It is furthermore determined that the 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 must put such accounting measures in place to comply with this requirement, to a reasonable extent.

External Loans

The municipality may only raise loans in accordance with its Debt Management Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans are utilised for operating purposes.

For budgeting purposes any difference between proposed capital spending from loans and proposed loans raised must be included in the cash surplus for the year.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality wants to ensure that the budget or 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 reconciliations according to this policy. Any additional indicators recommended by National Treasury in future must also be taken into account, as well as any additional reconciliation items as either determined by the Council or the Accounting Officer.

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 any negative indicators can be reasonably explained and

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 throughout the year is crucial. In addition, the forecasted cash position at year-end must at least be the amount as calculated in the Reconciliation of Cash Requirements as determined by this policy and attached to this policy as Appendix "A".

2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants;
- unspent conditional public contributions;
- unspent borrowings;
- vat due to SARS;
- secured investments;
- the cash portion of statutory funds such as the Housing Development Fund;
- other working capital requirements; and
- In addition, it must be sufficient to back reserves as approved by the municipality and the portions of provisions as indicated below:
 - Current portion of Rehabilitation of landfill sites
 - Current portion of Post-retirement benefits
 - Current portion of Long service provisions
 - Current portion of Ex-gratia pension provisions
 - 20% of staff leave
 - 100% of performance bonuses
 - 100% of staff bonuses
 - 100% of any other employee benefits

2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ("CASH COVERAGE")

This indicator shows the level of risk should the municipality experience financial stress.

2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS

It is almost certain that the operating budget, which includes 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 the users of the assets funded from grants, public contributions and revaluations must be burdened with tariff increases to provide for such depreciation charges. In order to ensure a “balanced” budget but excluding such depreciation charges, the depreciation charges may be offset against the net surplus / deficit.

Should the budget result in a deficit after the offsetting, 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 is realistically calculated.

The formula to be used is as follows:

	DESCRIPTION	PROPERTY RATES	SERVICE CHARGES	TOTAL
A	Revenue of budget year	R XX	R XX	R XX
B	Less: Revenue of prior year	R XX	R XX	R XX
C	=Revenue increase/decrease	R XX	R XX	R XX
D	% Increase/(Decrease)	C/B %	C/B %	C/B %
E	Less: Upper limit of macro Inflation target	%	%	%
F	=Growth in excess of inflation target	%	%	%
G	Less: Expected growth %	%	%	%
H	=Increase attributed to tariff Increase above macro inflation target	%	%	%

In the event that the percentage in (h) above is greater than zero, a proper motivation must accompany the budget at submission, or the budget must be revised.

2.8.7 CASH COLLECTION % RATE

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

It is not permissible to project a collection rate higher than the rate currently being obtained, even if the municipality recently approved a debt collection policy or implemented additional debt collection measures. Any improvement in collection rates during the budget year may be appropriated in an Adjustment Budget.

2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE

This indicator provides information 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 might have an influence on it. Any difference, however, must be motivated in the budget report.

2.8.9 CAPITAL PAYMENTS AS A PERCENTAGE OF CAPITAL EXPENDITURE

This indicator provides information as to the timing for payments on capital projects and utilising allowed payment terms.

2.8.10 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 Debt Management Policy.

2.8.11 GRANTS REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE

The percentage should never be less than 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.

2.8.12 CONSUMER DEBTORS CHANGE (CURRENT AND NON - CURRENT)

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

An unacceptable high increase in either current– or non– current debtors' balances should be investigated and acted upon.

2.8.13 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL

It is of utmost importance that the municipality's Property Plant and Equipment be maintained properly, 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.

As a general benchmark the maintenance budget should be between 4% and 8% of the value of assets.

2.8.14 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.

2.8.15 FINANCIAL PERFORMANCE BUDGET

Although it is not a legal requirement that the financial performance budget should balance, it only makes management sense that it should balance.

A number of line–items influence the net result of the financial performance budget. It includes capital grant revenue, depreciation charges including those where assets were funded from grants and public contributions, unamortised discounts and gains/losses on the disposal of Property Plant and Equipment. These items need to be taken into consideration in order to establish if the operating budget is realistic and credible.

2.8.16 FINANCIAL POSITION BUDGET

This indicator provides an overall view of the projected financial position over the periods of the Medium Term Expenditure framework, including movements in inventory and payables.

2.8.17 CASH FLOW BUDGET

A positive cash flow is a good indicator of a balanced budget, as well as the ability of the municipality to meet its future commitments.

The cash flow budget, however, does not include those items such as contributions to the provisions described elsewhere in this policy, the effect of depreciation charges etc, and care must be taken not to let a projected positive cash inflow lead to additional expenditure requests, without taking the requirements of those items into consideration.

3. SECTION B: RESERVES POLICY

3.1 INTRODUCTION

Fund accounting historically formed a huge part of municipal finance in the IMFO standards.

Since the municipality changed to General Recognised Accounting Practices (GRAP), fund accounting is no more allowed.

The municipality, however, recognises 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 aims to provide for such measure of protection by creating certain reserves.

3.2 LEGAL REQUIREMENTS

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund. The GRAP Standards itself also do not provide for reserves.

However, the GRAP “Framework for the Preparation and Presentation of Financial Statements” states in paragraph 91 that such reserves may be created, but “Fund Accounting” is not allowed and any such reserves must be a “legal” reserve, i.e. created by law or Council Resolution.

3.3 TYPES OF RESERVES

Reserves can be classified into two main categories being “cash funded reserves” and “non – cash funded reserves”.

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) Capital Replacement Reserve (CRR)

The CRR is to be utilised for future capital expenditure from own funds and may not be used for maintenance– or other operating expenditure.

The CRR must be cash–backed and the Accounting Officer is hereby delegated to determine the contribution to the CRR during the compilation of the annual financial statements.

(b) Employee benefits reserve

The aim of the reserve is to ensure sufficient cash resources are available for the future payment of employee benefits.

The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

(c) Non-current provisions reserve

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of non – current provisions.

The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

(d) Valuation reserve

The aim of this reserve is to ensure sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

The contribution to this reserve should be approximately 25% of the anticipated cost of the General Valuation and the Accounting Officer is hereby delegated to determine this amount annually during the compilation of the annual financial statements.

(e) Other 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.

3.3.2 NON – CASH FUNDED RESERVES

It might be necessary to create non – cash funded reserves for a variety of reasons, including GRAP requirements. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required.

The Accounting Officer is hereby delegated and may also in the discretion of the Accounting Officer, create reserves for future depreciation offsetting, in the absence of a standard similar to IAS 20.

3.4 ACCOUNTING FOR RESERVES

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.

It is a condition of GRAP and this policy that no transactions may be directly appropriated against these reserves.

4. SECTION C: REVIEW OF THE POLICY

This Funding and Reserves Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of the policy must be approved by the Municipal Council.

Whenever the Minister of Finance or the National Treasury or the Auditor – General requests changes to the policy by way of legislation, changes to GRAP or otherwise, it must be reviewed and submitted for consideration by the Council on an annual basis. Such submission must be accompanied with a full description of the reasons for the change to the policy.

APPENDIX A

RECONCILIATION OF CASH REQUIREMENTS

Cash flow from operating activities	R XX
Add : Depreciation from own funds	R XX
Add : Current provisions balance	R XX
Add : Current employee benefits balance	R XX
Add : Unspent conditional grants	R XX
Add : Unspent public contributions	R XX
Add : Unspent borrowings	R XX
Add : VAT due to SARS	R XX
Add : Secured investments	R XX
Add : Cash portion of Statutory Reserves	R XX
Add : Working Capital Requirements	R XX
= Minimum Cash Surplus Requirements for the year	R XX



BORROWING POLICY

Date of implementation 01 July 2013

BORROWING POLICY

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1. PURPOSE

- 1.1. To provide the Municipality with a borrowing framework policy.
- 1.2. Set out the objectives, policies, statutory requirements as well as guidelines for the borrowing of funds.

2. OBJECTIVES

- 2.1. The objectives of the policy are to:
- 2.2. enable the municipality to exercise their obligation to ensure sufficient cash resources to implement capital programme in the most cost effective manner;
- 2.3. ensure compliance with the relevant legal and statutory requirements relating to Municipal borrowing;
- 2.4. govern the taking up of short-term and long-term debt according to the legislative framework
- 2.5. manage interest rate and credit risk exposure
- 2.6. maintain debt with specified limits and ensure adequate provision for the repayment of debt and
- 2.7. To maintain financial sustainability.

3. SCOPE OF THIS POLICY

- 3.1. 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.
- 3.2. This policy shall apply the Council, Mayoral Committee, all Portfolio Committees, Accounting Officer, Strategic Executive Directors and all staff of the municipality. It is, however, specifically applicable to the council and all officials who have a formal, administrative duty to deal with capital projects and programmes of the municipality and the management of the budget.

4. BORROWING ETHICS

- 4.1. In dealing with financial institutions, the following ethical principles must be adhered to:
- 4.2. The Chief Financial Officer shall not accede to any influence by or interference from councillors, borrowing institutions or any outsiders.
- 4.3. Under no circumstances may inducements to borrow be accepted.

5. LEGISLATION

- 5.1. The legislative framework governing borrowings are:
 - 5.1.1. Local Government Municipal Finance Management Act, Act 56 of 2003; and
 - 5.1.2. Local Government Municipal Regulations and Debt Disclosure, Regulation R492, published under Government Gazette 29966, 15 June 2007.

6. COMPULSORY DISCLOSURE WHEN INCURRING MUNICIPAL DEBT

- 6.1. 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. Refer to Annexure A2, Municipal Finance Management Act: Municipal Regulations on Debt Disclosure.
- 6.2. The implementation of the regulations will help to strengthen the level of confidence in municipal fiscal affairs and enable the capital markets to effectively participate by providing access to a range of competitive funding instruments for the provision of municipal infrastructure and other capital development in accordance with section 46 of the Municipal Finance Management Act
- 6.3. In the case of short-term debt it must be disclosed whether the debt is to bridge:
 - 6.3.1. Shortfalls within a financial year during which the debt is incurred, in expectation or specific and realistic anticipated revenue to be received with that financial year; or
 - 6.3.2. Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocation or long-term debt commitments.
- 6.4. In the case of long-term debt, whether the purposes of the debt is for:
- 6.5. Capital expenditure on property, plant or equipment to be used for the purpose of achieving the objectives of local government, subject to section 46(4) of the Act.
- 6.6. Refinancing of existing long-term debt, subject to section 46(5) of the Act.

7. PROCESS

The process as required by the Act is as follows:

7.1. Short-term debt

- 7.1.1. A municipality may incur short-term debt only if:
 - 7.1.1.1. A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and
 - 7.1.1.2. The accounting officer has signed the agreement or other document which creates or acknowledges the debt.
- 7.1.2. A short term debt transaction may be:
 - 7.1.2.1. approve individually; or
 - 7.1.2.2. approve an agreement with a lender for short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that:
 - 7.1.3. the credit limit must be specified in the resolution of the council;
 - 7.1.4. in terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and
 - 7.1.5. if the council approves a credit facility that is limited to emergency use, the accounting officer must notify the council in writing as soon as practical of the

amount, duration and cost of any debt incurred in terms of such a credit facility, as well as options for repaying such debt.

7.1.6. A municipality:

- 7.1.6.1. Must pay off short-term debt within the financial year; and
- 7.1.6.2. May not renew or refinance short-term debt, whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.
- 7.1.6.3. No lender may wilfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection 7.1.6.2
- 7.1.6.4. If a lender wilfully extends credit to a municipality in contravention of paragraph 7.1.6.3, the municipality is not bound to repay the loan or interest on the loan.
- 7.1.6.5. Subsection 7.1.6.1 does not apply if the lender:
 - 7.1.6.5.1. Relied in good faith on written representations of the municipality as to the purpose of the borrowing; and
 - 7.1.6.5.2. Did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt. Long-term debt

7.2. Long-term debt

7.2.1. A municipality may incur long-term debt only if:

- 7.2.1.1. A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and
- 7.2.1.2. The accounting officer has signed the agreement or other document which creates or acknowledges the debt.

7.2.2. A municipality may incur long-term debt only if the accounting officer of the municipality:

- 7.2.2.1. has, in accordance with section 21A of the Municipal Systems Act:
- 7.2.2.2. at least twenty one (21) days prior to the meeting the council at which approval for the debt is to be considered, made 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; and
- 7.2.2.3. invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and
- 7.2.2.4. has submitted a copy of the information statement to the municipal council at least twenty one (21) days prior to the meeting of the council, together with particulars of:
 - 7.2.2.4.1. the essential repayment terms, including the anticipated debt repayment schedule; and
 - 7.2.2.4.2. The anticipated total cost in connection with such debt over the repayment period.

7.2.3. Capital expenditure contemplated in 5.3(a) may include:

7.2.3.1. Financing costs, including:

7.2.3.1.1. capitalized interest for a reasonable initial period;

7.2.3.1.2. Costs associated with security arrangements in accordance with section 48 of the Act;

7.2.3.1.3. discounts and fees in connection with the financing;

7.2.3.1.4. fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and

7.2.3.1.5. Costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing.

7.2.3.1.6. Costs of professional services directly related to the capital expenditure; and

7.2.3.1.7. Such other costs as may be prescribed.

7.2.4. A municipality may borrow money for the purpose of refinancing existing long-term debt, provided that:

7.2.4.1. the existing long-term debt was lawfully incurred;

7.2.4.2. the refinancing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed

7.2.4.3. the net present value of projected future payments (including principal and interest payments) after refinancing is less than the net present value of projected future payments before refinancing; and

7.2.4.4. the discount rate used in projecting net present value referred to in paragraph (c), and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

7.2.5. A municipality's long-term debt must be consistent with its capital budget referred to in section 17(2) of the Act.

8. CONDITIONS

Witzenberg Municipality may incur debt only if:

8.1. the debt is denominated in rand and is not indexed to, or affected by fluctuations in the value of the rand against any foreign currency; and

8.2. section 48(3) of the Act has been complied with, if security is to be provided by the municipality.

9. SECURITIES

9.1. Witzenberg Municipality may by resolution of its council provide security for:

9.1.1. any of its debt obligations; and

9.1.2. contractual obligations of the municipality undertaken in connection with capital expenditure by the persons on property, plant or equipment to be used by the

municipality or such other person for the purpose of achieving the objectives of local government in terms of section 152 of the Constitution.

9.2. Appropriate security is contemplated in section 48(2) of the Act.

9.3. Other additional conditions to be complied with are contemplated in section 48(3) to (5) of the Act.

10. 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.

11. GUARANTEES

11.1. 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 authorized 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.

11.2. Witzenberg Municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following condition:

11.3. The guarantee must be within limits specified in the municipality's approved budget.

11.4. Neither the national nor a provincial government may guarantee the debt of a municipality except to the extent that chapter 8 of the Public Finance Management Act provides for such guarantees

12. SUBMISSION OF DOCUMENTS

When entering into discussion with a prospective lender with a view to incur short-term or long-term debt, the following information must be made available to the prospective lender.

12.1. audited financial statements for the preceding three (3) financial years with audited outcomes;

12.2. approved annual budget;

12.3. the municipal integrated development plan;

12.4. Repayment schedules pertaining to existing short-term or long-term debt.

13. NOTIFICATION TO NATIONAL TREASURY

All information prescribed in the act must be provided to National Treasury with respect to a long-term debt proposal.

Information to be provided with respect to a long-term debt proposal

	Details	MFMA
A	A copy of the <i>information statement</i> required by section 46(3), containing particulars of the proposed borrowing (debt) instrument.	46(3)(a)(i)
B	If not already incorporated in the <i>information statement</i> , the following information should be provided separately (note QBMR = Quarterly Borrowing Monitoring Return to NT, see over page for further information): amount of debt to be raised through borrowing or other means purposes for which the borrowing (debt) is to be incurred interest rate(s) applicable (state whether fixed or variable etc) planned start and end date (term of instrument) detailed repayment schedule for the duration of the borrowing (debt) (showing dates and all payments of principal and interest, etc) total estimated cost of the borrowing (debt) over the repayment period type of instrument (select from QBMR) security to be provided (select from QBMR) and provide details source of loan funds (select from QBMR)	46(3)(b)(i) and (ii)
C	A schedule of consultation undertaken, including: date(s) when the <i>information statement</i> was made public details of meetings, media adverts and other methods used to consult on the proposed long-term borrowing (debt)	46(3)(a)(i), (ii)
D	A copy of the approved budget, and relevant documentation supporting the budget, highlighting the asset(s) to be funded by the proposed borrowing (debt) and the revenue to be received. It must be demonstrated that the proposed borrowing (debt) is consistent with the IDP, the capital budget and the revenue is shown accordingly.	46(6) 17(2) 19
E	If the borrowing (debt) is for the purpose of refinancing existing long-term borrowing (debt), the following information: description of the asset(s) for which the original loan was required the useful remaining life of the asset(s) the net present value of the asset(s), including the discount rate used	46(5)

	and any assumptions in the calculations the net present value of projected future payments <u>before</u> refinancing, including the discount rate and assumptions used. the net present value of projected future payments <u>after</u> refinancing, including the discount rate and assumptions used.	
F	What source of funding will be used to repay the loan? Please specify the revenue stream(s) and whether this is existing revenue, or new revenue.	19(1)(d)
G	Schedule of <u>all</u> long-term borrowing (debt) obligations in the format of the QBMR showing principal and interest payments for the life of <u>all loans</u> and any associated investments set up as sinking funds etc.	
H	A copy of the council/board of directors' resolution approving the borrowing (debt) instrument should be forwarded once approved.	

14. FINANCIAL AFFAIRS OF THE MUNICIPALITY

- 14.1. The following information concerning the financial situation and financial management of the municipality must be disclosed:
 - 14.1.1. schedule of all long-term debt obligations stating principal and interest payments for the life of all loans and any security provided to secure such debt;
 - 14.1.2. the amount of any short-term debt outstanding;
 - 14.1.3. the revenue of the municipality for the preceding three (3) financial years stated separately:
 - 14.1.4. Government grants and public donations;
 - 14.1.5. Revenue from rates and service charges and other revenue sources
 - 14.1.6. what source of funding will be used to repay the loan;
 - 14.1.7. details of any default by the municipality on outstanding or repaid debt during the preceding three (3) years;
 - 14.1.8. the reserves of the municipality;
 - 14.1.9. a summary of financial policies and practices; and
 - 14.1.10. The latest credit rating obtained.

15. INTEREST RATE RISK

- 15.1. As a general principle when interest rates are expected to decrease, it is advisable that a floating rate be negotiated in order to take advantage of the lower interest rates in future. If interest rates are expected to increase, it is advisable to obtain a fixed rate so that the benefits of the current low interest rate are maintained.
- 15.2. The interest risk must be limited in so far as possible. The policy directive is to negotiate fixed interest rates for all long-term borrowings. This will ensure stability

of the repayments and reduce the risk for high rates and tariff increases as a result of interest rate hikes in the market.

- 15.3. Variable rates should be considered for short-term debt only.

16. LIMITATIONS

To ensure a financial viable municipality the following ratios are used to determine the municipal gearing ability to borrow:

- 16.1. Long-term credit rating of BBB;
- 16.2. Interest cost to total expenditure to not exceed 8%;
- 16.3. Long-term debt to revenue (excluding grants) not be exceed 50%;
- 16.4. Payment rate mature above 95%; and
- 16.5. Percentage of capital charges to operating expenditure less than 18%.

17. PROHIBITED BORROWING PRACTICES

Witzenberg 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. 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. IMPLEMENTATION AND REVIEW

- 18.1. The Accounting Officer shall be responsible for the implementation and administration of this policy with the assistance of the Strategic Executive Director for Financial Services Department once approved by Council. All future borrowings must be considered in accordance with this policy read with MFMA and Local Government Municipal Regulations and Debt Disclosure, Regulation R492, published under Government Gazette 29966, 15 June 2007 and other directives and guidelines issued by National Treasury.
- 18.2. In terms of section 17(1) (e) of the Municipal Finance Management Act, 2003 this policy shall be reviewed on annual basis to ensure that it complies with changes in applicable legislation and regulation and the reviewed policy tabled to Council for approval as part of the budget process .
- 18.3. This policy must be read together with the Budget and Funding and Reserves Policies; Local Government Municipal Finance Management Act, Act 56 of 2003; and Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase



CELLULAR TELEPHONE AND DATA CARD POLICY

Date of implementation 01 July 2013

CELLULAR TELEPHONE AND DATA CARD POLICY

1. Purpose

The purpose of this policy is to determine guidelines for the:

- Management of cellular telephones
- Acquisition of cellular telephones
- Acquisition of data cards
- Management of data cards

2. General

2.1 It is recognised that cellular telephones are useful communications tools in many cases essential for Municipal officials to carry out their duties. To this end this policy shall regulate the provision of a cellular telephone and/or data cards for officials in the Witzenberg Municipality.

2.2 All applications for cellular telephones and/or data cards shall require the approval of the Municipal Manager.

2.3 In considering the granting of a cellular phone and/or data card, the Municipal Manager shall take into account all of the following:-

- 2.3.1 Operational responsibility of the applicant.
- 2.3.2 Availability of funds.
- 2.3.3 Time spent outside of the office by the official.
- 2.3.4 The need for constant and immediate contact of the official.
- 2.3.5 Improvement in efficiency of the official.
- 2.3.6 Need for immediate contact with councillors and the public.
- 2.3.7 Safety of officials.

3 General Controls

3.1 An annual review shall be carried out by the Municipal Manager to determine the continued need for all cellular telephones and/or data cards.

3.2 If it is determined that an official no longer qualify for a cellular telephone and/or data card, he/she must be advised in writing of the decision with at least a two months' notice period.

4 Limit of allowances

4.1 The allowable all inclusive expenditure for cellular telephones and/or data cards will be limited to the following maximum monthly amounts excluding VAT.

Positions¹	Contract by municipality	Allowance to employee
Municipal Manager	1 500	2 000
Directors	1 200	1 600
Deputy Director	900	1 200
Managers	600	800
Middle Managers	400	500
Other Approved Employee's	200	300

¹ Amended by Council 25/10/2017

All data Cards	200	300
Tablets	400	500

- 4.2 The municipal manager can in exceptional cases and on justifiable grounds on written application by a person whose cell phone expenditure is above the maximum monthly limit set above, determine in writing a higher limit for that specific month.
- 4.3 Any account in excess of the allowable maximum amounts as stated in paragraph 4.1 or the higher limit in paragraph 4.2 above, will be deducted from the relevant employee's salary as soon as possible.
- 4.4 Where no written determination by the municipal manager in terms of paragraph 4.2 is received on or before the 10th of the month, any account in excess of the allowable maximum amounts as stated in paragraph 4.1 will be deducted from the relevant employee's salary as soon as possible.
- 4.5 Before any cellular telephone and/or data card is handed over to an employee he or she must sign the relevant authority that any excess can be deducted from his or her salary.
- 4.6 The municipal manager can adjust these amounts annually subject to budgetary provisions.
- 4.7 All employees that qualify for the cellular phone and data card allowance will receive the allowance and not a municipal funded cellular phone or data card. All employees' receiving this allowance must ensure that the item for which the allowance is received is in working condition and has the necessary airtime/data to perform their functions.
- 4.8 The local government regulations on appointment and conditions of employment of senior managers in terms of the Local Government: Municipal Systems Act, 2000 (act no. 32 of 2000) section 40 determines that a senior manager is entitled to compensation for the use of a mobile telephone and data card for official purposes in accordance with the relevant policy of the municipality.²

5 Additional charges

- 5.1 All additional charges including but not limited to the following will be for the account of the user:
- Content charges
 - Subscriptions
 - Cellular phone data charges

6 Cellular telephones and Data Card Allowance

- 6.1 The municipal manager may approve that a monthly allowance not exceeding the limits as per paragraph 4.1 be paid to employees that qualify for the use of cellular telephones or data cards.
- 6.2 Employees that elect the allowance option must provide a cellular phone and/or data card to be used for official business and may not use municipal cellular telephones and/or data cards.
- 6.3 Proof that the cellular phone and/or data card is available for official use must be provided on request. If the required proof cannot be provided the allowance will be stopped with immediate effect.

² Recommended for inclusion in policy

- 6.4 The municipality will only pay the allowance to the user; all cost in excess of the allowance will be for the account of the user.
- 6.5 The allowance will be paid together with the employees' monthly salary.
- 6.6 The recipient of the allowance will be responsible for the payment of income tax on the allowance, which will be deducted from the employee's salary.

7 Management and Control Of Cellular telephones and Data Card Needs

- 7.1 A register of all cellular telephones and data cards and service agreements must be maintained by the Administration department.
- 7.2 All cellular telephones and data cards will be obtained on a rental agreement.
- 7.3 The agreement for a cellular phone must be conducted in the Municipalities name.
- 7.4 The agreement for a data card must be conducted in the Municipalities name.
- 7.5 No cellular telephones or data cards will be upgraded for improved models before the contract has expired, unless indicated to the contrary by the service provider or on recommendation by the relevant director or head of department.
- 7.6 After lapse of the agreement, the cellular phone or data card becomes the property of the employee.
- 7.7 If the relevant employee leaves the employment of the municipality before the agreement lapse, the cellular phone and/or data cards with the relevant SIM cards must be handed in at the administration department who must ensure that it is in working condition and that it is the correct SIM cards.
- 7.8 The cellular phone number is the property of the Witzenberg municipality and cannot be transferred to employees.

8 Insurance

- 8.1 All reasonable care must be taken to protect the equipment from damage, destruction or loss and any proof of negligence shall be dealt with within the context of Council's disciplinary code.
- 8.2 The Excess payment on insurance claims will be for the account of the user of the cellular phone or data card.

9 ICT policies

- 9.1 Users of data cards acknowledge that all other ICT policies adopted by Witzenberg Municipality are applicable on the usage of the data cards.

10 Promotional Items and or Gift Vouchers

- 10.1 Any promotional items and or gift vouchers received with a cellular phone and or data contract will be the property of the municipality and not of the employee.

- 10.2 The only exception to the above is tablets that can be used by the employee for official purposes for the duration of the rental agreement, where after it will become the property of the employee.

11 Procurement

- 11.1 The administration of the procurement process will be done by the Administration section.
- 11.2 The procurement of cellular telephones and data cards will be done by the Supply Chain Unit.



SUPPLY CHAIN MANAGEMENT POLICY

Reviewed by Council 26/05/2021
Reviewed by Council 30/05/2017
Reviewed by Council 18/05/2016
Reviewed by Council 28/05/2015
Reviewed by Council 27/05/2014
Adopted by Council 29/05/2013

SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Proposed date for adoption: 1 April (PP regulations 2017) /July 2017

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the municipality.

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Annexure A

Annexure B

1. Definition - In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“Accounting officer” – means the municipal official referred to in section 60 of the Act

“B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act.

“B-BBEE Status Level of Contributor” means the B-BBEE status of an entity in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. ¹

“Bid” means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of goods, services or construction works through price quotations, advertised competitive bidding processes or proposals.

“Bidder” means any person submitting a competitive bid or a quotation.

“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. ²

“Black people” has the meaning assigned to it in section 1 of the Broad-Based Black Economic Empowerment Act. ³

“Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 53 of 2003 and Codes of Good Practice pertaining thereto.

“Chief Financial Officer or CFO” means a person designated in terms of section 80(2) (a) of the Act.

“CIDBA regulations” means any regulations issued in terms of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);

“Class deviation” means a deviation from the normal procurement process for goods and services anticipated to be procured more than once in a financial year but exclude

¹ Amended by council 30 May 2017

² Amended by council 30 May 2017

³ Amended by council 30 May 2017

procurement made in an emergency situation.

“Community Based Vendor” means a supplier of goods, services and/or construction works who resides in the Witzenberg municipal area or has its principal business activities in the Witzenberg municipal area, who meets the criteria for community based vendor as determined by the Municipal Council from time to time, and who is registered as such on the municipality’s supplier database.

“Competitive bidding process” means a competitive bidding process referred to in paragraph 21 of this Policy;⁴

“Competitive bid” means a bid in terms of a competitive bidding process;

“Consultant/ consulting engineer” means a person or entity providing advisory services to the municipality which amongst others include consulting firms, management firms, procurement agents, inspection agents, auditors, other multinational organisations, investment and merchant banks, universities, research agencies, government agencies, non-governmental organisations (NGOs) and individuals.

“Contract” means the agreement which is concluded when the municipality accepts, in writing, a competitive bid or quotation submitted by a supplier.

“Contract manager” refers to an internal official assigned to ensure the effective administration of the contract

“Day(s)” means calendar days unless the context indicates otherwise.

“Designated sector” means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content.

“Disposal” in relation to capital assets means –

- (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;

“Exempted Micro Enterprise” means an exempted micro enterprise in terms of a code

⁴ Amended by council 30 May 2017

of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.⁵

“Final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote was accepted;

“Formal written price quotation” means a written or electronic offer to the municipality in response to an invitation to submit a quotation as referred to in paragraph 19 of this Policy;

“Green procurement” means the procurement of environmentally friendly products and services;⁶

“Head of Department” means a Senior Manager as defined in the Municipal Finance Management Act, 2003 (Act no.56 of 2003) and who is responsible for a vote as assigned by the Accounting Officer;

“Individual deviation” means a deviation from the normal procurement process as set out in this policy that affect only one contract / procurement award made in circumstances where it is impractical to follow the normal procurement process and in an emergency situation.

“In the service of the state” means to be –

- (a) A member of –
 - (i) Any municipal council;
 - (ii) Any provincial legislature; or
 - (iii) The National Assembly or the National Council of Provinces;
- (b) A member of the board of directors of any municipal entity;
- (c) An official of any municipality or municipal entity;
- (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Municipal Finance Management Act, 2003 (Act No.56 of 2003); and Public Finance Management Act, 1999 (Act No. 1 of 1999)
- (e) A member of the accounting authority of any national or provincial public entity;
or
- (f) An employee of Parliament or a provincial legislature;

⁵ Amended by council 30 May 2017

⁶ Amended by council 30 May 2017

“Joint Venture or Consortium” means an association of persons formed for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract or contracts. The Joint Venture must be formalised by agreement between the parties.

“Line manager” means a manager reporting directly to a senior manager and who is responsible for a cost centre as assigned by the relevant senior manager;

“Long term contract” means a contract with a duration period exceeding one year and does not have the same meaning as contracts of a long term nature referred to in paragraph 24(1)(e) of this policy;⁷

“Long term nature contract” means a contract as defined by section 33(1) of the Municipal Finance Management Act imposing financial obligations on the Municipality beyond the first three years covered in the approved annual budget;⁸

“List of accredited prospective providers” means the list of accredited prospective providers which the municipality must keep in terms of paragraph 16 of this policy;⁹

“Municipality” means Witzenberg Municipality or any person(s) or committee delegated with the authority to act on its behalf.

“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), as amended;
- (b) The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), as amended;
- (c) The Construction Industry Development Board Act, 2000 (Act No.38 of 2000), as amended; and
- (d) The Preferential Procurement Regulations, as amended¹⁰
- (e) The Local Government: Municipal Systems Act;¹¹
- (f) The Competition Act; and¹²

⁷ Amended by council 30 May 2017

⁸ Amended by council 30 May 2017

⁹ Amended by council 30 May 2017

¹⁰ Amended by council 30 May 2017

¹¹ Amended by council 30 May 2017

¹² Amended by council 30 May 2017

(g) The Promotion of Administrative Justice Act.¹³

“Policy” means this Supply Chain Management Policy as amended from time to time by Council

“Targeted Labour” means those individuals employed by a contractor, or sub-contractor, in the performance of a contract, who are defined in the contract as the target group, and who permanently reside in the municipal area.

“Tender” referred to in the Preferential Procurement Regulations 2017, has the same meaning as “bid” as defined in this policy¹⁴

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“The Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“The Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“Written quotations” means quotations referred to in paragraph 18 of this Policy.¹⁵

¹³ Amended by council 30 May 2017

¹⁴ Amended by council 30 May 2017

¹⁵ Amended by council 30 May 2017

2. Policy statement and objectives

Section 111 of the Municipal Finance Management Act requires each municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act.

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.

The objectives of this Policy are:

- to give effect 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;
- to comply with all applicable provisions of the Municipal Finance Management Act including the 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; regulations pertaining thereto, including:
 - the Preferential Procurement Policy Framework Act;
 - the Broad-Based Black Economic Empowerment Act;
 - the Construction Industry Development Board Act;
 - the Local Government: Municipal Systems Act; and
 - the Promotion of Administrative Justice Act.
- the Competition Act.¹⁶

¹⁶ Amended by council 30 May 2017

CHAPTER 1
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

3. 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;
 - (b) is fair, equitable, transparent, competitive and cost effective;
 - (c) Complies with –
 - (i) The Regulations; and
 - (ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) is consistent with other applicable legislation;
 - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

- (2) 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 otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; and
 - (d) Selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

- (e) the procurement of goods and services under a contract secured by that other organ of state, provided that the relevant supplier has agreed to such procurement.
- (3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

4. Amendment of the supply chain management policy

- (1) The accounting officer must –
 - (a) at least annually review the implementation of this Policy; and
 - (b) When the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the Council.
- (2) If the accounting officer submits proposed amendments to the Council that differs from the model policy issued by the National Treasury, the accounting officer must –
 - (a) Ensure that such proposed amendments comply with the Regulations; and
 - (b) Report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy the 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.

5. Delegation of supply chain management powers and duties

- (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
 - (a) To discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) This Policy;
 - (b) to maximize administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (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 35-37 of this Policy.

6. Sub delegations

- (1) The accounting officer may in terms of section 79 or 106 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 subparagraph (2) of this paragraph and paragraph 4 of this Policy.

- (2) The power to make a final award –
 - (a) Above R 10 million (VAT included) may not be sub delegated by the accounting officer;
 - (b) Above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –
 - (i) The chief financial officer;
 - (ii) A bid adjudication committee of which the Chief Financial Officer is a member / Chairperson;
 - (c) Not exceeding R2 million (VAT included) may be sub delegated but only to –
 - (i) The chief financial officer;
 - (ii) A senior manager;
 - (iii) A manager directly accountable to the chief financial officer or a senior manager; or
 - (iv) A bid adjudication committee.

- (3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph 5(2) must within five days of the end of each month submit to the official referred to in subparagraph 5(4) a written report containing particulars of each final award made by such official or committee during that month, including–

- (a) The amount of the award;
 - (b) The name of the person to whom the award was made; and
 - (c) The reason why the award was made to that person.
- (4) A written report referred to in subparagraph 5(3) must be submitted –
- (a) To the accounting officer, in the case of an award by –
 - (i) The chief financial officer;
 - (ii) A bid adjudication committee of which the chief financial officer; or
 - (b) To the chief financial officer or his delegate responsible for the relevant bid, in the case of an award by –
 - (i) A manager referred to in subparagraph 5 (2) (c) (ii); or
 - (ii) A bid adjudication committee of which the chief financial officer is a member.
- (5) Subparagraphs 5(3) and 5(4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant/ consulting engineer.

7. Oversight role of council

- (1) The Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must –
 - (a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report.
- (3) The Supply Chain Manager must, within 4 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Chief Financial Officer, of which he must submit it within 3 days to the Accounting Officer. The Accounting Officer must within 3 days after receiving the report submit it to the Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

8. Supply chain management unit

- (1) Witzenberg Municipality has established a supply chain management unit to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer whom this duty has been delegated in terms of section 82 of the Act.

9. Training of supply chain management officials

- (1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

10. Format of supply chain management system

This Policy provides systems for –

- (1) Demand management;
- (2) Acquisition management;
- (3) Logistics management;
- (4) Disposal management;
- (5) Risk management; and
- (6) Performance management.

11. Communication with the municipality

- (1) All correspondence with regards to this policy shall be addressed to the Manager: Supply Chain Management.

Part 1: Demand management

12. System of demand management

- (1) The accounting officer has established and implemented 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.
- (2) The demand management system -
 - (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
 - (c) Provide for the compilation of the required specifications to ensure that its needs are met.
 - (d) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
 - (e) provide efficient and effective provisioning and procurement systems and practices to enable the municipality to deliver the required quantity and quality of services to the communities.
 - (f) establish uniform procedures, documents and contracts and the implementation of sound systems of control and accountability.
 - (g) establish a professional supply chain management system which results in continuing improvement in affordability and value for money, based on total cost of ownership and quality of procurement as competition amongst suppliers is enhanced.
- (3) Green procurement must be incorporated as far as reasonable possible, for all specifications of goods, services and construction works.
- (4) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.

Part 2: Acquisition management

13. System of acquisition management

- (1) The objectives of this acquisition management system are to ensure:
 - (a) that goods and services, including construction works and consultant services are procured by the municipality only in accordance with the authorised procedures incorporated herein;
 - (b) that expenditure on goods and services, including construction works and consultant services is incurred in terms of an approved budget; and
 - (c) that the threshold values of the different procurement procedures are complied with.

- (d) that bid documentation, evaluation and adjudication criteria, and general conditions of contract are in accordance with the requirements of relevant legislation including, the Preferential Procurement Policy Framework Act, and any conditions of the Construction Industry Development Board Act; and
 - (e) that procurement guidelines issued by the National Treasury are taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must 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.
- (3) Unless otherwise indicated in the bid documents, the municipality shall not be liable for any expenses incurred in the preparation and / or submission of a bid or quotation.
- (4) Bid documentation may state that alternative bids can be submitted provided that a bid is in accordance with the bid documents is also submitted.
- (5) An alternative bid shall be submitted on a separate complete set of bid documents and shall be clearly marked "Alternative Bid" to distinguish it from the main bid offer referred to above.
- (6) Bid documentation shall state that the municipality will not be bound to consider alternative bids.
- (7) The Manager Supply Chain management may extend the bid closing date if circumstances justify the action, provided that the closing date may not be extended unless a notice is published in the same newspapers as the original advertisement prior to the original bid closing date.
- (8) The notice referred to in paragraph 13 (7) must also be posted on the municipal notice boards, the municipal website and a notice must be sent to all bidders

14. Range of procurement processes

- (1) Goods and services may only be procured by way of
 - (a) One written price quotation up to a transaction value of R 2,000 (VAT included);
 - (b) Petty cash purchases up to a transaction value of R 2,000 (VAT included) for items specified in the Petty Cash policy;
 - (c) Three written price quotations for procurements of a transaction value over R 2,000 up to R10,000 (VAT included);
 - (d) Three formal written price quotations for procurements of a transaction value over R 10,000 up to R200,000 (VAT included); and
 - (e) A competitive bidding process for–
 - (i) Procurements above a transaction value of R200 000 (VAT included); and
 - (ii) The procurement of long term contracts.
 - (2) The accounting officer may, in writing lower, but not increase, the different threshold values specified in subparagraph 14(1);
 - (3) For quotations (up to R 30 000) bidders are required to be registered on the municipality's supplier database prior to the acceptance of their quotation in respect of the goods or services required.
 - (4) 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.
- 15. 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;

- (iv) registration number in terms of section 18(1) of the Construction Industry Development Board Act, 2000 (Act No.38 of 2000), should the provider quote or bid to undertake, carry out or complete any construction works or portion thereof;
 - (b) Has provided the municipality with an original and valid tax clearance from the South African Revenue Services confirming that the provider's tax matters are in order; 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 bidder is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is 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 subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (iv) On their supplier database application form if the supplier or person is in the service of the state, that such declaration be deemed as sufficient and that the responsibility rests on the supplier to notify the supply chain management unit of any changes hereto.
 - (v) Has completed, signed and submitted a certificate of independent bid determination with their bid or quotation.
- (2) Laws of the Republic of South Africa shall govern contracts arising from the acceptance of bids and quotations.
- (3) Where the acquisition in question is likely to involve an imported component which will be subject to foreign exchange rate adjustments, the bid documentation must specify that the contractor take out a forward exchange contract in order to fix the Rand based price as soon as possible after the award.

16. 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 for procurement up to R 30 000; and
 - (b) at least twice 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;
 - (c) specify the listing criteria for accredited prospective providers;
 - (d) disallow the listing of any prospective supplier on the municipality's supplier database who do not comply with the accreditation requirements i.e. listing criteria and also based on standards, set by any relevant control bodies that govern or regulate the category of service or industry.
 - (e) disallow the listing of any prospective provider whose name appears on the National Treasury's List of Restricted Suppliers and/or Registered for Tender Defaulters and/or a person or business 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.
- (4) The accounting officer may use the Central Supplier Database hosted by National Treasury for procurement.¹⁷

¹⁷ Amended by council 30 May 2017

17. Petty cash purchases

Petty cash purchases must be done according to the Petty Cash policy. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 14 (1) (b) of this Policy, are as follows–

- (a) The Accounting Officer may delegate the responsibility for petty cash to an official directly or indirectly reporting to the CFO;
- (b) No item that is an approved stores item might be purchase by means of a petty cash transaction;
- (c) No fixed asset of whatever value may be purchase through petty cash;
- (d) The nature of petty cash transactions that can be processed as petty cash transactions are listed in paragraph 5 of the Petty Cash policy;
- (e) The Council will determine annually the maximum amount of petty cash expenditure per month as referred to in paragraph 6 of the petty cash policy;
- (f) A monthly reconciliation report must be provided to the chief financial officer, within five days of the end of each month containing particulars of each final award made by an official during that month, including:
 - (i) The total amount of petty cash purchases for that month; and
 - (ii) Receipts and appropriate documents for each purchase.

18. Written Price quotations

- (1) The conditions for the procurement of goods or services through written price quotations are as follows:
 - (a) All requirements below R2 000.00 (VAT incl.) which are not covered by the Petty Cash policy, one written price quotation must be obtained from providers who are listed as accredited prospective service providers.
 - (b) All requirements between R2 000.00 (VAT incl.) and R 10 000.00 (VAT incl.) three written price quotations must be obtained from providers who are listed as accredited prospective service providers.
 - (c) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers, provided that such providers meet the listing criteria;¹⁸

¹⁸ Amended by council 30 May 2017

19. Formal written price quotations

- (1) The conditions for the procurement of goods or services through formal written price quotations 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;¹⁹
 - (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 Chief Financial Officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph 19 (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

20. Procedures for procuring goods or services through written or verbal 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 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 19, be advertised for at

¹⁹ Amended by council 30 May 2017

- least seven days on the website and official notice boards of the municipality;
- (c) Offers 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 quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
 - (e) Offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (f) Acceptable offers, which are subject to the preference points system (PPPFA; Preferential Procurement Regulations as amended and this policy), must be awarded to the bidder who scored the highest points;²⁰
 - (g) Comply with all requirements for proper record keeping.

21. Competitive bids

- (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 13(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- (3) The accounting officer may split unduly large quantities of work into smaller contracts (units) to provide opportunities for emerging entrepreneurs and make it manageable. This may only be done when it is technically, logistically and financially feasible.

22. Process for competitive bidding

- (1) The procedures for the following stages of a competitive bidding process are as follows:

²⁰ Amended by council 30 May 2017

- (a) Compilation of bidding documentation as detailed in paragraph 23
- (b) Public invitation of bids as detailed in paragraph 24;
- (c) Site meetings or bid clarification meetings as detailed in paragraph 25;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 27;
- (e) Evaluation of bids as detailed in paragraph 36; (f) Award of contracts as detailed in paragraph 37;
- (g) Administration of contracts -
 - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- (h) Proper record keeping -
 - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

23. Bid documentation for competitive bids

- (1) The criteria to which bid documentation for a competitive bidding process must –
 - (a) Take into account –
 - (i) The general conditions of contract and any special conditions of contract, if specified;
 - (ii) Any Treasury guidelines on bid documentation; and
 - (iii) The requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (iv) And clearly indicate the terms and conditions of contract specifications, criteria for evaluation and adjudication procedures to be followed where applicable, and include if and where site meetings/ bid clarification meetings are compulsory.
 - (b) include the preference points system to be used , goals as contemplated in the PPPFA; Preferential Procurement Regulations as amended and this policy;²¹
 - (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

²¹ Amended by council 30 May 2017

- (d) Provide for an appropriate contract and / or delivery period;
- (e) stipulate if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish²²
 - (i) If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;
 - (ii) a 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 days;
 - (iii) Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (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
- (j) 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.
- (k) Not be aimed at hampering competition, but rather to ensure fair, equitable, transparent, competitive and cost effective bidding, as well as the protection or advancement of persons or categories of persons.

24. Public invitation for competitive bids

- (1) The procedure for the invitation of competitive bids is as follows:
 - (a) On completion of the bid specification process the municipality shall publicly invite bids.

²² Amended by Council 26 May 2021

- (b) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin);
 - (b) The notice may require a payment of a non-refundable bid fee by bidders who require bid documents. The bid documentation fee shall be determined by the accounting officer from time to time
 - (d) The information contained in a public advertisement, must indicate –
 - (i) The title of the proposed bid;
 - (ii) The bid number;
 - (iii) The date, time and location of any site meeting/ bid clarification meeting and whether such meetings are compulsory;
 - (iv) Whether functionality is required;
 - (v) The place where the bid documentation is available for collection and the times between which bid documents may be collected;
 - (vi) The bid documentation fee;
 - (vii) The place where bids must be submitted;
 - (viii) The closing date and time for submission of bids; and
 - (ix) The required CIDB contractor grading for construction work, if applicable.
 - (e) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R4 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph 22(2) of this policy;
 - (f) A statement that bids may only be submitted on the bid documentation provided by the municipality, must be included.
- (2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, 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) Bids submitted must be sealed and must clearly indicate the bid number and bid title on the outside of the envelope for which the bid is being submitted.²³
- (4) Details of all prospective bidders who have been issued with bid documents must be recorded by the Supply Chain Management Unit and shall remain confidential for the duration of the bid period. Details of prospective bidders must, wherever possible, include the full name of the person drawing documents, the name of the company for whom the bid documents are, a contact person, a contact telephone, a fax number and a postal and email address.
- (5) A bidder that did not pay the prescribed bid document fee, will be disqualified from the bidding process.
- (6) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.

25. Site meetings/ bid clarification meetings

- (1) Site meetings/ bid clarification meetings will, in general, not be compulsory. In exceptional circumstances however, a site meeting/ bid clarification meeting may be made compulsory with the approval of the relevant director.
- (2) If site meetings/ bid clarification meeting are to be held, full details must be included in the bid notice and the bid document, including whether or not the site meeting/ bid clarification meeting is compulsory.
- (3) Where site meetings/ bid clarification meetings are made compulsory, the date for the site meetings/ bid clarification meeting shall be not less than 7 (seven) days after the bid has been advertised.

²³ Amended by council 30 May 2017

- (4) Site meetings/ bid clarification meeting will be chaired by a duly authorised representative from the Supply Chain Management Unit. The relevant line manager responsible for a specific bid or the duly appointed consulting engineering firm employee must be present at the site meetings/ bid clarification meeting in order to provide technical information and to answer technical related questions that might arise from the prospective bidders.
- (5) The chairperson of the site meeting/ clarification meeting must explain the way how the site meetings/ bid clarification will be conducted and must exclude prospective bidders that arrive after the meeting has been opened.
- (6) Prospective bidders present at the site meetings/ bid clarification meeting, will be required to confirm their attendance by signing the attendance register as provided by the Supply Chain Management Unit.
- (7) In instances where bid documentation provides for an attendance certificate, such a certificate must be signed by the representative of the Supply Chain Management Unit who was present at the site meetings/ bid clarification meeting and submitted with the bid document.
- (8) If at a site meetings/ bid clarification meeting, any additional information is provided or clarification of vague points is given, such additional information or clarification must be conveyed to all bidders in writing within a time frame as determined by the municipality, but not later than 7 (seven) days before the bid closing date.
- (9) Drawings and other supplements to bid documents may be provided to prospective bidders at the site meetings/ bid clarification meeting.
- (10) A bidder who failed to attend a compulsory site meeting/ bid clarification meeting will be disqualified from the bidding process.

26. Submission of bids

- (1) Bids must be submitted before the closing time, at the address and in

accordance with the directives in the bid documents.

- (2) Each bid must be in writing using non-erasable ink and must be submitted on the official Form of Bid/Offer issued with the bid documents.
- (3) The bid must be submitted in a separate sealed envelope with the name and address of the bidder, the bid number and title, the bid box number (where applicable), and the closing date indicated on the envelope. The envelope may not contain documents relating to any bid other than that shown on the envelope. Only sealed bids will be accepted.
- (4) The onus shall be on the bidder to place the sealed envelope in the official, marked and locked bid box provided for this purpose, at the designated venue, not later than the closing date and time specified in the bid notice.
- (5) No bids forwarded by telegram, facsimile or similar apparatus shall be considered.
- (6) A bid is late if it is not placed in the relevant bid box by the closing time and date of such bid.
- (7) A late bid shall not be admitted for consideration and shall be returned unopened (where feasible) to the bidder with the reason for the return thereof endorsed on the envelope.

27. Procedure for handling, opening and recording of competitive bids and formal written price quotations in excess of R 30 000²⁴

- (1) The procedures for the handling, opening and recording of **competitive** bids and formal written price quotations in excess of R 30 000, are as follows:²⁵
 - (a) At least two officials, of whom one must be the delegated Supply Chain Management representative, must at all times, administer the opening of bids.
 - (b) At the specified closing time on the closing date the applicable bid box shall be closed.

²⁴ Amended by council 30 May 2017

²⁵ Amended by council 30 May 2017

- (c) The bid box shall be opened in public as soon as practical after the closing time of the bid.
 - (d) Immediately after the opening of the bid box, all bids that are clearly marked shall be opened.
 - (e) The Supply Chain Management representative as delegated, shall read out the name of the bidder, if practical the bid amount, the BBBEE status level contribution of each bidder, where applicable the local content percentages of the goods offered and the bid opening register will be made available for public inspection and published on the municipality's website.²⁶
 - (f) 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;
 - (g) No information, except the provisions in subparagraph (e), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
 - (h) The Supply Chain Management representative that is delegated to open the bids must –
 - (i) stamp the bid document with the official municipal stamp together with the two signatories administering the bid opening
 - (ii) record in a register all bids received in time;
 - (iii) sign the register as well as the official assisting at the bid opening.
 - (iv) Make the register available for public inspection; and
 - (v) Publish the entries in the register and the bid results on the website.
 - (vi) No councillor may be present at the opening of bids.
- (2) Bids shall be invalid, and shall be endorsed and recorded as such in the bid opening record by the responsible official to open the bid, in the

²⁶ Amended by council 30 May 2017

following instances:

- (a) If the bid is not sealed;
 - (b) if the bid, including the bid price amount, where applicable is not submitted on the official Form of Bid/Offer;
 - (c) if the bid is not completed in non-erasable ink;
 - (d) if the Form of Bid/Offer is signed, but the name of the bidder is not stated, or is indecipherable; or
 - (e) if in a two envelope system is followed, the bidder fails to submit both a technical proposal and a separate sealed financial offer/bid.
- (3) A bid will not be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount.
- (4) The Manager Supply Chain Management may, in compliance with paragraph 63 of this policy, provide a reasonable opportunity to a bidder who made an innocent error and/ or omission in his/ her bid document, to correct the innocent error and/ or omission, provided that such opportunity will not unduly prejudice any of the other bidders.
- (5) Bidders shall be afforded no longer than 48 hours from time of notification to correct such innocent errors and/ or omissions. If no response is received from such bidders at the deadline, the bid may be invalidated.
- (6) When bids are declared invalid at the bid opening, the bid sum of such bids shall not be read out. However, the name of the bidder and the reason for the bid having been declared invalid shall be announced.

28. Procedure for the opening of bids where a two envelope system is followed

- (1) If a two envelope system is followed, only the technical proposal will be opened at the bid opening.
- (2) The unopened envelope containing the financial proposal shall be stamped and endorsed with the opening official's signature, and be retained by him/her for safekeeping.

- (3) When required the financial offers/bids corresponding to responsive technical proposals, shall be opened by the opening officials in accordance with paragraph 27 (1) (a)
- (4) All bidders who submitted responsive technical proposals must be invited to attend the opening of the financial offers/bids.
- (5) Envelopes containing financial offers/bids corresponding to non-responsive technical proposals shall be returned unopened along with the notification of the decision of the Bid Adjudication Committee in this regard.

29. Communication with bidders before bid closing

- (1) The Manager Supply Chain Management may, if necessary, communicate with bidders prior to bids closing.
- (2) Such communication shall be in the form of a notice issued to all bidders by the Manager Supply Chain Management by either e-mail, facsimile, or registered post as may be appropriate. A copy of the notice together with a transmission verification report/proof of posting shall be kept for record purposes. Notices should be issued at least one week prior to the bid closing date, where possible, except in terms of paragraph 13 (7).
- (3) Notwithstanding a request for acknowledgement of receipt of any notice issued, the bidder will be deemed to have received such notice if the procedures in paragraph 29 (2) have been complied with.

30. Negotiations with preferred 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.
- (2) Minutes of such negotiations must be kept for record purposes.

31. Two-stage bidding process

- (1) A two-stage bidding process is allowed for –
 - (a) Large complex projects;
 - (b) Projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) Long term projects with a duration period exceeding three years subject to section 33 of the Act.
- (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.
- (4) A two envelope system differs from a two-stage (prequalification) bidding process in that a technical proposal and the financial offer are submitted in separate envelopes at the same place and time. The financial offers will only be opened once the technical proposals have been evaluated.

32. Validity periods

- (1) The period for which bids are to remain valid and binding must be indicated in the bid documents.
- (2) The validity period is calculated from the bid closure date and bids shall remain in force and binding until the end of the final day of that period.
- (3) This period of validity may be extended by the Manager: Supply Chain Management, provided that the original validity period has not expired, and that all bidders are given an opportunity to extend such period. Any such extension shall be agreed to by a bidder in writing.
- (4) Bidders who fail to respond to such a request before the validity of their bid expires, or who decline such a request shall not be considered further in the bid evaluation process.

- (5) In the event that an appeal is received, the validity period is deemed to be extended until finalisation of the appeal.

33. Samples

- (1) Bid documents may require samples that must be submitted.
- (2) Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the Supply Chain Management representative mentioned in the bid document before the bid closing date.
- (3) A register will be kept by the Supply Chain Management representative of samples received from prospective bidders. An acknowledgement of receipt shall be issued to the prospective bidder as proof of delivery.
- (4) Bids may not be included in parcels containing samples.
- (5) If samples are not submitted as required in the bid documents then the bid concerned must be declared non-responsive.
- (6) Samples shall be supplied by a bidder at his/her own expense and risk. The municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents.
- (7) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample. If not, it might be deemed as a breach in contract.
- (8) The municipality reserves the right not to return the contract sample and may dispose of it at its own discretion.

34. Committee system for competitive bids

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for procurement or cluster of procurements 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) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with – (a)
Paragraph 35, 36 and 37 of this Policy; and
(b) Any other applicable legislation.
- (5) The accounting officer may apply the committee system to formal written price quotations.

35. Bid specification committees

- (1) A bid specification committee must compile the specifications for procurement of goods or services by the municipality.
- (2) Specifications –
- (a) Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) Must, where possible, be described in terms of performance required rather than 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 to be utilised as set out in the PPPFA; Preferential Procurement Regulations as amended and this policy; and²⁷
 - (g) Must be approved by the relevant director prior to publication of the invitation for bids in terms of paragraph 24 of this Policy.²⁸
- (3) A bid specification committee must be composed of one or more officials of the municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.
- (4) 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.

36. Bid evaluation committees

- (1) A bid evaluation committee must –
 - (a) Evaluate bids in accordance with –
 - (a) the specifications for a specific procurement; and
 - (b) The points system set out in terms of paragraph 35 (2) (f).
 - (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 service charges are not in arrears, and;
 - (d) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

²⁷ Amended by council 30 May 2017

²⁸ Amended by council 30 May 2017

- (2) A bid evaluation committee must as far as possible be composed of- (a) Officials from departments requiring the goods or services; and (b) At least one supply chain management practitioner of the municipality.
- (3) The accounting officer may sub-delegate its power in terms of paragraph 63 of this policy to the bid evaluation committee.

37. 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) A bid adjudication committee must consist of at least four senior Managers of the municipality which must include –
 - (a) The Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer;
 - (b) at least one senior supply chain management practitioner who is an official of the municipality or the municipal entity; and
 - (c) a technical expert in the relevant field who is an Director of the municipality or municipal entity, if the municipality or municipal entity has such a expert
- (3) A quorum is of 50 % plus 1, with the Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer being, at all times one of the quorum-forming members:

- (4) The accounting officer may appoint the CFO as chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting and will be documented in the minutes.
- (5) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (6) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –
 - (a) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (b) Notify the accounting officer.
 - (c) 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)-(b); 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.
- (7) 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.
- (8) The accounting officer must comply with section 114 of the Act within 10 working days
- (9) If the Bid Adjudication Committee or other delegated official has resolved that a bid be accepted, the successful and unsuccessful bidders shall be notified in writing of this decision

- (10) Every notification of decision shall be sent via registered mail and either faxed or sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification and kept for record purposes.
- (11) Members of the bid specification committee, bid evaluation committee and technical advisors may attend the bid adjudication committee to provide clarity, but has no decision making rights pertaining to the award.
- (12) The accounting officer may sub-delegate its power in terms of paragraph 63 of this policy to the bid evaluation committee, the bid adjudication committee and the Manager Supply Chain Management.

38. Procurement of banking services

- (1) A contract for banking services –
 - (a) Must be procured through competitive bids;
 - (b) Must be consistent with section 7 or 85 of the Act; and
 - (c) May not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 Days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

39. Procurement of IT related goods or services

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) 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 IT needs if –
 - (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - (b) The transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

40. 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.
- (2) Subparagraphs (1) (c) and (d) do not apply if –
 - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) A municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

41. Procurement of goods necessitating special safety arrangements

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

42. Proudly SA Campaign/Local content

- (1) The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services
- (2) Bids in respect of services, works or goods that have been designated for local production and content, must contain a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered
- (3) The National Department of Trade and Industry is empowered to designate industry sectors, in line with national development and industrial policies for local production, where only locally produced goods, services or construction works, or locally manufactured goods that meet a stipulated minimum threshold for local production and content, may be used.
- (4) In the case of designated sectors, where in the award of bids, local production and content is of critical importance, such bids must be advertised with a specific condition of bidding, that only locally produced goods, services or construction works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- (5) Any instructions, circulars and guidelines issued by National Treasury in the above regard may be complied with.
- (6) Where there is no designated sector, bids may include, as a specific condition of bidding, that only locally produced goods, services or construction works, or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered,

on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.

- (7) Every bid where local production and content are used, it must be measurable and audited.
- (8) Bids must be evaluated in terms of the evaluation criteria stipulated in the bid documents. The amendment of the stipulated minimum threshold for local production and content after the closure of bids is not allowed as this may jeopardise the fairness of the process.

43. Appointment of consultants

- (1) the accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if
 - (a) The value of the contract exceeds R200 000 (VAT included); 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.

44. 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 procure any required goods or services through any convenient process, which may include direct negotiations and through the process set out in this paragraph provided that the municipality shall adhere to fair, equitable, transparent, competitive and cost-effective, procurements to the maximum extent practicable.

(b) Dispense with the official procurement processes established by this Policy only –

- i. In an emergency;
- ii. If such goods or services are produced or available from a single provider only;
- iii. For the acquisition of special works of art or historical objects where specifications are difficult to compile;
- iv. Acquisition of animals for zoos 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; and

(c) 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.

(2) In compliance with the provisions of paragraph 44(1) the municipality implements individual and class deviations.

(3) Individual Deviations

The accounting officer may decide to consider an individual deviation only if –

- (a) In an emergency
- (b) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and the goods or services are anticipated to be used only once during the financial year.

(4) The conditions warranting procurement in an emergency dispensation should include, where time of the essence, the existence of one or more of the following:

- (a) the possibility of human injury or death;
- (b) the prevalence of human suffering or deprivation of rights;
- (c) the possibility of damage to property, or suffering and death of livestock and animals;
- (d) the interruption of essential services, including transportation and communication

facilities or support services critical to the effective functioning of the municipality as a whole;

(e) the possibility of serious damage occurring to the natural environment;

(f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service; and

(g) the possibility that the security of the state could be compromised.

(5) The accounting officer must be satisfied that the prevailing situation as indicated in (a)-(g) above is of such a scale and nature that it could not readily be alleviated by interim measures in order to allow time for normal bid, at least three quote procurement process or a class deviation.

(6) Where possible, in an emergency situation, three quotes in accordance with general acquisition management principles should be obtained and a report submitted to the Municipal Manager for approval. However, where time is of the essence, the emergency shall be immediately addressed, and the process formalised in a report to the Municipal Manager as soon as possible thereafter.

(7) System of class deviations:

(a) The accounting officer may decide to consider a class deviation, only if –

(i) Such goods or services are produced or available from a single provider; (ii)

For the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iii) Acquisition of animals for zoos and/or nature and game reserves; or

(iv) In any other exceptional case where it is impractical or impossible to follow the official procurement processes and a contract for goods or services are likely to be awarded more than once in the financial year to the same supplier;

(8) Where possible, in considering a class deviation in terms of paragraph 44(7), three quotes in accordance with general acquisition management principles should be obtained and a report submitted to the Municipal Manager for approval.

(9) If the accounting officer decides to consider a class deviation in terms of paragraph 44 (7) (i)-(iv), other than in paragraph 44(8) the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with

a) Reasons as to why the procurement is done through a class

- deviation and why it is not open to other competitors; and
- (c) An invitation to the public or other potential suppliers to submit their comments within 14 days of the notice.
- (10) The bid adjudication committee must consider the class deviation and make a recommendation to the accounting officer
- (11) A meeting of the adjudication committee to consider a class deviation may be open to the public.
- (12) When considering the class deviation, the adjudication committee must take into account –
- (a) Any comments submitted by the public or suppliers;
 - (b) The indicative market prices of the goods or services;
 - (c) The duration or planned times of when the service or goods are needed;
 - (d) The proposed circumstances, conditions or limitations for the use of the class deviation; and
 - (e) The reasons for deviating from the normal procurement process in compliance with paragraph 44
- (13) The accounting officer must record the reasons for any deviations in terms of this policy and report them to the next meeting of the council and include it as a note to the annual financial statements.
- (14) Paragraph 44 (13) of this policy does not apply to the procurement of goods and services contemplated in paragraph 13(2) of this policy.

45. 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 subparagraph 45(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 were accepted; and
 - (c) An invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

- (7) When considering the matter, the adjudication committee must take into account –
 - (a) any comments submitted by the public; and
 - (b) Any written comments and recommendations of the National Treasury or the relevant provincial treasury.

- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

46. Combating of abuse of supply chain management system

- (1) The accounting officer must–
 - (a) Take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) Take appropriate steps against such official or other role player; or
 - (ii) Report any alleged criminal conduct to the South African Police Service;
 - (c) Check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) Reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for

more than three months; or

- (ii) Who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - (e) Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - (f) Cancel a contract awarded to a person if –
 - (i) The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) Reject the bid of any bidder if that bidder or any of its directors –
 - i. Has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - (ii) Has been convicted for fraud or corruption during the past five years;
 - (iii) has willfully 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 paragraphs 46 (1) (b) (i)-(ii) of this policy.

Part 3: Logistics, Contract, Disposal, Risk and Performance Management

47. Logistics management

Logistics management must provide for an effective system in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration.

- (1) The accounting officer must establish and implement an effective system of logistics management, which must include –
 - (a) Placing of orders:
 - (i) Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations.
 - (ii) All purchase orders will be captured on the municipality’s financial system
 - (b) Receiving of goods:
 - (i) Goods received must be captured on the municipality’s financial system via a goods receive note with reference to the relevant purchase order number.
 - (ii) Deliveries of goods may not exceed the order quantity. Short deliveries will keep the purchase order open until the balance of the order is received or when the order is cancelled.
 - (c) Expediting orders:
 - (i) The purchasing expeditor will be required to monitor and expedite the transport of goods and outstanding purchase orders.
 - (ii) Reminder letters can be communicated automatically to vendors based on the reminder levels (days before delivery due date) that are set in the bid or quotation.
 - (d) Stores / warehouse management

- i. Stock is valued at the weighted average costing method per item and is VAT exclusive.
- ii. Regular monitoring of spending patterns on types or classes of goods must be performed, where practical.
- iii. Each item must have a unique stock item number.
- iv. A formal stock count must be done on a quarterly basis and any surpluses, deficits, losses, damaged stock and obsolete stock must be reported by the Manager Supply Chain Management to Council.
- v. Each stock item must have a minimum, maximum and re-order level which must be captured on the financial system.
- vi. Stock items must be systematically replenished using the re-order point as per the financial system.
- vii. Goods in transit must be taken into account during the replenishment of stock
- viii. Stock levels must be revisited on an annual basis
- ix. The financial system must indicate lead times for stock items x.

Before payment is approved, certification by the Storekeeper 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

- xi. The Storekeeper must ensure appropriate standards of internal control and warehouse management are adhered to, to ensure that goods placed in stores are secure, safe and only used

for the purpose for which they were purchased

- xii. The Storekeeper must perform regular spot-checking of stock items to ensure that the items are on the correct shelving space and that the physical quantities correspond with the quantities as per the financial system. Any differences found must be reported to the Manager Supply Chain Management.
- xiii. Items listed as stock, may not be procured outside of the stock system.
- xiv. Where user departments require higher quantities of stock, a demand forecast must be provided to the Storekeeper in advance, taking lead time into consideration, to enable the Storekeeper to procure the requested quantities on time.

48. Contract management

- 1) Contract administration includes all administrative duties associated with a contract that has arisen through the acquisition/procurement processes described in this policy.
- 2) All contracts must be administered by a contract manager, who will be an internal official assigned to ensure the effective administration of the contract.
- 3) The contract manager will typically be the internal project manager assigned to the project as a whole, but may also be a cost centre owner or other responsible official.
- 4) A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.
- 5) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.
- 6) In administering a contract, the contract manager will be required to form

opinions and make decisions which, while in the Witzenberg Municipality's best interests, must be fair to all parties concerned.

- 7) Directors shall be responsible for ensuring that contract managers are:
 - (a) assigned to all contracts within the Director's area of responsibility; and
 - (b) adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.

- 8) The contract manager must:
 - (a) ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;
 - (b) ensure that purchase order are captured on the municipality's financial system in the form in accordance with the pricing schedule;
 - (c) ensure that all original contract documentation is lodged with Archives for record purposes;
 - (d) monitor on a monthly basis the performance of the service provider order to ensure that all of the terms and conditions of the contract are met;
 - (e) regularly report to the accounting officer on the management of the contract and the performance of the service provider;
 - (f) conduct contract risk assessments for contracts longer than 3 months as stated in paragraph 50 (4) and 50 (5);
 - (g) where necessary, take appropriate action where a service provider is underperforming or is in default or breach of the contract and to report such failures promptly to the accounting officer;
 - (h) where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that

the necessary Service Entry Sheets or Goods Received Notes are lodged with the Finance Department for capturing on the municipality's financial system;

- (i) contract variation or change procedures are approved by the accounting officer in writing which must be in line with the applicable general conditions of contract and this policy;
- (j) administer disputes, in consultation with the Supply Chain Management Unit, in terms of this policy and the applicable conditions of contract;
- (k) conduct, as appropriate, post contract reviews;
- (l) maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
- (m) act with care and diligence and observe all accounting and legal requirements;
- (n) inform the Asset Management section of the location of newly procured assets for asset register and insurance purposes; and
- (o) provide contract information to the Supply Chain Management Unit, as determined by the unit, after a contract has ended.

49. Disposal management

- (1) Subject to the provisions of the Municipal Asset Transfer Regulations:
 - (a) moveable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality;

- (b) immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - (c) in the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment;
 - (d) in the case of fire arms, the National Conventional Arms Control Committee must approve any sale or donation of firearms to any person within or outside the Republic.
 - (e) where assets are traded in for other assets, the highest possible trade in price is negotiated
- (2) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act; are as follows:
- (A) *A municipality may not transfer ownership as a result of sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.*
 - (B) *A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public-*
 - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and*
 - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset*
- (3) *Immovable property may only be let at market related rates except when the public interest or the plight of the poor demands otherwise and provided that all charges, rates, tariffs, scales of fees or other charges relating to the letting of*

immoveable property are annually reviewed;

(a) Except for compliance with paragraph 49(3) above, this policy shall not apply to the letting of immovable property unless decide otherwise by council.

- (4) Assets may be disposed of by –
- (i) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (iii) Selling the asset; or
 - (iv) Destroying the asset.

50. Risk management

- (1) The accounting officer has established and implemented an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.
- (2) Risk management include –
- (a) The early and systematic identification of risks on a case-by-case basis;
 - (b) The allocation and acceptance of risks to the party best suited to manage such risks;
 - (c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
- (3) Due care must be taken in the bid administration and management process to minimise the risks of:
- (a) litigation by unsatisfied service providers
 - (b) misinterpretation of municipal needs
 - (c) overstatement or understatement of municipal needs
 - (d) selecting or delivery of inappropriate goods and services

- (e) poor value for money
 - (f) appointing inappropriate suppliers
 - (g) unethical conduct of suppliers and other official involved in the supply chain management process
 - (h) uneconomical, uncompetitive and inequitable procurement
- (4) To give effect to paragraph 3 above, the municipality will identify risk inherent to a particular bid
- (a) Risks may be identified for all bids during the specification stage of the bid process.
 - (b) Risks identified in (i) above may cover the entire life cycle of a contract from initiation to completion of the goods/services
 - (c) For contracts with a life cycle in excess of 3 months, the risks may be reviewed at least monthly by the contract manager as referred to in paragraph 48(1)(e)(iii)
 - (d) The contract manager in conducting the review of the bid risks during the life cycle of the contract may add new or emerging risks when identified
- (5) A risk table may be included at specification stage for each bid that may set out:
- (a) Risk description
 - (b) Background to the risk
 - (c) Impact
 - (d) Likelihood
 - (e) Inherent risk
 - (f) Current controls
 - (g) Perceived control effectiveness
 - (h) Residual risk
 - (i) Risk owner
 - (j) Actions to improve management of the risk
 - (k) Time scale
- (6) The risk rating methodology will be in accordance with the Witzenberg Municipality's risk management policy.

- (7) The Evaluation and Adjudication Committee may review risks of bids received against the predetermined risk as identified at the bid specification stage and may in conducting the review of the bid add new or emerging risks and mitigating strategies when identified.
- (8) At the briefing session with the successful bidder in terms of paragraph 66 of this policy:
 - (a) Risks identified during the Bid specification, Bid evaluation and Bid adjudication process that pertains to the contract for goods or services may be disclosed to the successful bidder to improve mitigating factors.
 - (b) New and emerging risks identified may be added
 - (c) Risks identified by the successful bidder may be added to the contract risks if agreed to by the municipality.

51. Performance management

- (1) The accounting officer must establish and 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.
- (2) The quarterly report and annual report on the implementation of this policy, the monitoring of the service delivery and budget implementation plan (SDBIP) and the Annual Report may be used as tools to perform a retrospective analysis of supply chain management processes.
- (3) **Vendor performance**
 - (a) Each project manager shall monitor the supplier's compliance and performance to the set of specifications.
 - (b) If the supplier fails to perform in accordance with the specification requirements, the project manager must report such failure to the supplier in writing immediately upon becoming aware of such non-compliance for them to correct the situation.
 - (c) The above information will be kept and made available for future evaluation purposes, contract negotiations and regular feedback to vendors.
 - (d) If vendors fail to deliver in terms of paragraph 23 (1) (a) of the

General conditions of contract, the municipality reserves the right to make use of remedies at its disposal in terms of applicable law.

Part 4: Other matters

52. Prohibition on awards to persons whose tax matters are not in order

- (1) No award above R15 000 (including VAT) may be made in terms of this policy to a person whose tax matters have not been declared by South African Revenue Service to be in order.²⁹
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.
- (4) It is the supplier's responsibility to provide the municipality with a valid and original tax clearance certificate.

53. Prohibition on awards to persons in the service of the state

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - (a) Who is in the service of the state;
 - (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) A person who is an advisor or consultant contracted with the municipality with the purpose of assisting the municipality with the defining of requirements, drafting of specifications or the evaluation of the bids.
- (2) Persons and business must declare their interest as stated in 53(1)(a)-(c) of this policy when completing their supplier database application forms and bid documents. Failure to do so may lead to disqualification.

²⁹ Amended by council 30 May 2017

- (3) The municipality may utilise mechanisms at its disposal to determine whether a person is in the service of the state.

54. Awards to close family members of persons in the service of the state

- (1) The municipality does not encourage the awarding of contract by employees in decision-making positions to close family members or friends. To this extent the municipality requires all employees to make full disclosures of businesses owned by close family members and/ or friends and it is further expected that such individuals must not directly or indirectly be involved in the awarding of such business
- (2) The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 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.

55. Ethical standards

- (1) A code of ethical standards as set out in the “National Treasury’s code of conduct for supply chain management practitioners” is hereby established for officials and other role players in the supply chain management system of the municipality 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) A breach of the code of ethics must be dealt with as follows -
- (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) In the case a role player who is not an employee, through other

appropriate means in recognition of the severity of the breach.

- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

56. Inducements, rewards, gifts and favours to municipalities, 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 subparagraph 55 (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) Subparagraph 55 (1) does not apply to gifts less than R350 in value.

57. 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.

58. Objections and complaints

- (1) Persons aggrieved by decisions or actions taken in the implementation of this

supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

59. Resolution of disputes, objections, complaints and queries

- (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –
 - (a) To assist in the resolution of disputes between the municipality and other persons regarding -
 - (i) Any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) Any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
 - (a) Strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) Submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the Relevant provincial treasury if –
 - (a) The dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) No response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the Dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach

a court at any time.

60. Contracts providing for compensation based on turnover

- (1) If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –
 - (a) A cap on the compensation payable to the service provider; and
 - (i) That such compensation must be performance based.

61. Compliance with Ethical standards

- (1) In order to create an environment where business can be conducted with integrity and in a fair and reasonable manner, this Policy will strive to ensure that the accounting officer and all representatives of the Witzenberg Municipality involved in supply chain management activities shall act with integrity and in accordance with the highest ethical standards. All supply chain management representatives shall adhere to the code of conduct of municipal staff contained in schedule 2 of the Systems Act, the code of conduct for supply chain management practitioners and other role players (annexure A to this policy) and the Ethical code of suppliers (annexure B to this policy).

62. Handling of proprietary information

- (1) All information designed and prepared for the municipality is deemed as proprietary. No such information may be distributed, modified or customised for third parties without the written permission of the accounting officer.
- (2) All supplier information shall be treated as confidential
- (3) In appropriate instances, the municipality may require security clearance and confidentiality agreements to be entered into with suppliers.

63. Non-compliance with preemptory requirements of bids

- (1) The accounting officer is empowered to condone non-compliance with preemptory requirements of bids in cases where the condonation is not incompatible with public interest and promote the values of fairness, competitiveness and cost-effectiveness which are listed in Section 217 of the

Constitution.

64. Right of Appeal

- (1) In terms of Section 62 of the Municipal Systems Act (Act 32 of 2000 as amended), a person whose rights are affected by a decision taken by the municipality, in terms of a delegated authority, in the implementation of its supply chain management system, may appeal against that decision by giving written notice of the appeal and reasons to the Municipal Manager within 14 days of the date of receipt of the notification of the decision.³⁰

Bid documents must state that any appeal in terms of paragraph 64 must be submitted to the Municipal Manager, and must contain the following:

- (a) reasons and/or grounds for the appeal;
 - (b) the way in which the appellants rights have been affected; and
 - (c) the remedy sought by the appellant.
- (2) The Municipal manager shall establish an appropriate appeal authority in terms of section 62 of the Systems Act, to consider appeals received in terms of paragraph 64(1) above
- (3) The appeal authority must consider the appeal, and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision

65. Unsuccessful bidder debriefing

- (1) The unsuccessful bidder debriefing service is offered by the municipality to unsuccessful bidders upon request.
- (2) During the debriefing unsuccessful bidders can find out how their proposal scored against required criteria and obtain comments from the evaluation team on their bid.
- (3) The debriefing should be a positive and constructive experience that explains how bidders can improve future submissions.
- (4) The debriefing an opportunity for unsuccessful bidders to:

³⁰ Amended by Council 26 May 2021

- (a) Learn more about the procurement and evaluation process in an informal setting.
 - (b) Find out how their proposal scored against the required criteria.
 - (c) Hear the overall comments from the evaluation team on your bid.
 - (d) Gather information on how future submissions may be improved.
- (5) The debriefing is not part of the Supply Chain complaint or appeal process in terms of paragraph 58 or 64 of this policy.
- (6) The debriefing is not legal proceeding and no legal representation is permitted at the debriefing.
- (7) At the debriefing session the unsuccessful bid is not compared to other bids, nor will information be provided to the unsuccessful bidder about other bids.
- (8) In scheduling bidders debriefings session upon the request of the unsuccessful bidder, the municipality must:
- (a) Confirm the date and time of the debriefing session in writing;
 - (b) Conduct separate debriefings with each vendor;
 - (c) Ensure that proper minutes are kept of each debriefing session;
 - (d) Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.
- (9) In conducting bidder's debriefings, the municipality may:
- (a) Provide a general overview of the evaluation process set out in the bid documents;
 - (b) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score.
 - (c) Provide suggestions on how the supplier may improve future submissions;
 - (d) Address specific questions and issues raised by the supplier in relation to their submission.

66. Successful bidder briefing

- (1) The notification to the successful bidder in terms of paragraph 37(8) may require of the successful bidder to attend a compulsory briefing session with the municipality before commencement of the contract at no cost to the municipality.
- (2) The purpose of the briefing session is to:

- (a) Introduce the municipal contract manager allocated to the specific contract in terms of paragraph 48 and to meet the successful bidders contract manager;
 - (b) Examine and analyse the bid document and contractual conditions to ensure that specific expectations of the municipality and the obligations of the successful bidder are well understood;
 - (c) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score.
 - (d) Communicate and document the anticipated contract risks and challenges as perceived by both the municipality and the successful bidders;
 - (e) To develop mitigating strategies to address and mitigate the contract risk and challenges; and
 - (f) Communicate the contract administration process as stated in paragraph 48 of this policy.
 - (g) Formally sign the bid contract
- (3) At least the following persons must attend the briefing session:
- (a) The municipal contract manager
 - (b) The authorised municipal supply chain official
 - (c) The successful bidders authorised contract signatory
 - (d) The successful bidders contract manager
- (4) The notification to the successful bidder refer to in paragraph 66(1) must state the date, time and place of the briefing session in writing.
- (a) Proper minutes must be kept of each briefing session;
 - (b) All correspondence and documentation in relation to the briefing session must be maintained as part of the procurement documentation.

67. Acceptance of offers

- (1) At the invitation of bids, or quotations;
 - (a) the municipality is not obliged to accept the lowest or any offer;
 - (b) The municipality may, where an offer relates to more than one item, accept such offer in respect of or any specific item or items.
 - (c) The municipality may accept any offer notwithstanding the fact that the offer does not comply with the bid invitation in respect of which the offer has been made subject to the conditions of paragraph 63 of this policy.

68. Preferential Procurement³¹

68.1 80/20 preference point system for acquisition of goods or services with Rand value equal to or above R30 000 and up to R50 million

(1) The following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) 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.

³¹ Recommended for inclusion 30 March 2022

68.2 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 90 for price in respect of a tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) 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.

68.3 80/20 preference points system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R30 000 and up to Rand value of R50 million

(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{max} = Price of highest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) 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.

68.4 90/10 preference point system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R50 million

(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{max} = Price of highest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) 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.

68.5 Points allocated for B-BBEE:

B~BBEE Level Contributor	Status of Contributor	Number of Points Tenders with Rand value equal to or above R30 000 and up to Rand value of R50 million	Number of Points - tenders with Rand value equal to or above R50 million.
	1	20	10
	2	18	9
	3	14	6
	4	12	5
	5	8	4
	6	6	3
	7	4	2
	8	2	1
Non-compliant contributor		0	0

69. Commencement

This Policy takes effect on 1 July 2017

Paragraph 68 will be effective retrospectively from 16 February 2022.³²

Where the content of this policy is in contradiction of laws and regulations, the latter will take preference.³³

³² Recommended for inclusion 30 March 2022

³³ Recommended for inclusion 30 March 2022

ANNEXURE A

WITZENBERG MUNICIPALITY

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

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.

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.

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.

2. Conflict of interest

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.

3. Accountability

Practitioners are accountable for their decisions and actions to the public.

Practitioners should use public property scrupulously.

Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.

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.

Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.

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:

- (i) Any alleged fraud, corruption, favouritism or unfair conduct;
- (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
- (iii) Any alleged breach of this code of conduct.

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.

4. Openness

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.

5. Confidentiality

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 / contractors personal rights.

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.

6. Bid Specification / Evaluation / Adjudication Committees

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.

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.

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.

No person should-

- (i) Interfere with the supply chain management system of the municipality; or
- (ii) Amend or tamper with any price quotation / bid after its submission.

7. Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- (i) Suggestions to fictitious lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in price quotations / bids;
- (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

ANNEXURE B

Witzenberg Municipality's Supply Chain Management: Supplier's Code of Conduct

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.

WM is committed to high standards of business ethics and integrity as reflected in this WM Code of Conduct. WM expects all of its suppliers to adhere to similar good working standards and business ethics. The Supplier is expected to comply with the requirements set out in this WM Supplier Code of Conduct. In addition, WM and the Supplier may agree on further standards in supply agreements.

1. Human Rights

This Bill of Rights, as enshrined in Constitution Act 108 of 1996, is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom. The Constitution obliges municipalities to respect, protect, promote and fulfill the rights in the Bill of rights. To this end, when service providers provide services to and on behalf of the WM they are also obliged to respect, protect, promote and fulfill the rights in the Bill of rights insofar as it is relevant to their business.

In accordance with the aforementioned ethics and standards, WM require the following business practices from Suppliers:

- To not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.
- To respect the right of everyone to inherent dignity and the right to have their dignity respected and protected.
- To respect the right of every person not to be subjected to slavery, servitude or forced labour.

- To respect everyone's right to freedom of conscience, religion, thought, belief and opinion.

2. Fair Labour Conditions and Child Labour

The Supplier will ensure fair labour conditions. In particular, the supplier will:

- refrain from employment discrimination based on gender, colour, ethnicity, religion, disability, union membership, political affiliation or sexual orientation;
- respect the rights of employees to freely associate and bargain collectively;
- comply with all applicable laws on employment and in particular the Basic Conditions of Employment Act 75 of 1997 and the Labour relations Act 66 of 1995.
- not use any forced or compulsory labour or involuntary prison labor and give all employees the choice to leave their employment freely upon reasonable notice;
- compensate employees fairly and adhere to the Basic Conditions of Employment Act 75 of 1997, sector specific minimum wages and / or collective agreements and where these do not exist, compensate employees so they can at the least meet their basic needs; and
- The Supplier will protect children from exploitative labour practices and in particular they will not require or permit children to perform work or provide services that-
 - are inappropriate for a person of that child's age; or
 - place at risk the child's well-being, education, physical or mental health or spiritual, moral or social development;

3. Occupational Health and Safety

The Supplier will strive to provide a safe and healthy workplace for all of its employees and strive to adhere to the requirements of Occupational Health and Safety Act 85 of 1993.

4. Environmental Responsibility

The Supplier is committed to environmental protection and will conduct its business in an environmentally sensitive way.

5. Business Ethics

The Supplier will conduct its business in an ethical manner in accordance with all applicable rules and regulations. In particular, the Supplier will

- refrain from any and all forms of extortion and bribery;
- adhere to anti-trust and other competition laws, e.g. not participating in price fixing or bid-rigging; and
- disclose to WM information about any principal shareholder, directors in the service of the state
- The Supplier will protect all confidential information provided by WM and its respective business partners.

6. Conflict of Interest

The Supplier must disclose to WM information about conflict of interest of any WM employee, or close family member of an employee that have an interest in any of the Supplier's business.

Suppliers must not use their position for private gain or to improperly benefit any person or company.

Suppliers must not offer any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of a WM employee, irrespective of the value of the gift, reward, favour, hospitality or benefit.

Suppliers must declare to the accounting officer of WM details of any private or business interest which an employee of WM, 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 WM;

Suppliers must not place WM employees under any financial or other obligation that might seek to influence WM employees in the performance of their official duties; and

Suppliers must not take improper advantage of previous WM employees to unfairly benefit the supplier by using the information or knowledge of previous employees of WM after leaving office.

7. Business Continuity Planning

The Supplier shall maintain appropriate insurance and or policies to mitigate exposures to business risk, business threats, terrorism, crime, pandemics, natural disasters and related major accident exposures.

8. Procurement by Supplier

WM expects the Supplier to obtain confirmation from each of its sub-suppliers providing goods or services directly or indirectly to WM that the sub-supplier acts in compliance with this WM Supplier Code of Conduct.



SCM POLICY FOR
INFRASTRUCTURE
PROCUREMENT AND
DELIVERY MANAGEMENT

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1 Scope

This policy establishes the *Witzenberg Municipality's* policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity

2 Terms, definitions and abbreviations

2.1 Terms and definitions

For the purposes of this document, the definitions and terms given in the standard and the following apply:

accept: receive as adequate, valid, or suitable

agent: person or organization that is not an employee of *Witzenberg Municipality* that acts on the *Witzenberg Municipality's* behalf in the application of this document

approve: officially agree to

authorised person: the Accounting Officer or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

conflict of interest: any situation in which:

- a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,
- b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or
- c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee

contract manager: person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

family member: a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption

framework agreement: an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

gate: a control point at the end of a process where a decision is required before proceeding to the next process or activity

gateway review: an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

gratification: an inducement to perform an improper act

infrastructure delivery: the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

infrastructure procurement: the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure with an estimated value of one million Rand or more.

maintenance: the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

operation: combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

order: an instruction to provide goods, services or any combination thereof under a framework agreement

organ of state: an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

procurement document: documentation used to initiate or conclude (or both) a contract or the issuing of an order

principal: a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)

standard: the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

working day: any day of a week on which is not a Sunday, Saturday or public holiday

2.2 Abbreviations

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board

SARS: South African Revenue Services

3 General requirements

3.1 Delegations

3.1.1 The *council of Witzenberg Municipality* hereby delegates all powers and duties which are necessary to enable the *Accounting Officer* to:

- a) discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 or 10 of the Local Government Municipal Finance Management Act of 2003 and this document;
- b) maximise administrative and operational efficiency in the implementation of this document;
- c) enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this document; and
- d) comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003 Act.

Witzenberg Municipality's SCM Policy for Infrastructure procurement and delivery management

e) The Accounting Officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties.

3.1.2 No departure shall be made from the provisions of this policy without the approval of the Accounting Officer of Witzenberg Municipality.

3.1.3 The *Accounting Officer* shall for oversight purposes:

Within 60 days of the end of each financial year, submit a report on the implementation of this policy, to the council of the *Witzenberg Municipality*.

3.2 Objections and complaints

Will be dealt with in terms of the stipulations of the Supply Chain Policy of Witzenberg Municipality.

3.3 Resolution of disputes, objections, complaints and queries

Will be dealt with in terms of the stipulations of the Supply Chain Policy of Witzenberg Municipality.

4 Control framework for infrastructure delivery management

4.1 Assignment of responsibilities for approving or accepting end of stage deliverables

The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery

Stage		Person assigned the responsibility for approving or accepting end of stage deliverables	Output	Project Value
No	Name			
0	Project initiation	An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope		
		Accept: Relevant Director	Approved IDP	All
		Recommend: Municipal Manager		
		Council approves 5 year IDP		
1	Infrastructure planning	An infrastructure plan which identifies and prioritizes projects and packages against a forecasted budget over a period of at least three years		
		Accept: Relevant Director	Approved Budget	All
		Recommend: Municipal Manager		
		Council approves budget for MTREF		

Witzenberg Municipality's SCM Policy for Infrastructure procurement and delivery management

Stage		Person assigned the responsibility for approving or accepting end of stage deliverables	Output	Project Value
No	Name			
2	Strategic resourcing	A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where needs are met through own procurement system, a procurement strategy		
		Accept: Relevant Manager	Procurement Strategy / Plan	All
		Recommend : Relevant Director		
Accounting Officer approves the Procurement Strategy / Plan				
3	Pre-feasibility	A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage		
		Accept: Service Provider	Approved pre-feasibility report	Projects Above R 1 Million
		Recommend: Relevant Manager		
	Relevant Director approves the pre-feasibility report			
	Preparation and briefing (Inception)	A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages		
		Accept: Service Provider	Approved Inception Report	Projects Above R 1 Million
Recommend: Relevant Manager				
Relevant Director approves the pre-feasibility report				
4	Feasibility	A feasibility report which presents sufficient information to determine whether or not the project should be implemented		
		Accept: Service Provider	Approved Feasibility Report	Projects Above R 1 Million
		Recommend: Relevant Manager		
	Relevant Director approves the feasibility report			
	Concept and viability (Preliminary Design)	A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages		
		Accept: Service Provider	Approved Concept and viability report	Projects Above R 1 Million
Recommend: Relevant Manager				
Relevant Director approves the Concept and viability report				

Witzenberg Municipality's SCM Policy for Infrastructure procurement and delivery management

Stage		Person assigned the responsibility for approving or accepting end of stage deliverables	Output	Project Value	
No	Name				
	Gateway review	An independent review of the available information at a gate upon which a decision to proceed or not to the next process is based			
		Accept: Review team (not less than three people) is led by a professional engineer, professional quantity surveyor or professional architect.	Approved Concept and viability report	Projects Above R 50 Million	
		Recommend: Relevant Manager			
		Relevant Director approves the Gateway review			
5	Design development (Detailed Design)	A design development report which develops in detail the approved concept to finalize the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages			
		Accept: Service Provider	Approved Detailed Design	Projects above R 200 000	
		Recommend: Relevant Manager			
		Relevant Director approves the Detailed Design			
6	Design documentation (& Procurement)	6A Production information	Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction		
			Accept: Relevant Manager	Approved bid Document	Projects above R 200 000
			Recommend: Bid specification committee		
			Relevant Director approves the Bid document		
	6B Manufacture, fabrication and construction information	Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a package which enables manufacture, fabrication or construction to take place			
		Accept: Relevant Manager	Contract Award Approved Order	All	
		Recommend: Bid evaluation committee			
		Bid adjudication committee approves the bid		Projects below R 10 million	
The accounting officer approves the bid	Projects above R 10 million				

Stage		Person assigned the responsibility for approving or accepting end of stage deliverables	Output	Project Value
No	Name			
7	Works (Contract Administration & Inspection)	The relevant manager / consulting engineer manages the contract in terms of contract conditions		
		Accept: relevant manager / consulting engineer	Minutes of site meetings, progress payment certificates and Contract Correspondence	All
		Recommend: relevant manager		
		Relevant director approves		
8	Handover	Works which have been taken over by the municipality, complete with record information		
		Accept: relevant manager / consulting engineer	Practical completion certificate & project unbundling information	All
		Recommend: relevant manager		
		Relevant director approves		
9	Package completion (Close Out)	Works with notified defects corrected, final account settled and the close out report issued		
		Accept: relevant manager / consulting engineer	Final completion certificate	All
		Recommend: relevant manager		
		Relevant director approves		

4.2 Gateway reviews

4.2.1 All major capital projects having an estimated capital expenditure equal to **or fifty million rand** shall have a gateway review of the end-of-stage 4 deliverable, prior to the acceptance of such deliverable. The review shall be initiated by the organ of state which intends implementing the project. The focus of such a review shall in the first instance be on the quality of the documentation, and thereafter on:

- a) deliverability (the extent to which a project is deemed likely to deliver the expected benefits within the declared cost, time and performance envelope);
- b) affordability (the extent to which the level of expenditure and financial risk involved in a project can be taken up on, given the organisation's overall financial position, both singly and in the light of its other current and projected commitments); and
- a) value for money.

4.2.2 A gateway review team shall comprise not less than three persons who are not involved in the project associated with the works covered by the end of the stage 4 deliverable, and who are familiar with various aspects of the subject matter of the deliverable at the end of the stage under review. Such a team shall be led by a person who has at least six years postgraduate experience in the planning of infrastructure projects and is registered either as a professional engineer in terms of the Engineering Profession Act, a professional quantity surveyor in terms of the Quantity Surveying Profession Act or a professional architect in terms of the Architectural Profession Act. The members of the team shall, as relevant, have expertise in key technical areas, cost estimating, scheduling and implementation of similar projects.

4.2.3 The relevant treasury shall be notified of a proposed gateway review for a major capital project, three weeks prior to the conducting of such a review. Such notification shall be accompanied by a brief outline of the proposed project or package, the names and qualifications of the reviewers and the timeframes for the review. The relevant treasury may nominate additional persons to serve on the review team.

4.2.4 The gateway review team shall base its findings primarily on:

- a) the information contained in the end-of-stage deliverables;
- b) supplementary documentation, if any, provided by key staff obtained during an interview process; and
- c) interviews with key staff members and stakeholders.

4.2.5 The gateway review team shall issue a report at the conclusion of a gateway review which indicates the team's assessment of the information at the end of a stage and provides findings or recommendations on areas where further work may be undertaken to improve such information.

4.2.6 Aspects in the report shall be flagged as being:

- a) code red: team considers the aspect to pose a significant risk to the project or package;
- b) code amber: team considers the aspects which indicate a minor risk to the project or package; or
- c) code green: team considers the aspect to have been given adequate consideration to the extent that it is unlikely to jeopardise the success of progressing to the next stage, or minor adjustments may be required before proceeding.

4.2.7 The contents of the gateway review report shall be taken into account when accepting the stage 4 deliverable. A stage 4 deliverable shall not be accepted until such time that all code red risks have been addressed in the stage 4 end-of-stage deliverable.

5 Control framework for infrastructure procurement

5.1 The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

5.2 The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

- a) Bid Specification Committee shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;
- b) the authorised person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

5.3 The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

6 Infrastructure delivery management requirements

6.1 Institutional arrangements

6.1.1 Committee system for procurement

6.1.1.1 General

6.1.1.1.1 A committee system comprising the Bid Specification Committee, Bid evaluation committee and Bid Adjudication committee shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.

6.1.1.1.2 The Bid evaluation committee shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.

6.1.1.1.3 The persons appoint in writing as technical advisors and subject matter experts may attend any committee meeting.

6.1.1.1.4 No person who is a political officer bearer, a public office bearer including any councilor of a municipality, a political advisor or a person appointed in terms of section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a bid specification, bid evaluation or bid adjudication committee.

6.1.1.1.5 Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterised by the lack of sustained opposition to substantial issues. Committees shall record their decisions in writing. Such decisions shall be kept in a secured environment for a period of not less than five years after the completion or cancellation of the contract unless otherwise determined in terms of the National Archives and Record Services Act of 1996.

6.1.1.1.6 Committees may make decisions at meetings or, subject to the committee chairperson's approval, on the basis of responses to documents circulated to committee members provided that not less than sixty percent of the members are present or respond to the request for responses. Where the committee chairperson is absent from the meeting, the members of the committee who are present shall elect a chairperson from one of them to preside at the meeting.

6.1.1.2 Bid Specification committee

6.1.1.2.1 The *Accounting Officer* shall appoint in writing on a procurement by procurement basis:

a) the members of the bid specification committee.

6.1.1.2.2 The Bid Specification Committee shall comprise one or more persons. The chairperson shall be an employee of *Witzenberg Municipality* with requisite skills. Other members shall, where relevant, include a representative of the end user or the department requiring infrastructure delivery.

6.1.1.2.3 No member of, or technical adviser or subject matter expert who participates in the work of the any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

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Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold

Activity		Sub-Activity (see Table 3 of the standard)		Key action	Person assigned responsibility to perform key action
1*	Establish what is to be procured	1.3 PG1	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Council (BUDGET APPROVAL) Relevant Manager
2*	Decide on procurement strategy	2.5 PG2	Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	Confirm selection of strategies so that tender offers can be solicited	Relevant director
3	Solicit tender offers	3.2 PG3	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Procurement documentation committee BSC and relevant director
		3.3 PG4	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	CFO (BSC)
4	Evaluate tender offers	4.2 PG5	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Director (BEC)
		4.7 PG6	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	Tender committee BAC, Accounting Officer
5	Award contract	5.3 PG7	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Accounting Officer
		5.5 GF1	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	CFO or delegate.

* Applies only to goods and services not addressed in a procurement strategy developed during stage 2 (strategic resourcing) of the control framework for infrastructure delivery management

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Table 2 (continued)

Activity		Sub-Activity		Key action	Person assigned responsibility to perform key action
6	Administer contracts and confirm compliance with requirements	6.4 PG8A	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	Director
		6.5 PG8B	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Director
		6.6 PG8C	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage	Approve amount of time and cost overruns up to the threshold	Director
		6.7 PG8D	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	Accounting Officer
		6.8 PG8E	Obtain approval to cancel or terminate a contract	Approve amount	Accounting Officer
		6.9 PG8F	Obtain approval to amend a contract	Approve proposed amendment to contract	Accounting Officer

Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement

Activity		Key action	Person assigned responsibility to perform key action
1 FG1	Confirm justifiable reasons for selecting a framework contractor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	<i>Relevant director or manager</i>
3 FG2	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	<i>BSC</i>
4 FG3	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	<i>Relevant director or manager / Approved budget</i>
6 FG4	Authorise the issuing of the order	If applicable, review evaluation report and confirm or reject recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	<i>BAC</i>

6.1.1.3 Evaluation committee

6.1.1.3.1 The *Accounting Officer* shall appoint on a procurement by procurement basis in writing:

- a) the members of the bid evaluation committee.

6.1.1.3.2 The bid evaluation committee shall comprise not less than three people. The chairperson shall be an employee of *Witzenberg Municipality* with requisite skills. Other members shall include a supply chain management practitioner and, where relevant, include an official from the department requiring infrastructure delivery.

6.1.1.3.3 The bid evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:

- a) the capability and capacity of a tenderer to perform the contract;
- b) the tenderer's tax and municipal rates and taxes compliance status;
- b) confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;
- d) the Compulsory Declaration has been completed; and
- e) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

6.1.1.3.4 No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

6.1.1.3.5 The chairperson of the evaluation committee shall promptly notify the *Accounting Officer* of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

6.1.1.4 Bid Adjudication Committee

6.1.1.4.1 The tender committee shall comprise the following persons or their mandated delegate:

- a) *Chief financial officer* who shall be the chairperson;
- b) *Director Technical Services*
- c) *Director Community Services*
- d) Director Corporate services
- e) Manager Supply Chain

6.1.1.4.2 No member of the evaluation committee may serve on the bid adjudication committee. A member of an evaluation committee may, however, participate in the deliberations of a Bid Adjudication committee as a technical advisor or a subject matter expert.

6.1.1.4.3 The Bid Adjudication committee shall:

- a) consider the report and recommendations of the evaluation committee and:

- 1) verify that the procurement process which was followed complies with the provisions of this document;
 - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
 - 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
 - 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- b) refer the report back to the evaluation committee for their reconsideration, make a reward for bids below R 10 000 000 or make a recommendation to the accounting officer on the award of a tender, with or without conditions, together with reasons for such recommendation for bids above R 10 000 000.

6.1.1.4.4 The Bid Adjudication committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the Municipal Manager on the course of action which should be taken.

6.1.1.4.5 The Bid Adjudication committee shall consider the merits of an unsolicited offer and make a recommendation to the Accounting Officer.

6.1.1.4.6 The Bid Adjudication committee shall report to the *Accounting Officer* any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

6.1.1.4.7 The Bid Adjudication committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- a) made a misrepresentation or submitted false documents in competing for the contract or order; or
- b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

6.1.1.4.8 The Bid Adjudication committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper conduct in relation to such system. The National Treasury and the *Western Cape Treasury* shall be informed where such tenderers are disregarded.

6.1.2 Actions of the accounting officer relating to the award of a contract or an order

6.1.2.1 Award of a contract

6.1.2.1 The accounting officer shall, consider the report(s) and recommendations of the Bid Adjudication committee, and either:

- a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
- b) decide not to proceed or to start afresh with the process.

6.1.3 Conduct of those engaged in infrastructure delivery

6.1.3.1 General requirements

6.1.3.1.1 All personnel and agents of *Witzenberg Municipality* shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

- a) behave equitably, honestly and transparently;
- b) discharge duties and obligations timeously and with integrity;
- c) comply with all applicable legislation and associated regulations;
- d) satisfy all relevant requirements established in procurement documents;
- e) avoid conflicts of interest; and
- f) not maliciously or recklessly injure or attempt to injure the reputation of another party.

6.1.3.1.2 All personnel and agents engaged in *Witzenberg Municipality's* infrastructure delivery management system shall:

- a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
- b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;
- c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
- d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
- e) ensure that resources are administered responsibly;
- f) be fair and impartial in the performance of their functions;
- g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
- h) not abuse the power vested in them;
- i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- j) assist *Witzenberg Municipality* in combating corruption and fraud within the infrastructure procurement and delivery management system;
- k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
- l) not make false or misleading entries in reports or accounting systems; and
- m) keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

6.1.3.1.2 An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

6.1.3.2 Conflicts of interest

6.1.3.2.1 The employees and agents of *Witzenberg Municipality* who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

- a) disclose in writing to the employee of the *Witzenberg Municipality* to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and
- b) not participate in any activities that might lead to the disclosure of *Witzenberg Municipality* proprietary information.

6.1.3.2.2 The employees and agents of *Witzenberg Municipality* shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

6.1.3.2.3 Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in *Witzenberg Municipality's* interest to do so, submit a tender for work associated with such documents provided that:

- a) *Witzenberg Municipality* states in the tender data that such an agent is a potential tenderer;
- b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and
- c) the procurement documentation committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

6.1.3.3 Evaluation of submissions received from respondents and tenderers

6.1.3.3.1 The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

- a) not have any conflict between their duties as an employee or an agent and their private interest;
- b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
- c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
- d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to *Witzenberg Municipality*.

6.1.3.3.2 The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of *Witzenberg Municipality* and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

6.1.3.3.3 *Witzenberg Municipality* personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

6.1.3.4 Non-disclosure agreements

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect *Witzenberg Municipality's* confidential information and interests.

6.1.3.5 Gratifications, hospitality and gifts

6.1.3.5.1 The employees and agents of *Witzenberg Municipality* shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

6.1.3.5.2 The employees and agents of *Witzenberg Municipality* as well as their family members or associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- a) money, loans, equity, personal favours, benefits or services;
- b) overseas trips; or
- c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

6.1.3.5.3 The employees and agents of *Witzenberg Municipality* shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

6.1.3.5.4 All employees and agents of *Witzenberg Municipality* may for the purpose of fostering inter-personal business relations accept the following:

- a) meals and entertainment, but excluding the cost of transport and accommodation;
- b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- e) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350, they must declare these gifts to the *Accounting Officer*.

6.1.3.5.5 Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

6.1.3.5.6 Employees and agents of *Witzenberg Municipality* shall without delay report to the *Accounting Officer* any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

6.1.3.6 Reporting of breaches

Employees and agents of *Witzenberg Municipality* shall promptly report to the *Accounting Officer* any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

6.1.4 Measures to prevent abuse of the infrastructure delivery system

The *Accounting Officer* shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

- a) take steps against an employee or role player and inform the National Treasury and *Western Cape Treasury* of those steps;
- b) report to the South African Police Service any conduct that may constitute a criminal offence;
- c) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;
- d) cancel a contract if:
 - 1) it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
 - 2) an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

6.1.5 Awards to persons in the service of the state

6.1.5.1 Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:

- a) a member of any municipal council, any provincial legislature, or the National Assembly or the National Council of Provinces;
- b) a member of the council of any municipal entity;
- c) an official of any municipality or municipal entity;
- d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- e) a member of the accounting authority of any national or provincial public entity; or
- f) an employee of Parliament or a provincial legislature.

6.1.5.2 The notes to the annual financial statements of the *Witzenberg Municipality* shall disclose particulars of an award of more than R 2 000 to a person who is a family member of a person identified in 6.1.5.1 or who has been in the previous 12 months. Such notes shall include the name of the person, the capacity in which such person served and the amount of the award.

6.1.6 Collusive tendering

Any submissions made by a respondent or tenderer who fails to declare in the Compulsory Declaration that the tendering entity:

- a) is not associated, linked or involved with any other tendering entity submitting tender offers; or

- b) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc.) or intention to not win a tender shall be rejected.

6.1.7 Placing of contractors under restrictions

6.1.7.1 If any tenderer which has submitted a tender offer or a contractor which has concluded a contract has, as relevant:

- a) withdrawn such tender or quotation after the advertised closing date and time for the receipt of submissions;
- b) after having been notified of the acceptance of his tender, failed or refused to commence the contract;
- c) had their contract terminated for reasons within their control without reasonable cause;
- d) offered, promised or given a bribe in relation to the obtaining or the execution of such contract;
- e) acted in a fraudulent, collusive or anti-competitive or improper manner or in bad faith towards *Witzenberg Municipality*, or
- f) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of *Witzenberg Municipality* that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,

The relevant manager shall prepare a report on the matter and make a recommendation to the *Accounting Officer* for placing the contractor or any of its principals under restrictions from doing business with the *Witzenberg Municipality*.

6.1.7.2 The *Accounting Officer* may, as appropriate, upon the receipt of a recommendation made in terms of 6.1.7.1 and after notifying the contractor of such intention in writing and giving written reasons for such action, suspend a contractor or any principal of that contractor from submitting a tender offer to *[name of municipality or municipal entity]* for a period of time.

6.1.7.3 The relevant manager shall:

- a) record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of *Witzenberg Municipality* who are engaged in procurement processes; and
- b) notify the National Treasury and relevant Provincial *Treasury* and , if relevant, the Construction Industry Development Board, of such decision and provide them with the details associated therewith.

6.1.8 Complaints

6.1.8.1 All complaints regarding the *Witzenberg Municipality's* infrastructure delivery management system shall be addressed to the Accounting officer. Such complaints shall be in writing.

6.1.8.2 The Accounting officer shall investigate all complaints regarding the infrastructure procurement and delivery management system and who will decide on what action to take.

6.2 Acquisition management

6.2.1 Unsolicited proposal

6.2.1.1 The *Witzenberg Municipality* is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:

- a) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;
- b) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;
- c) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for *Witzenberg Municipality*;
- d) the offer is in writing and clearly sets out the proposed cost;
- e) the person who made the offer is the sole provider of the goods or service; and
- f) the *Accounting Officer* finds the reasons for not going through a normal tender processes to be sound.

6.2.1.2 The *Accounting Officer* may only accept an unsolicited offer and enter into a contract after considering the recommendations of the tender committee if:

- a) the intention to consider an unsolicited proposal has been made known in accordance with Section 21A of the Municipal Systems Act of 2000 together with the reasons why such a proposal should not be open to other competitors, an explanation of the potential benefits for the *municipality* and an invitation to the public or other potential suppliers and providers to submit their comments within 30 days after the notice;
- b) the *Witzenberg Municipality* has obtained comments and recommendations on the offer from the National Treasury and *Western Cape Treasury*;
- c) the Bid Adjudication committee meeting which makes recommendations to accept an unsolicited proposal was open to the public and took into account any public comments that were received and any comments and recommendations received from the National Treasury and *Western Cape Treasury*; and
- d) the provisions of 6.2.1.3 are complied with.

6.2.1.3 The *Accounting Officer* shall, within 14 working days after the decision to award the unsolicited offer is taken, submit the reasons for rejecting or not following the recommendations to the National Treasury, the *Western Cape Treasury* and Auditor General. A contract shall in such circumstances not be entered into or signed within 30 days of such submission.

6.2.2 Tax and rates compliance

6.2.2.1 SARS tax clearance

6.2.2.1.1 No contract may be awarded or an order issued where the value of such transaction exceeds R 15 000, unless a tenderer or contractor is in possession of an original valid Tax Clearance Certificate issued by SARS

6.2.2.1.2 In the case of a partnership, each partner shall comply with the requirements of 6.2.2.2.1.

6.2.2.1.3 Notwithstanding the requirements of 6.2.2.1 and 6.2.2.3 the following shall apply, unless a person who is not tax compliant indicates to the Accounting officer that it intends challenging its tax compliance status with SARS,

- a) a contract may be awarded to a non-compliant tenderer if such a tenderer is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;

- b) an order may be awarded to a non-compliant contractor if such a contractor is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;
- c) a non-compliant contractor shall be issued with a first warning that payments in future amounts due in terms of the contract may be withheld, before the authorising of any payment due to such contractor;
- d) before authorising a further payment due to a non-compliant contractor who has failed to remedy its tax compliance status after receiving a first warning, a second and final warning shall be issued to such contractor;
- e) no payments may be released for any amounts due in terms of the contract due to a non-compliant contractor if, after a period of 30 calendar days have lapsed since the second warning was issued, the non-compliant contractor has failed to remedy its tax compliance status.

6.2.2.1.4 The *Witzenberg Municipality* may cancel a contract with a non-compliant contractor if such a contractor fails to remedy its tax compliance status after a period of 30 calendar days have lapsed since the second warning was issued in terms of 6.2.2.1.4e).

6.2.2.2 Municipal rates and taxes

No contract may be awarded to a tenderer who, or the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are in arrears for more than 3 months.

6.2.3 Declarations of interest

Tenders and respondents making submissions in response to an invitation to submit a tender or a call for an expression of interest, respectively shall declare in the Compulsory Declaration whether or not any of the principals:

- a) are an employee of the *Witzenberg Municipality* or in the employ of the state; or
- b) have a family member or a business relation with a person who is in the employ of the state.

6.2.4 Invitations to submit expressions of interest or tender offers

6.2.4.1 All invitations to submit tenders where the estimated value of the contract exceeds R200 000 including VAT, except where a confined tender process is followed, and expressions of interest shall be advertised on the *Witzenberg Municipality's* website and on the National Treasury eTender Publication Portal. Advertisements shall be placed by the Supply Chain Management department.

6.2.4.2 Advertisements relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.4.1 be advertised on the CIDB website. Advertisements shall be placed by the Supply Chain Management department.

6.2.4.3 Where deemed appropriate by the Bid Specification Committee an invitation to tender and a call for an expression of interest shall be advertised in suitable local and national newspapers and the Government Tender Bulletin as directed by such person. Advertisements shall be placed by the Supply Chain Management department.

6.2.4.4 Such advertisements shall be advertised for a period of at least 30 days before closure, except in urgent cases when the advertisement period may be shortened as determined by the *Accounting Officer*.

6.2.4.5 Invitations to submit expressions of interest or tender offers shall be issued not less than 10 working days before the closing date for tenders and at least 5 working days before any compulsory clarification meeting. Procurement documents shall be made available not less than 7 days before the closing time for submissions.

6.2.5 Publication of submissions received and the award of contracts

6.2.5.1 The Supply Chain Management department shall publish within 10 working days of the closure of any advertised call for an expression of interest or an invitation to tender where the estimated value of the contract exceeds R200 000 including VAT on the municipality's or municipal entity's website, the names of all tenderers that made submissions to that advertisement, and if practical or applicable, the total of the prices and the preferences claimed. Such information shall remain on the website for at least 30 days.

6.2.5.2 The Supply Chain Management department shall publish within 7 working days of the award of a contract the following on the *Witzenberg Municipality's* website

- a) the contract number;
- b) contract title;
- c) brief description of the goods, services or works;
- d) the total of the prices, if practical;
- e) the names of successful tenderers and their B-BBEE status level of contribution;
- f) duration of the contract; and
- g) brand names, if applicable.

6.2.5.3 the Supply Chain Management department shall submit within 7 working days of the award of a contract the information required by National Treasury on the National Treasury eTender Publication Portal regarding the successful and unsuccessful tenders. Submissions shall be made by the Supply Chain Management department.

6.2.5.4 The award of contracts relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.5.3 be notified on the CIDB website. The notification shall be made by placed by the Supply Chain Management department.

6.2.6 Disposal committee

6.2.6.1 The *Accounting Officer* shall appoint on a disposal by disposal basis in writing the members of the disposal committee to decide on how best to undertake disposals in accordance with the provisions of clause 10 of the standard.

6.2.6.2 The disposal panel shall comprise not less than three people. The chairperson shall be an employee of *Witzenberg Municipality*.

6.2.6.3 The disposal committee shall make recommendations to *Accounting Officer* who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration, and decide not to proceed or to start afresh with the process.

6.3 Reporting of infrastructure delivery management information

The Manager: Supply Chain Management and relevant technical expert shall submit any reports required in terms of the standard to the National Treasury or *Western Cape Treasury*.

7 Infrastructure procurement

7.2.1 The *Witzenberg Municipality's* preapproved templates for Part C1 (Agreements and contract data) of procurement documents shall be utilised to obviate the need for legal review prior to the awarding of a contract. All modifications to the standard templates shall be approved by the Accounting Officer prior to being issued for tender purposes.

7.2.2 Disputes arising from the performance of a contract shall be finally settled in a South African court of law.

7.2.3 The Municipal Declaration and returnable documents contained in the standard shall be included in all tenders for:

- a) consultancy services; and
- b) goods and services or any combination thereof where the total of the prices is expected to exceed R10 m including VAT.

7.3 Payment of contractors

The *Witzenberg Municipality* shall settle all accounts within 30 days of invoice or statement as provided for in the contract.

7.4 Approval to utilise specific procurement procedures

7.4.1 Prior approval shall be obtained for the following procurement procedures from the following persons, unless such a procedure is already provided for in the approved procurement strategy:

- a) The Accounting Officer shall authorise the use of the negotiated procedure above the thresholds provided in the standard.
- b) The Accounting Officer shall authorise the approaching of a confined market except where a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions set out in the standard and which can be dealt with or the risks relating thereto arrested within 48 hours; and
- c) the proposal procedure using the two-envelope system, the proposal procedure using the two-stage system or the competitive negotiations procedure.

7.4.2 The person authorised to pursue a negotiated procedure in an emergency is *[designated person]*.

7.5 Receipt and safeguarding of submissions

7.5.1 A dedicated and clearly marked tender box shall be made available to receive all submissions made.

7.6 Opening of submissions

7.6.1 Submissions shall be opened by an opening panel comprising two people nominated by the chief financial officer who have declared their interest or confirmed that they have no interest in the submissions that are to be opened.

7.6.2 The opening panel shall open the tender box at the stipulated closing time and:

- a) sort through the submissions and return those submissions to the box that are not yet due to be opened including those whose closing date has been extended;
- b) return submissions unopened and suitably annotated where:
 - 1) submissions are received late, unless otherwise permitted in terms of the submission data;
 - 2) submissions were submitted by a method other than the stated method,
 - 3) submissions were withdrawn in accordance with the procedures contained in SANS 10845-3; and
 - 4) only one tender submission is received and it is decided not to open it and to call for fresh tender submissions;
- c) record in the register submissions that were returned unopened;
- d) open submissions if received in sealed envelopes and annotated with the required particulars and read out the name of and record in the register the name of the tenderer or respondent and, if relevant, the total of prices including VAT where this is possible;
- e) record in the register the name of any submissions that is returned with the reasons for doing so;
- f) record the names of the tenderer's representatives that attend the public opening;
- g) sign the entries into the register; and
- h) stamp each returnable document in each tender submission.

7.6.3 Each member of the opening panel shall initial the front cover of the submission and all pages that are stamped in accordance with the requirements of 7.6.2h).

7.6.4 Respondents and tenderers whose submissions are to be returned shall be afforded the opportunity to collect their submissions.

7.6.5 Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process.

7.7 Use of another organ of state's framework agreement

The *Witzenberg Municipality* may make use of another organ of state's framework contract which has been put in place by means of a competitive tender process and there are demonstrable benefits for doing so. The *Accounting Officer* shall make the necessary application to that organ of state to do so.

7.8 Insurances

7.8.1 Contractors shall be required to take out all insurances required in terms of the contract.

7.8.2 The insurance cover in engineering and construction contracts for loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4, unless otherwise directed by the Accounting Officer.

7.8.3 Lateral earth support insurance in addition to such insurance shall be take out on a case by case basis.

Table 4: Minimum insurance cover

Type of insurance	Value
Engineering and construction contracts - loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract	Not less than R20 million
Professional services and service contracts - death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract or damage to property	Not less than R10 million
Professional indemnity insurance	geotechnical, civil and structural engineering: R5,0 million electrical, mechanical and engineering: R3,0 million architectural: R5,0 million other R3,0 million

7.8.4 The insurance cover in professional services and service contracts for damage to property or death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event unless otherwise directed by the Bid Specification Committee

7.8.5 SASRIA: Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials shall be taken out on all engineering and construction works.

7.8.6 Professional service appointments shall as a general rule be subject to proof of current professional indemnity insurance being submitted by the contractor in an amount not less than the value stated in Table 4 in respect of each claim, without limit to the number of claims, unless otherwise directed by the *Bid Specification Committee* in relation to the nature of the service that they provide.

7.8.6 Witzenberg *Municipality* shall take out professional indemnity insurance cover where it is deemed necessary to have such insurance at a level higher than the levels of insurance commonly carried by contractors.

7.8.7 Where payment is to be made in multiple currencies, either the contractor or *Witzenberg Municipality* should be required to take out forward cover. Alternatively, the prices for the imported content should be fixed as soon as possible after the starting date for the contract.

7.9 Written reasons for actions taken

7.9.1 Written reasons for actions taken shall be provided by the relevant manager.

7.9.2 The written reasons for actions taken shall be as brief as possible and shall as far as is possible, and where relevant, be framed around the clauses in the:

- a) SANS 10845-3, *Construction procurement - Part 3: Standard conditions of tender*, and, giving rise to the reason why a respondent was not short listed, prequalified or admitted to a data base; or
- b) SANS 10845-4, *Construction procurement - Part 4: Standard conditions for the calling for expressions of interest*;

as to why a tenderer was not considered for the award of a contract or not awarded a contract.

7.9.3 Requests for written reasons for actions taken need to be brief and to the point and may not divulge information which is not in the public interest or any information which is considered to prejudice the legitimate commercial interests of others or might prejudice fair competition between tenderers.

7.10 Request for access to information

7.10.1 Should an application be received in terms of Promotion of Access to Information Act of 2000 (Act 2 of 2000), the "requestor" should be referred to the *Witzenberg Municipality's* Information Manual which establishes the procedures to be followed and the criteria that have to be met for the "requester" to request access to records in the possession or under the control of *Witzenberg Municipality's*.

7.10.2 Access to technical and commercial information such as a comprehensive programme which links resources and prices to such programme should be refused as such information provides the order and timing of operations, provisions for time risk allowances and statements as to how the contractor plans to do the work which identifies principal equipment and other resources which he plans to use. Access to a bill of quantities and rates should be provided in terms of the Act.



LONG-TERM FINANCIAL PLAN POLICY

Date of implementation 01 July 2013

LONG-TERM FINANCIAL PLAN POLICY

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1. DEFINITIONS AND ABBREVIATIONS

“**basic municipal service**” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

“**BSC**” means Budget Steering Committee, a committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA;

“**budget-related policy**” means a policy of a municipality affecting or affected by the annual budget of the municipality, including—

the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

“**IDP**” means the Integrated Development Plan;

“**LTFP**” means Long Term Financial Plan;

“**long-term debt**” means debt repayable over a period exceeding one year;

“**MBRR**” means the Municipal Budget and Reporting Regulations;

“**MFMA**” means the Municipal Finance Management Act No 56 of 2003;

“**MTREF**” means Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years;

“**Municipality**” means Witzenberg Municipality;

“**municipal tariff**” means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

“**municipal tax**” means property rates or other taxes, levies or duties that a municipality may impose;

“**National Treasury**” means the National Treasury established by section 5 of the Public Finance Management Act.

“**Short Term**” refers to a period up to 3 (three) years

“**Medium Term**” refers to a period between 3 (three) and 5 (five) years

“**Long Term**” refers to any period longer than 5 (five) years

2. INTRODUCTION

- 2.1. The Local Government: Municipal Finance Management Act No 56 of 2003 (hereafter MFMA) has instituted various financial reform measures. Sound financial management practices have been identified as essential to the long-term sustainability of municipalities. In this regard the MFMA necessitates that municipality's must have a policy related the Long Term Financial Plan (hereafter LTFP).
- 2.2. A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan (hereafter IDP). It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges.
- 2.3. The Municipality has developed a financial model that aims to determine the appropriate mix of parameters and assumptions within which the municipality should operate to facilitate budgets which are affordable and sustainable at least 10 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the municipality's operational budget.

3. PROBLEM STATEMENT

- 3.1. Preceding the inception of the MFMA municipal budgets usually catered for immediate demands with little or no view to future needs or the future consequences of particular decisions. This poor planning practice fragmented the sustainability of municipal budgets.

4. PURPOSE

- 4.1. The policy aims to ensure that all long-term financial planning is based on a structured and consistent methodology thereby ensuring long-term financial affordability and sustainability.

5. GUIDING PRINCIPLES

- 5.1. The policy is based on the following principles:-
 - 5.1.1. Future financial sustainability;
 - 5.1.2. Optimal collection of revenue, taking into consideration the socio economic environment;
 - 5.1.3. Optimal utilisation of grant funding;
 - 5.1.4. Continuous improvement and expansion in service delivery framework, and
 - 5.1.5. Prudent financial strategies.

6. ROLE PLAYERS AND STAKEHOLDERS

The following role players will ensure that the LTFP is implemented in accordance with the prescribed legislative requirements and Council processes.

- 6.1. Budget Office
 - 6.1.1. Responsible for the preparation and the compilation of the LTFP;
 - 6.1.2. Responsible for overall oversight;
 - 6.1.3. Present long term financial plan outcome to the Budget Steering Committee;
 - 6.1.4. Review Policy and Strategy, in consultation with relevant stakeholders, to ensure maximum compliance in terms of legislation.
- 6.2. Directorates and Departments
 - 6.2.1. Responsible for providing reasons on past performance outcomes
 - 6.2.2. Responsible for providing information to Budget Office to update the financial plan;
 - 6.2.3. Required to identify revenue and expenditure plans for both operating and capital budgets for at least 3 years.
 - 6.2.4. Required to make recommendations on future service delivery matters.
- 6.3. Budget Steering Committee

- 6.3.1. Responsible for providing strategic guidance on matters relevant to the long term financial plan
- 6.3.2. Responsible for endorsing the projected MTREF assumptions and parameters contemplated by the LTFP.

7. REGULATORY CONTEXT

- 7.1. Section 17 (3) of the MFMA states that “when an annual budget is tabled it must be accompanied by amongst other “any proposed amendments to the budget-related policies of the municipality”.
- 7.2. Section 21 of the MFMA states that the mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for, amongst other:
 - (i) The preparation, tabling and approval of the annual budget;
 - (ii) the annual review of—
 - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - (bb) the budget-related policies;
 - (iii) The tabling and adoption of any amendments to the IDP and the budget-related policies; and
 - (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).
- 7.3. Section 7 (1) of the Local Government: Municipal Finance Management Act, 2003, Municipal Budget and Reporting Regulations, 2009 (hereafter MBRR) states that:
“the Municipal Manager of a municipality must prepare, or take all reasonable steps to ensure the preparation of budget-related policies of the municipality, or any or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21 (1) (b) of the MFMA”.
- 7.4. Section 7 (1) reference (1) of the MBRR, further states that “as defined in section 1 of the MFMA. Policies that affect or are affected by the annual budget of a municipality include “(g) A policy related to the long term financial plan”.
- 7.5. Section 4 (1) of the MBRR states “that the mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA”.
- 7.6. Section 26 (h) of the Local Government: Municipal Systems Act 32 of 2000 (hereafter the MSA) states that “An Integrated Development Plan must reflect a financial plan, which must include a budget projection for at least the next three years”.

8. POLICY DIRECTIVE DETAILS

- 8.1. Financial strategies
 - 8.1.1. An intrinsic feature of the LTFP is to give effect to the Municipality's financial strategies. These strategies include:
 - 8.1.1.1. Increasing funding for asset maintenance and renewal;
 - 8.1.1.2. Continuous improvement to the financial position;
 - 8.1.1.3. Ensuring affordable debt levels to fund the capital budget;
 - 8.1.1.4. Maintaining fair, equitable and affordable rates and tariff increase;
 - 8.1.1.5. Maintaining or improving basic municipal services;
 - 8.1.1.6. Achieving and maintaining a breakeven/surplus Operating budget; and
 - 8.1.1.7. Ensuring full cost recovery for the provision of internal services.
- 8.2. Non – financial strategies
 - 8.2.1. The LTFP is a key component for achieving the goals listed in the IDP of the Municipality. The LTFP must consider the following non – financial strategic strategies:
 - 8.2.1.1. The Municipality's Strategic Focus Areas;
 - 8.2.1.2. Infrastructure led growth strategies; and
 - 8.2.1.3. The Municipality's Spatial Development Framework.
- 8.3. Preparation of the LTFP
 - 8.3.1. The LTFP process should commence by latest June of each year.
 - 8.3.2. The LTFP should consider the fiscal overview by reviewing past financial performance, projection of long-term financial outlook and financing and funding arrangements. The following matters should be considered annually:
 - 8.3.2.1. Revising the long-term financial plan for events that may have impacted during the recent past;

- 8.3.2.2. Assessing the outcomes and achievements of the past few years financial performance as per the audited financial statements;
 - 8.3.2.3. Reviewing the financial objective and assumptions;
 - 8.3.2.4. Reviewing the past and summarise long term financial outlook;
 - 8.3.2.5. Assess the current overall financial position and liquidity situation;
 - 8.3.2.6. Identify any financial challenges and constraints;
 - 8.3.2.7. Identifying strategies to deal with the challenges, and to maintain financial viability and capacity to sustain services;
 - 8.3.2.8. Identify overall funding mix and implications for own revenue and external funding; and
 - 8.3.2.9. Assess compliance with the MFMA and other relevant legislation etc.
- 8.3.3. The LTFP is prepared in an uncertain environment it is therefore required to make certain assumptions on the following internal and external factors:
- 8.3.3.1. Reviewing the external factors (population migration, employment, health, development of businesses, and new residential areas, etc.);
 - 8.3.3.2. General inflation outlook and its impact on the municipal activities;
 - 8.3.3.3. Credit rating outlook;
 - 8.3.3.4. Interest rates for borrowing and investment of funds;
 - 8.3.3.5. Rates, tariffs, charges and timing of revenue collection;
 - 8.3.3.6. Growth or decline in tax base of the municipality;
 - 8.3.3.7. Collection rates for each revenue source;
 - 8.3.3.8. Price movements on specifics e.g. bulk purchases of water and electricity, fuel etc.;
 - 8.3.3.9. Average salary increases;
 - 8.3.3.10. Industrial relations climate, reorganisation and capacity building;
 - 8.3.3.11. Trends in population and households (growth, decline, stable);
 - 8.3.3.12. Changing demand characteristics (demand for services);
 - 8.3.3.13. Trends in demand for free or subsidised basic services;
 - 8.3.3.14. Impact of national, provincial and local policies;
 - 8.3.3.15. Ability of the municipality to spend and deliver on the programmes; and
 - 8.3.3.16. Implications of restructuring and other major events into the future.
- 8.3.4. Intergovernmental fiscal transfers/allocations from National and Provincial government play a pivotal role in the finances of the Municipality. The following unconditional transfers/allocations must be considered, as a minimum, when projecting the budget:
- 8.3.4.1. Local Government Equitable Share;
 - 8.3.4.2. Grants related to the provision of Provincial government functions.
- 8.4. The Municipality's LTFP model and scenario planning
- 8.4.1. The Municipality financial model gives effect to the LTFP. It enables the forecasting of the operating and capital budgets for at least 10 years into the future. The model embodies National Treasury's budget preparation guidelines, drawing on assumptions and parameters to forecast the operating budget.
 - 8.4.2. Strategic initiatives should be prioritised and quantified to be included in the financial model.
 - 8.4.3. The financial forecasting model must be updated using the fiscal overview, assumption and intergovernmental fiscal transfers/allocations information to identify immediate opportunities and/or risks.
 - 8.4.4. The medium and long-term financial viability should be evaluated.
 - 8.4.5. Reiterative scenario planning should be executed to ensure optimum use of resources to cater for strategic initiatives.
 - 8.4.6. To identify the optimum balance between revenue collection and municipal spending the following should be taken into account:
 - 8.4.6.1. The impact each scenario has on the financial sustainability and affordability of the Municipality;
 - 8.4.6.2. Whether scenarios are realistic in terms of revenue projections;
 - 8.4.6.3. Potential revenue enhancement strategies which may have a long-term impact on the revenue base of the Municipality;
 - 8.4.6.4. Potential cost saving mechanisms related to strategic initiatives; and
 - 8.4.6.5. The impact of infrastructure investments and maintenance programs on future revenue streams.
 - 8.4.7. Presentations on scenarios should be presented to the BSC as may be requested.
 - 8.4.8. BSC should endorse the final MTREF scenario inclusive of assumptions and parameters annually by latest January.

- 8.5. The annual updated LTFP should identify the following:
 - 8.5.1. Assumptions and parameters to be used to compile the Operating and Capital budgets over the next MTREF;
 - 8.5.2. Future Operating revenue and expenditure projections based on assumptions and parameters;
 - 8.5.3. Future affordability of projected Capital Plans
 - 8.5.4. The level of infrastructure development required to achieve the
 - 8.5.5. Municipal priorities, within the funding restrictions; and
 - 8.5.6. External funding requirements in respect of long term debt.
- 8.6. Implementation of the LTFP
 - 8.6.1. The annual updated LTFP should provide the parameters and assumptions for the compilation of the operating and capital budgets for the next MTREF.
 - 8.6.2. This information should be provided to the Operating and Capital budget departments by latest January of each year.
9. **EVALUATION AND REVIEW**
 - 9.1. This policy shall be implemented once approved by Council.
 - 9.2. In terms of section 17(1) (e) of the MFMA this policy must be reviewed on an annual basis
 - 9.3. Changes in financial strategy, non – financial strategic strategies and legislation must be taken into account for future amendments to this policy.
 - 9.4. Any amendments must be tabled to Council for approval as part of the budget process.



TRANSPORT- TRAVEL- AND SUBSISTENCE ALLOWANCE POLICY

TRANSPORT- TRAVEL- AND SUBSISTENCE ALLOWANCE FOR COUNCILLORS AND EMPLOYEES OF WITZENBERG MUNICIPALITY

This policy applies to all Councillors and employees of Witzenberg Municipality who are travelling on official business.

1. Glossary

“accommodation allowance”	an amount payable to a Councillor or an employee for expenses incurred in respect of overnight accommodation, meals and incidental costs (e.g. refreshments). This allowance is intended for unusual circumstances which fall outside of the employee’s or Councillor’s normal daily course.
“incidental costs”	private telephone calls, refreshments, service charges and gratuities.
“meals”	breakfast and /or lunch and /or dinner.
“miscellaneous expenses”	laundrying, bus fares, taxi fares, parking- & toll fees, and expenses not specified.
“representative”	A Councillor or an employee who is duly authorised to represent the Municipality in terms of the delegated powers of the Council.
“senior manager”	an employee appointed in terms of Section 56 of the Municipal Systems Act (Act no. 32 of 2000).

2. Transport Allowance

2.1. Councillors

An travelling allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of Remuneration Of Public Office Bearers Act of 1998 may be included as part of the total package of the councillor.

2.2. Municipal Manager and Senior Managers

The Municipal Manager and Senior Managers shall be required to utilise their own motor vehicle when they is required to travel for purposes relating to their employment and may therefore structure their total cost of employment to provide for a car allowance for tax purposes.

2.3. Other qualifying employees: Fixed Travelling Allowance Scheme (Perk scheme)

All applications for a Transport Allowance shall require the approval of the Municipal Manager. The monthly transport allowance of other qualifying employees will be determined according to their task levels:

T LEVEL	New Transport Allowance	Current Transport Allowance
T 14	R 9,000	R 8,330
T 15	R 10,000	R 8.330
T 16	R 11,000	R 8,330 – 10,925 Higher amounts – personal to incumbent.
T 17+	R 12,000	R 8.330

The monthly allowance will increase with 50% of the annual salary increase as agreed upon by the Bargaining Council from 1 July 2017.

2.4. Essential User Transport Allowance¹

The Essential User Transportation Scheme is paid to employees who need transport to perform duties as an alternative to the provision of official transport.

To be eligible for a regular transport allowance an employee should for six consecutive months in the form prescribed keep record of official trips taken with private vehicles by keeping at least information about the date, route, distance and reason and authorization for each trip. During the six months the employee will be paid an ad hoc monthly transport allowance calculated by multiplying the official distance travelled (limited to 1 166km) by the sum of the fixed and running cost of the relevant vehicle. At the end of six months a reported should be submitted to the municipal manager for consideration of the award of a regular transport allowance based on the average monthly distance travelled for official purposes within the Witzenberg Municipal area..

All applications for an Essential User Transport Allowance including the type of vehicle shall require the approval of the Municipal Manager. Admission to and participation in the scheme is determined on the basis of the need for transportation for official purposes.

The fixed monthly allowance is based on average distance travelled over 6 months. The maximum fixed monthly distance is 1 166 km per month. If the municipal manager approves a monthly distance of more than 1 166 km in special circumstances only the running cost will be payable for the distance in excess of 1 166 km.

If records of distances travelled over a period of six months are not available a log book must be kept and the employee will be paid for the actual official distances travelled to a maximum of 1 166 km per month.

The cost per kilometre is determined as per the following table and will be amended with the annual budget process:²

FIXED COST		
NORM	R 170 000	R 250 000
CAPACITY	1400cc - 1600cc	2000cc
TYPE	Sedan	LDV
FINANCING	R 43 350	R 63 750
INSURANCE	R 9 100	R 11 000
TOTAL	R 52 450	R 74 750
÷ANNUAL DISTANCE	14 000 km	14 000 km
Cent/km	380c	540c
RUNNING COST		
Cent/km	190c	200c

The employer or employee can terminate participation in this scheme with six months' notice.

¹ Recommended to be removed

² Recommended for amendment

3. Travelling expenses

3.1. In the consideration of expenditure the most practical and economical mode of transport must be used, after all the factors have been considered by the Municipal Manager or his/her nominee, provided that such consideration does not exceed whatever is listed hereunder.

3.2. **Airfares**

Economy class airfares shall be paid plus vehicle rental in the Class A category. In cases of emergency and where no booking for economy class or a Class A vehicle is available, the Municipal Manager or his nominee may authorise that Business Class or any other vehicle class tariffs may be paid.

3.3. **Travelling expenses**

Travelling expenses shall only be paid to a representative or in the case of an employee where he/she uses private transport to undertake a trip on behalf of the Municipality.

Every trip by an employee must have the prior authorisation of the employee's senior manager.

3.3.1. Reimbursement of travelling expenses to destinations outside of the Municipality's jurisdictional area, shall be payable to employees who participate in the **Fixed Travelling Allowance Scheme (Perk scheme)** as per kilometres measured from the employee's location or place of residence, whichever is the shortest. The tariff per kilometre is R 2.00.

The running cost will increase with 50% of the annual salary increase as agreed upon by the Bargaining Council from 1 July 2017.

3.3.2. Reimbursement of travelling expenses to destinations outside of the Municipality's jurisdictional area, shall be payable to Employees who participate in the **Essential User Transportation Scheme** as per kilometres measured from the employee's location or place of residence, whichever is the shortest. The tariff per kilometre will be according to the running cost of the scheme.

3.3.3. Employees who are not part of any Transportation Scheme shall be reimbursed for actual kilometres travelled from their place of residence or from his/her location during office hours in accordance with Section 8(1)(b) of the Income Tax Act and in conjunction with the prescribed tariffs per kilometre for employees not travelling more than 8 000 kilometres per annum.

3.3.4. Travelling expense reimbursements **for Councillors, the Municipal Manager and other senior managers** shall be dealt with as follows:

3.3.4.1. Destinations outside of the Municipality's area of jurisdiction:

Councillors, the Municipal Manager and other senior managers (section 56 appointments) shall be reimbursed for the actual kilometres travelled in accordance with the tariffs of the Department of Transport.

3.3.4.2. Destinations within the Municipality's area of jurisdiction:

3.3.4.2.1. ~~The Municipal Manager and other senior managers shall not receive any reimbursement for actual kilometres travelled within the Municipality's~~

~~area of jurisdiction, insofar as such travelling expenses have already been factored into their total reimbursement package.~~

The Municipal Manager and other senior managers (section 56 appointments) shall receive reimbursement for actual kilometres travelled within the Municipality's area of jurisdiction, in terms of section 39 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, in accordance with the tariffs of the Department of Transport.³

- 3.3.4.2.2. Councillors shall be reimbursed in accordance with the Act on Public Office Bearers subject to the business kilometre limits as stipulated in the Act.
- 3.3.4.2.3. Where a councillor wishes to claim for kilometres travelled over and above the limit as stipulated in the Act referred to in (b) supra, such claim must be accompanied by a travel log of all the kilometres travelled. This travel log should at least include a starting- and finishing kilometre reading per trip, as well as defining the purpose of the trip. The reimbursement for the kilometres travelled over and above the limit, shall be paid in accordance with the tariffs of the Department of Transport.
- 3.3.5. A person who elects to make use of private transport to attend a meeting, congress or seminar, and where the travelling costs would be more than airfare, shall be paid the cash equivalent of an Economy Class air ticket based on a seven (7) day advance booking, with the proviso that the subsistence costs shall only be paid for a period not longer than would have been applicable in the case of air travel.
- 3.3.6. Where at all possible, more than one (1) person shall make use of the same vehicular transport, and only the owner or the driver of the vehicle is entitled to claim the applicable travelling allowance as defined in 3.3.1 to 3.3.5. Every endeavour should be made to utilize the mode of transport that is the most economical.
- 3.3.7. Where an employee who participates in the Essential User Transportation Scheme or the Fixed Travelling Allowance Scheme travels to the very same destination as Councillors or other employees, then such Councillors and employees shall endeavour to travel with the employee who is in receipt of the said travelling allowance.
- 3.3.8. Where an employee will be travelling beyond a radius of 200 kilometres from his location or place of residence, he may claim an advance payment equal to the estimated kilometres multiplied by the applicable tariff. Upon return to his location, the employee shall submit a final claim so that the adjustment between the advance payment and the actual claim can be settled once-off.

4. Subsistence Costs

The accommodation allowance is divided into two categories, namely overnight allowance and day allowance.

4.1. Overnight allowance

An overnight allowance shall be paid to a representative who travels to a destination outside of the municipal area for a period of 24 hours or longer or any portion thereof after the first 24 hours.

³ Recommended for adjustment

A distinction is made between travelling within and travelling outside of the boundaries of the Republic of South Africa.

The following are the limits in respect of allowances and actual expenditure:

4.1.1. Accommodation

- 4.1.1.1. Accommodation expenses, both within as well as outside of the boundaries of South Africa:
- 4.1.1.2. The actual expenditure in respect of accommodation shall be paid by the Municipality, provided that this expenditure does not exceed the day tariff as determined by Council during its budget process.
- 4.1.1.3. Only the actual expense incurred by the representative shall be paid. In the event where the representative is accompanied by his/her spouse, the representative shall be responsible for the difference between the single tariff and the double tariff of the relevant institution.
- 4.1.1.4. The costs for the representative's spouse as referred to in 4.1.1.2 must be paid to the Municipality in advance if such costs have to be paid in together with that of the representative.
- 4.1.1.5. Where the tariff as mentioned in 4.1.1.1 is exceeded, the prior approval of the Municipal Manager or his nominee has to be obtained.

4.1.2. Meals and incidental expenses within the boundaries of the Republic of South Africa:

- 4.1.2.1. The allowance payable shall be equal to the "Meals and Incidental Costs"-tariff as determined and amended by the South African Revenue Services in terms of Section 8(1)(c) of the Income Tax Act, and is deemed non-taxable. The allowance paid shall be deemed as the actual expenditure by the representative.

Actual expenditure incurred for meals excluding alcoholic refreshment may be claimed provided that this expenditure does not exceed the day tariff as determined by Council during its budget process.

- 4.1.2.2. In the event where all the meals are included with the accommodation and/or supplied during the conference, meeting or seminar, the tariff for incidental expenses will apply. This tariff is equal to the tariff defined as "Only Incidental Expenses" as determined and amended by the South African Revenue Services in accordance with Section 8(1)(c) of the Income Tax Act, and is deemed non-taxable.
- 4.1.2.3. In the event where certain meals are included with the accommodation or supplied during the conference, meeting or seminar, the accommodation allowance shall be reduced proportionately as follows:

The difference between the tariffs as determined in 2.1.2.1 and 2.1.2.2 shall be divided into three equal parts and shall be reduced by the number of meals provided, irrespective of whether the representative made use of the meals or not, plus the tariff as referred to in 2.1.2.2.

- 4.1.2.4. In the event where the purpose of the expense is to facilitate training, all tariffs payable in terms of 2.1.2.1, 2.1.2.2 and 2.1.2.3 may be claimed in advance

with the prior approval of an authorised official within the Human Resources Section.

- 4.1.2.5. In the event where the representative is unable to make use of the meals provided due to religious convictions or allergies, the reimbursement for alternative meals shall be dealt with on an ad hoc basis, with the authorization of the Municipal Manager or his nominee.

4.1.3. Meals and incidental expenses outside of the boundaries of the Republic of South Africa:

- 4.1.3.1. The maximum tariff payable shall be equal to the tariff defined as “Meals and Incidental Costs in the Republic” as determined and amended by the South African Revenue Services in terms of Section 8(1)(c) of the Income Tax Act, and is deemed non-taxable.
- 4.1.3.2. The payment of the tariff shall be deemed as actual expenditure by the representative, for which no formal proof of expenditure is required, and is payable irrespective of whether meals were provided or not.
- 4.1.3.3. The tariff payable in terms of 2.1.3.1 may be claimed in advance with the prior approval of the Municipal Manager. In the case of the Municipal manager the prior approval must be given by the Executive Mayor.
- 4.1.3.4. In the event where all the meals are included with the accommodation and/or supplied during the conference, meeting or seminar, the tariff for incidental expenses is payable subject to paragraph 2.1.3.8.
- 4.1.3.5. This tariff is equal to the tariff defined as “Only Incidental Expenses” as determined and amended by the South African Revenue Services in accordance with Section 8(1)(c) of the Income Tax Act, and is deemed non-taxable.
- 4.1.3.6. In the event where certain meals are included with the accommodation or supplied during the conference, meeting or seminar, the accommodation allowance shall be reduced proportionately as follows:
- 4.1.3.7. The difference between the tariff defined as “Only Incidental Expenses” and the tariff known as “Meals and Incidental Costs” shall be divided into three equal parts and shall be reduced by the number of meals provided, irrespective of whether the representative made use of the meals or not.
- 4.1.3.8. Incidental expenses is only due where the recipient is obliged to spend at least one night away from his or her usual place of residence.

4.1.4. Miscellaneous Expenses:

- 4.1.4.1. The actual expenditure in respect of laundry (excluding dry cleaning), bus fares and taxi fares, parking fees and toll fees, shall be paid by the Municipality upon proof of payment, both within as well as outside of the boundaries of the Republic of South Africa, and the expenditure shall be linked to the exchange rate, where applicable.
- 4.1.4.2. Communication Expenses:
 - 4.1.4.2.1. All expenses incurred within the Republic’s boundaries, shall be dealt with in terms of the Cell Phone Policy, as amended.

- 4.1.4.2.2. The cost of any calls made or received by the representative outside of the boundaries of the Republic, shall be paid at the actual cost of all official calls.

5. Reimbursement for applicants who attend interviews.

5.1. Accommodation expenses

- 5.1.1. The actual cost of the accommodation, including the cost of meals, as arranged by the Municipality.

5.2. Travelling expenses

- 5.2.1. Travelling expenses shall be dealt with according to the guideline in paragraph 3.1, and in the event of the applicant making use of private transport, the tariff per actual kilometres travelled will apply, as outlined in paragraph 3.3.3. Where a hired vehicle is used to transport the applicant from the airport, the actual cost of a hired vehicle with the engine capacity of 1300cc to 1500cc shall be paid.
- 5.2.2. Where the applicant has to make use of air travel to attend an interview, the actual cost as defined in par 3.2 shall be paid.
- 5.2.3. Travelling expenses shall be paid only for applicants who reside within the boundaries of the Republic of South Africa.

6. Claims

For a claim to be processed for payment, the following documentary proof must be handed in to the Directorate: Finance:

- 6.1. In the case of an employee, the representative's attendance must be authorised by the Municipal Manager or his nominee in terms of the delegation of authority.
- 6.2. In the case of a senior manager, his/her attendance must be authorised by the Municipal Manager.
- 6.3. In the case of Councillors or the Municipal Manager, their attendance must be authorised by the Executive Mayor, in consultation with the Municipal Manager.
- 6.4. In the case of the Executive Mayor, his/her attendance must be authorised by the Municipal Manager.
- 6.5. A properly completed official claim form (attached as annexure 6.5) must be handed in, having been signed by an official who is duly authorised to approve expenses.
- 6.6. Supporting documentation in the form of invoices for overnight allowances in terms of miscellaneous expenses and communication expenses. (the latter being applicable only to overseas trips).
- 6.7. All claims to be processed must be handed in to the Directorate: Finance not later than 10 working days after the journey has been undertaken or a longer period approved by the Director Finance.

7. Commencement date

The implementation date of this policy be affective from 1 July 2016 irrespective the date of approval.

WITZENBERG LOCAL MUNICIPALITY CLAIM FOR TRAVEL- AND SUBSISTENCE ALLOWANCE	
Claimant:	
Reason for visit:	
Town visited:	

Travel and Subsistence allowance					
DEPARTURE		ARRIVAL		TOTAL	
Date	Time	Date	Time	Days	Hours
Day allowance:					R
Vehicle	cc	Kilometres	@		R

Travel allowance for candidates attending interviews (in terms of item 4)				
Vehicle	cc	Kilometres	@	R
Rail ticket				R
Air ticket & vehicle rental				R
Accommodation expense				R

Incidental expenses, subject to proof of expenses	
Sundry expenses	R
Communication expenses (outside the borders of RSA)	

TOTAL	R
--------------	----------

.....
DATE

.....
SIGNATURE OF CLAIMANT

.....
DATE

.....
AUTHORISED OFFICIAL

.....
VOTE NUMBER



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase



POST-EMPLOYMENT MEDICAL AID CONTRIBUTION POLICY

Reviewed by Council 30/05/2017

Adopted by Council 26/07/2016

POST-EMPLOYMENT MEDICAL AID CONTRIBUTION POLICY

1. **Purpose**

The purpose of this policy is to determine guidelines for the:

- 1.1 Management of contributions to medical aids, post-employment.
- 1.2 Determine whether an employee is entitled to the post-employment medical aid benefit.

2. **Definitions**

- 2.1 **Approved medical aid:** A medical aid approved by the Bargaining Council.
- 2.2 **Bargaining Council:** The South African Local Government Bargaining Council.
- 2.3 **Medical disability:** Employees not able to continue with employment due to medical reasons with proof from medical practitioners.
- 2.4 **Normal retirement age:** The retirement age for the purpose of this policy is set at 60 years.¹
- 2.5 **Qualifying dependants:** Legally married spouse and dependent children below the age of 21.

3. **Object of the policy**

To ensure a transparent, accountable and sustainable manner to assist qualifying employees access of post-employment health care benefits.

4. **Qualifying employees**

- 4.1 An employee retiring at normal retirement age, with at least 10 years' service and who was a member of an approved medical aid for at least the last 5 years before retirement.
- 4.2 An employee retiring within 5 years of normal retirement age, with at least 20 years' service, and who was a member of an approved medical aid for at least the last 5 years before retirement.
- 4.3 An employee leaving employment due to health reasons with at least 5 years' service and who was a member of an approved medical aid for at least the last year before retirement.
- 4.4 An employee not capable to continue employment due to injury on duty and who was a member of an approved medical aid for at least the last year before medical retirement.
- 4.5 An employee who did not have a medical condition that resulted in the medical boarding at date of appointment.
- 4.6 An employee retiring at normal retirement age who was in the employment of the municipality at the date of implementation of this policy and who was a

¹ Amended by Council 30/05/2017

member of an approved medical aid for at least the last 5 years before retirement.

4.7 The qualifying dependants of an employee if the employee passed while in service and the employee and his qualifying dependants were members of an approved medical aid.²

4.8 The qualifying dependants of an employee will be entitled to the benefits even after the passing of the employee after retirement.³

5. **Limit of benefit**

The benefit will be limited to the smaller of:

5.1 The maximum amount applicable to in-service members as agreed on at the Bargaining Council.

5.2 70 % of the total contribution payable to an approved medical aid scheme in respect of the employee and his/her qualifying dependants.

6. **Payment of benefit**

6.1 The municipality will only be responsible to pay the employer's contribution over to the relevant medical aid. The employee must make his/her own arrangements to pay his/her contribution to the medical aid.

6.2 If the employee fails to pay his/her contribution to the medical aid the contribution payable by the municipality can be stopped.

7. **Cancellation of benefit**

The benefit in terms of this policy may be terminated:

7.1 If the beneficiary is still economically active (Employed by another entity or self-employed.)

7.2 If the beneficiary is in arrears for three months or longer with his contribution to the medical aid.

7.3 The Municipal Manager may consider the continuation of the benefit on receipt of a motivated application.

8. **Transitional arrangements**

8.1 Existing beneficiaries of the post-employment medical scheme will retain their current benefit until 31 December 2017 when they can choose more affordable options from their medical schemes.

8.2 The future benefit of existing beneficiaries whose current benefit is more than the benefit as per paragraph 5.1 will receive the larger of the current benefit and the benefit as per paragraph 5.1, but limited to the amount as per paragraph 5.2.

² Amended by Council 30/05/2017

³ Amended by Council 30/05/2017



WITZENBERG MUNICIPALITY

CAPITAL INFRASTRUCTURE INVESTMENT POLICY

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1. DEFINITIONS

“Asset” means a tangible or intangible resource capable of ownership.

“Capital Asset” means:-

- (a) Any immovable asset such as land, property or buildings; or
- (b) Any moveable 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 or social economic benefit can be derived, such as plant, machinery and equipment.

“Capital Expenditure (CAPEX)” means expenditure used to create new assets or to increase the capacity of existing assets.

“Carrying Value” means the Cost less Accumulated Depreciation of an Asset.

“Infrastructure Assets” includes all core assets which are integral to the delivery of municipal services, including water supply, sanitation, road transport and storm water drainage, solid waste removal, electricity supply, and community facilities. In terms of GRAP, it includes all immovable Property, Plant and Equipment (PPE), as well as specific immovable assets such as vehicles that are directly used in the delivery of the service (such as waste removal trucks). It excludes intangible assets (such as licenses, software, etc.) and current assets (ones with a life less than 12 months, such as consumables).

“Infrastructure Asset Management Plan (IAM)” means a plan developed for the management of Infrastructure Assets with the aim of providing specified levels of service in a cost-effective manner, now and in the future. Multi-disciplinary management techniques (including technical and financial) are combined to determine the aggregated asset life-cycle needs. A significant component of the plan is a long-term cash-flow.

“Infrastructure Asset Management Policy” means a formal statement adopted by Council that indicates the municipality's policy objective, the policy principles, and how these will be pursued (including the establishment of an IAM Team, and aligned systems and planning).

“Infrastructure Asset Management Strategy” means a document that defines key IAM processes and targets including the definition of Consumer Groups and Service Catchments; Service Performance Standards and targets that accommodate the municipality's vision of future growth and demand; interaction and coordination measures; AMS functionality and data standards; risk management processes; IAM practice improvement processes; a funding and prioritisation strategy; and allocation of responsibility for implementation.

“Operation” relates to running the service e.g. record keeping, accounting, monitoring, complaints and repairs.

“Maintenance” means the actions required for an asset to achieve its expected useful life and ensuring that the asset functions efficiently for the whole of its Expected Useful Life. Maintenance can be planned or unplanned. Planned Maintenance includes measures to prevent known failure modes and can be time or condition-based. Repairs are a form of unplanned maintenance to restore an asset to its previous condition after failure or damage. Expenses on maintenance are considered operational expenditure.

2. INTRODUCTION

2.1 This policy aims to describe the process through which the Municipality can initiate projects of a capital nature. It ultimately aims to serve as a principal instrument to steer the budget for Infrastructure and Capital projects in the Municipality around a particular agreeable and sustainable developmental path.

2.2 This policy is mandated by section 8 of the Local Government: Municipal Budget and Reporting Regulations.

3. PURPOSE

3.1 This policy sets out the process and methodology for capital investment of any nature, regardless of the funding source. The following investments of a capital infrastructure nature fall within the ambit of this policy:

- 3.1.1 New building construction or acquisitions;
- 3.1.2 Extensions to existing buildings;
- 3.1.3 Upgrades to accommodation and housing, other than those projects relating to low cost housing;
- 3.1.4 Land acquisitions;
- 3.1.5 All major capital works, as covered within the Asset Maintenance / Life-Cycle Management Policy;
- 3.1.6 All infrastructure developments; and
- 3.1.7 Information and communication infrastructure renewals and/or upgrades;

4. GUIDING PRINCIPLES

4.1. The Capital Infrastructure Investment Policy is based on the following principles:-

- 4.1.1 Need as identified within the IDP, underpinned by the Municipal Capital Investment Program and National Spatial Development Perspective;
- 4.1.2 Necessity to fulfil the service delivery mandate as identified within the Asset Maintenance / Life-Cycle Management Policy; and
- 4.1.3 Affordability.

5. NEW CAPITAL INFRASTRUCTURE INVESTMENT

5.1 New infrastructure development may only be entered into if:-

- 5.1.1 The project is in line with the Municipality's IDP;
- 5.1.2 Funding has been secured through either internal or external funding mechanisms and has been approved in the Municipality's Capital Budget; and
- 5.1.3 A detailed life-cycle funding plan has been developed, supported and integrated into the Asset Maintenance / Life –Cycle Management Policy;

5.2. All new infrastructure investments will be subject to:-

- 5.2.1 Needs analysis based on:-
 - i. Service delivery sustainability;
 - ii. Consumer growth projections which are in line with the National and Regional Spatial Development Growth Perspectives; and
 - iii. National, Regional and Municipal strategic directives.
- 5.2.2 Strategic project plan, including:-

- i. A holistic overview of the direct benefits, risks and impact of the intended project;
 - ii. An assessment on the impact of current Infrastructure;
 - iii. A service delivery framework relevant to the project;
 - iv. A cost assessment, detailing the capital and maintenance cost projections for the entire life-cycle; and
 - v. A funding model, detailing the financing source and associated cost, if any, as well as any revenue projections associated with the project.
- 5.2.3 Outcome of stakeholder consultation, including:-
- i. Environmental impact studies; and
 - ii. Feedback from community participation process, with specific focus on:-
 - Rights and entitlements of members of the community; and
 - impact on quality of life.
- 5.2.4 Implementation model, detailing:-
- i. Relevant skills base and source of skills required for implementation; and
 - ii. Specific timeframes for each activity throughout the project lifecycle (cradle to grave approach).

6. REFURBISHMENT AND SIGNIFICANT INFRASTRUCTURE MAINTENANCE PROJECTS

6.1 All Capital Infrastructure refurbishment and significant maintenance projects may only be entered into if:

- 6.1.1 The project is in line with the Municipality's IDP or emergency maintenance framework;
- 6.1.2 Funding has been secured through either internal or external funding mechanisms and has been approved in the Municipality's Capital Budget; and
- 6.1.3 A detailed life-cycle funding plan has been developed, supported and integrated into the Asset Maintenance / Life –Cycle Management Policy.

6.2 All refurbishments and significant infrastructure maintenance projects will be subject to:-

- 6.2.1 Needs analysis based on:-
 - i. Service delivery sustainability; and
 - ii. Asset redundancy and failure assessment of the asset under scrutiny.
- 6.2.2 Strategic project plan, including:-
 - i. A holistic overview of the direct benefits, risks and impact of the intended refurbishment project;
 - ii. An assessment on the potential impact of unavailability of the asset during the refurbishment process, including redundancy measures;
 - iii. A service delivery framework relevant to the project;
 - iv. A cost assessment, detailing the capital and maintenance cost projections for the entire life-cycle; and
 - v. A funding model, detailing the financing source and associated cost, if any, as well as any revenue projections associated with the project.
- 6.2.3 Outcome of stakeholder consultation, including:-
 - i. Environmental impact studies; and
 - ii. Feedback from community participation process, with specific focus on;
 - Rights and entitlements of members of the community; and
 - Impact on quality of life;
- 6.2.4 Implementation model, detailing:-
 - i. Relevant skills base and source of skills required for implementation; and
 - ii. Specific timeframes for each activity throughout the project lifecycle (cradle to grave approach).

7. FUNDING OF CAPITAL INFRASTRUCTURE INVESTMENTS

7.1 All new Capital Infrastructure Investments may be funded from:-

- 7.1.1 Cash backed accumulated surpluses;
- 7.1.2 Borrowings;
- 7.1.3 Government grants and subsidies;
- 7.1.4 Public donations and contributions;
- 7.1.5 PPP initiatives in line with the MFMA PPE regulations; and
- 7.1.6 Operating Revenue.

7.2 All refurbishment and significant infrastructure maintenance projects may be funded from:-

- 7.2.1 Cash backed accumulated surpluses;
- 7.2.2 Borrowings in respect of refurbishment;
- 7.2.3 Government grants and subsidies in accordance with their relevant conditions; and
- 7.2.4 Operating Revenue.

8. INFRASTRUCTURE BUDGETING

- 8.1 The on-going renewal of Infrastructure Assets should be approximately 1.0 % of the Carrying Value of the Assets.
- 8.2 On-going Repairs and Maintenance of Infrastructure Assets should be at the very least 2.0 % of the Carrying Value of the Assets.

9. IMPLEMENTATION & REVIEW OF THIS POLICY

- 9.1 This policy shall be implemented once approved by Council.
- 9.2 In terms of section 17(1)(e) of the MFMA this policy must be reviewed on a regular basis as deemed necessary and the reviewed policy tabled to Council for approval as part of the budget process.



COST CONTAINMENT POLICY

Date of implementation 01 July 2019

MUNICIPAL COST CONTAINMENT POLICY
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, No 56 of 2003
 Date of adoption: 1 July 2019

The Council of the Witzenberg Municipality resolves in terms of section 168 {1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), to adopt the Municipal Cost Containment Regulations (Government Gazette No. 42514) as the Cost Containment Policy of the municipality:

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1. DEFINITIONS

In the 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 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 the 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.

2. OBJECT OF POLICY

The object of this policy is to ensure that resources of a municipality are used effectively, efficiently and economically by implementing cost containment measures.

3. APPLICATION OF POLICY

This Policy applies to all officials and political office bearers in the municipality.

4. COST CONTAINMENT

The municipality must develop and implement a cost containment policy which must -

- (a) be adopted by council as part of its budget related policies; and
- (b) be consistent with the Act and the Cost Containment Regulation

5. USE OF CONSULTANTS

The use and appointment of consultants will be in line with the cost regulations and Council's policy on municipal supply chain.

6. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

- (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 120 000 km 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) The utilisation of municipal vehicles for official purposes is contained in the Fleet Management Policy.

7. TRAVEL AND SUBSISTENCE

The Municipal policy on travel and Subsistence will be applicable. The hiring of private vehicles, as refer to in the cost containment policy will not be allowed.

8. DOMESTIC ACCOMMODATION

Accommodation arrangements will only be approved if the return trip undertaken by any official and or Councillor, for official purposes is more than 500km. All bookings will be made as prescribe by the cost containment regulations.

9. CREDIT AND DEBIT CARDS

- (1) The use of any credit and debit card for municipal activities are forbidden.
- (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, and request reimbursement in accordance with the written approved Travel and Subsistence Policy and processes.

10. SPONSORSHIPS, EVENTS AND CATERING

- (1) The municipality may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality, unless the prior written approval of the accounting officer is obtained.

- (2) The 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) The municipality may not incur expenses on alcoholic beverages unless the municipality recovers the cost from the sale of such beverages.
- (5) The 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) The municipality may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.
- (7) The 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 for ten or more years or retire on grounds of ill health.

11. COMMUNICATION

- (1) The municipality may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
- (2) The 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.
- (3) Newspapers and other related publications must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
- (4) The municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

12. CONFERENCES, MEETINGS AND STUDY TOURS

(HR Manager to ensure if such policies and procedures exist)

- (1) The 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) The 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) The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

13. OTHER RELATED EXPENDITURE ITEMS

- (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. (Refer to Overtime Policy)
- (7) A municipality must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs. (Refer to Disciplinary Policy)

14. ENFORCEMENT PROCEDURES

Failure to implement or comply with this policy may result in any official of the municipality, political office bearer or director of the board that authorised or incurred any expenditure contrary to this policy 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.

15. DISCLOSURES OF COST CONTAINMENT MEASURES

- (1) The disclosure of cost containment measures applied by the municipality 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.

16. SHORT TITLE AND COMMENCEMENT

The Municipality Cost Containment policy is in line with the Municipal Cost Containment Regulations published in the Government Gazette 42514 of 7 June 2019 and take effect on 1 July 2019.



PERFORMANCE, RISK AND AUDIT COMMITTEE

2nd BI-ANNUAL PERFORMANCE AUDIT COMMITTEE PERFORMANCE MANAGEMENT REPORT 2020/2021

(MUNICIPAL PLANNING AND PERFORMANCE, REGULATION 14(4) (a) (iii))

October 2021

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The Council
Witzenberg Municipality
50 Voortrekker Street
Ceres
6835

Dear Council

1. Purpose

The Performance, Risk and Audit Committee (PRAC) have conducted a mandatory review of the municipality's Performance Management System in terms of the Municipal Planning and Performance Regulations. The purpose of this report is to inform the Municipal Council regarding the result of the review that focuses on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets are concerned.

2. Background

Witzenberg Municipality has opted in terms of section 14(c) of the Local Government Municipal Planning and Performance Regulations, 2001 to utilize the Audit Committee established in terms of the MFMA, as their Performance Audit Committee.

The role of the Performance Risk and Audit Committee is to assist Council by providing inputs to ensure effective systems that complement service delivery, safeguarding of municipal assets, the maintenance of financial records, risk management, corporate governance and an effective internal control system.

3. Legal framework

In terms of the Municipal Finance Management Act, No. 56 of 2003, section 166(2) (a), *"An audit committee is an independent advisory body which must—*

(a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to—

(v) performance management;

(viii) performance evaluation;"

In terms of the Local Government Municipal Planning and Performance Management Regulations, 14(4)(a),

“A performance audit committee must –

- (i) review the quarterly reports submitted to it in terms of subregulation (1)(c)(ii);*
- (ii) review the municipality’s performance management system and make recommendations in this regard to the council of the municipality; and*
- (iii) at least twice during a financial year submit an audit report to the municipal council concerned.”*

4. Mandate

To fulfil its role, PRAC have the following objectives in terms of section 166(2) (a) (i to ix) of the Municipal Finance Management Act of 2003:

- Advise the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:
 - Internal financial control and internal audits;
 - Risk management;
 - Accounting policies;
 - The adequacy, reliability and accuracy of financial reporting and information;
 - Performance management;
 - Effective governance;
 - Compliance with the MFMA, Division of Revenue Act (DoRA) and any other applicable legislation;
 - Performance evaluation; and
 - Any other issues referred to it by the municipality.

In terms of the Local Government Municipal Planning and Performance Management Regulations, 2001 a Performance Audit Committee must be appointed to fulfil the following objectives:

- To advise Council on the functionality of the Performance Management System;
- To advise Council whether the Performance Management System complies with the Act;
- To advise Council on the extent to which the municipality’s performance measures are reliable in measuring performance;

5. PRAC Assessment of Performance Management

A Performance Management System (PMS) is a process used to communicate organizational goals and objectives, individual are accountability for these goals, and track and evaluate individual and organizational performance results. The system can be defined as effective when Management has ensured that legal compliance are met and that the performance information reported is reliable and that any deficiencies in the system detected is addressed.

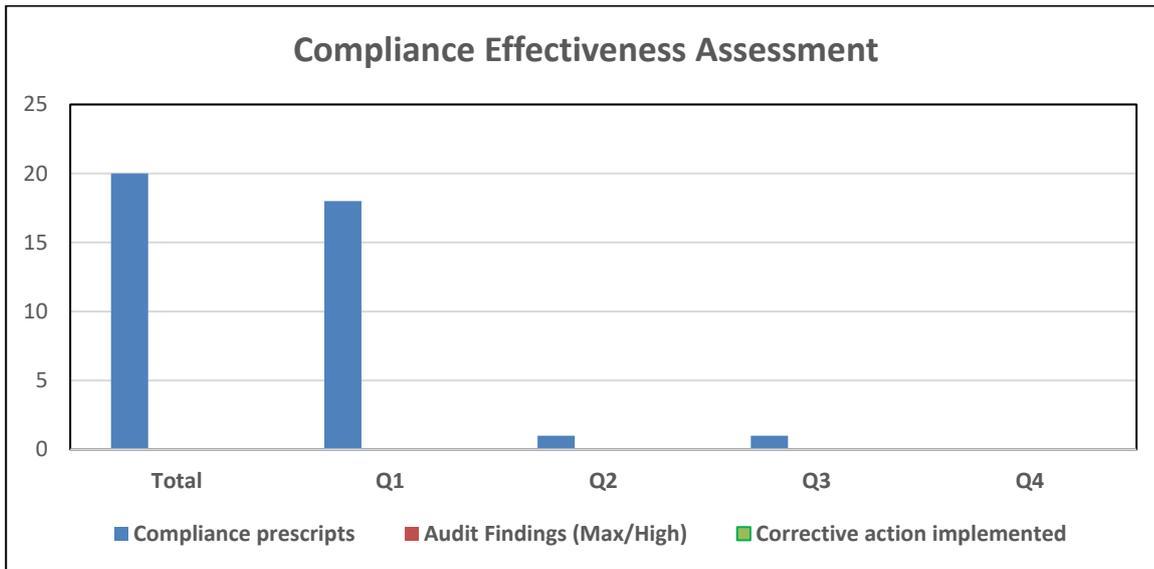
PERFORMANCE MANAGEMENT ASSESSMENT	
Functionality of the performance management system*	
Performance Management System complies with the Act and regulations	
Extent to which the municipality's performance measures are reliable in measuring performance	

*Overall Assessment

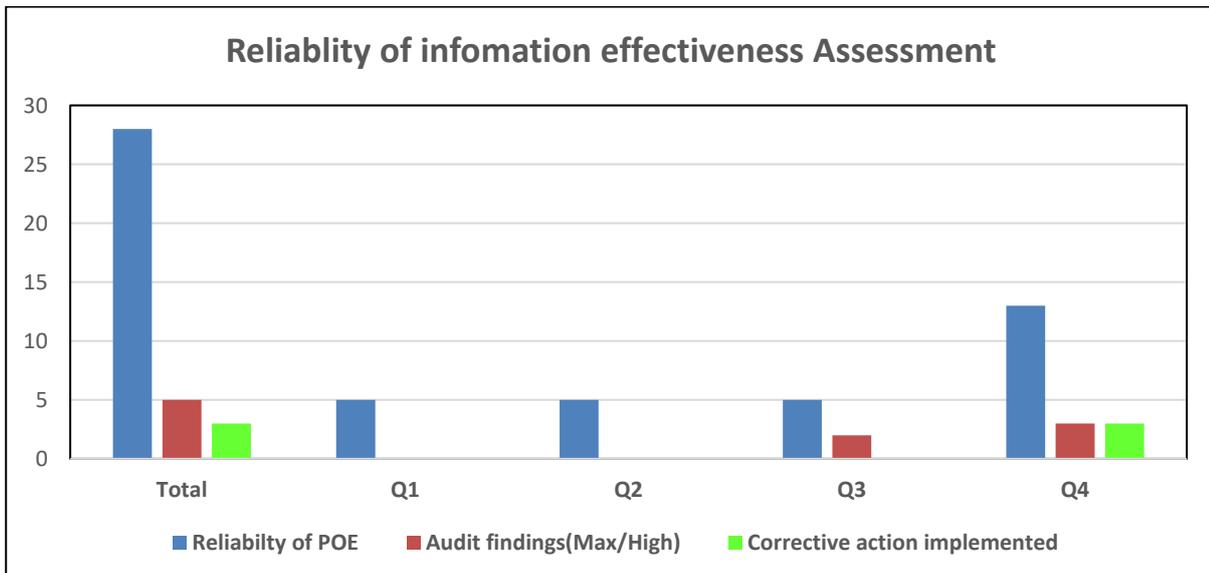
Legends:

	Adequate
	Needs improvement
	Inadequate

Compliance Assessment



Reliability of Information Assessment



Key Root Causes Identified

- Lack of review by management to ensure that proof of evidence is reliable.
- Lack of computer software to support adequate aerial maps.

6. Comment

For the 2019/2020 Performance Management audit, the Auditor-General South Africa (AGSA) report limited their review to the following objective:

- Strategic objective – essential services

For the third and fourth quarters of 2020/2021, Internal Audit has highlighted the following non-compliance and control weaknesses. Management has indicated that mitigating action plans to address these deficiencies will be implemented:

BarnOwl Action Plan Status History Report				
Performance Management Systems (PMS) Quarter 3 - 2020/2021				
No	Finding Title	Current Status Summary	Due Date	Action Plan Status (22 October 2021)
1.	Finding 1: Supporting evidence of sanitisation points plotted on the demarcated aerial maps needs improvement (TecSan13)	Templates provided to Manager: Water and Sanitation with adjusted system description	30 September 2021	Ready for review by Director
2.	Finding 1: Supporting evidence of sanitisation points plotted on the demarcated aerial maps needs improvement (TecSan13)	Quotations requested from land surveyors to do survey of all sanitation points and plot on GIS	30 September 2021	In Progress

BarnOwl Action Plan Status History Report				
Performance Management Systems (PMS) Quarter 4 - 2020/2021				
No	Finding Title	Current Status Summary	Due Date	Action Plan Status (22 October 2021)
1.	Finding 1: TecEI60: Unreliable electricity applications utilized as supporting evidence	Management agreed with the observation. POE and evidence updated and send to Manager Performance.	17 August 2021	Signed off as completed
2.	Finding 2: TECDir1: Maintenance budget inaccurately reported	Proof of evidence was updated and submitted to Manager Planning and Projects.	Immediate	Signed off as completed

BarnOwl Action Plan Status History Report

Performance Management Systems (PMS) Quarter 4 - 2020/2021

No	Finding Title	Current Status Summary	Due Date	Action Plan Status (22 October 2021)
3.	Finding 3: TecSan22 : Unreliable sanitisation applications utilized as supporting evidence	Management agreed with the audit observation and recommendation. POE and evidence were updated as per audited results.	20 August 2021	Signed off as completed

7. Recommendation to Council

To improve the overall functionality of the performance management system, timeous monitoring and reviewing of the portfolios of evidence should be implemented and management should embrace the recommendations by Internal Audit and ensure continuous monitoring to address the control deficiencies. As previously indicated, where Management has agreed to specific action plans these should be implemented timeously to improve the control environment and performance.

Yours Faithfully



Mr Jonathan George

Chairperson: Performance, Risk and Audit Committee

24 February 2022



**Quarterly Budget Statement Report
{Section 52(d)} for the Period
1 April 2021 to 30 June 2021**

**Financial data is in respect of the period
1 July 2020 to 30 June 2021**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

In terms of Section 52 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

52. General Responsibilities. — The mayor of a municipality—

- (a) must provide general political guidance over the fiscal and financial affairs of the municipality;
- (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- (c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
- (d) **must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and**
- (e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

In terms of section 11 (4) (a), the Accounting Officer must within 30 days after the end of each quarter table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1) (b) to (j) during that quarter. Section 11(1) read as follow:

"11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, and may do so only—

- (a) to defray expenditure appropriated in terms of an approved budget;*
- (b) to defray expenditure authorised in terms of section 26(4);*
- (c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);*
- (d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section;*
- (e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including—*
 - (i) money collected by the municipality on behalf of that person or organ of state by agreement; or*
 - (ii) any insurance or other payments received by the municipality for that person or organ of state;*
- (f) to refund money incorrectly paid into a bank account;*
- (g) to refund guarantees, sureties and security deposits;*
- (h) for cash management and investment purposes in accordance with section 13;*
- (i) to defray increased expenditure in terms of section 31; or*
- (j) for such other purposes as may be prescribed."*

In terms of Section 66 of the MFMA the Accounting Officer must prepare a report on all expenditure incurred with relation to staff benefits.

Section 66 reads as follow:

"66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely—

- (a) salaries and wages;*
- (b) contributions for pensions and medical aid;*

- (c) travel, motor car, accommodation, subsistence and other allowances;*
- (d) housing benefits and allowances;*
- (e) overtime payments;*
- (f) loans and advances; and*
- (g) any other type of benefit or allowance related to staff."*

The following regulations of the Local Government: Municipal Finance Management Act Municipal Budget and Reporting Regulations are relevant:

Quarterly reports on implementation of budget

31. (1) The mayor's quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required by section 52(d) of the Act must be-
- {a) in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and
 - (b) consistent with the monthly budget statements for September, December, March and June as applicable; and
 - (c) submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

Publication of quarterly reports on implementation of budget

32. When publishing the quarterly reports on the implementation of the budget in terms of section 75(1)(k) of the Act, the municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the quarterly report on the implementation of the budget and the financial state of affairs of the municipality, including -
- (a) summaries of quarterly report in alternate languages predominant in the community; and
 - {b) information relevant to each ward in the municipality.

PART 1 - IN-YEAR REPORT

Mayors Report

Speaker
Deputy Executive Mayor
Members of the Mayoral Committee
Councillors
Representatives of Provincial Government
Municipal Manager
Directors and officials
Distinguished Guests
Members of the media

It is my privilege to present to you the quarterly Budget Statement Report for the three months from 1 April 2021 to 30 June 2021.

The challenges facing stakeholders within the operational sphere of the municipality continued throughout the fourth quarter of the 2020/2021 financial year with the presence of COVID 19 still eminent. The municipality started with the re-implementation of credit control measures. A moratorium was however placed on credit control measures for all indigent renewal applications to process the backlog of applications received.

With the above in mind, I want to express my gratitude to all the employees who persevered amidst the challenges and embraced the spirit of Ubuntu.

The year to date recovery rate excluding traffic fines is 90% against the adjusted annual target of 90%. Cognizance should be taken that the comparative rate for the same period in the prior year was 88%. Government departments and commercial customers that are in arrears are receiving immediate attention in order to improve cash flow.

For the financial year 96.8% of the operational revenue was raised. It is expected that the percentage will improve with the yearend transactions such as electricity and water revenue accrued until 30 June and the recognition of income in respect of grant conditions met during the year.

Only 79.1% of the budgeted operational expenditure was incurred as at 30 June 2021. This percentage will increase with the final calculations of depreciation, impairment of debtors, actuarial valuations of employee benefits, adjustments to the provisions for the rehabilitation of landfill sites and invoices received after 30 June such as bulk purchases from Eskom.

Capital expenditure is 76% of a budgeted amount of R 86 million. Two multiyear capital projects are planned to commence in the new financial year. The required approval for the Tulbagh dam was received and the project will thus commence in due course as well as the upgrade relating to the Van Breda Bridge.

COUNCILLOR BC KLAASEN
EXECUTIVE MAYOR

Recommendation

It is recommended that council take cognizance of the quarterly budget assessment for the period 01 April 2021 to 30 June 2021.

Municipal Manager's quality certification

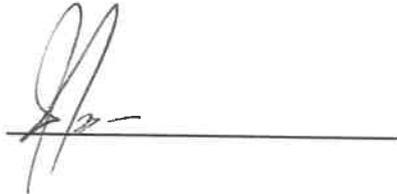
Quality Certificate

I, Mr D NASSON, Municipal Manager of Witzenberg Municipality, hereby certify that the quarterly budget assessment has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Mr D NASSON

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:

A handwritten signature in black ink, appearing to be 'D NASSON', written over a horizontal line.

Date

A handwritten date '21/07/2021' in black ink, written over a horizontal line.

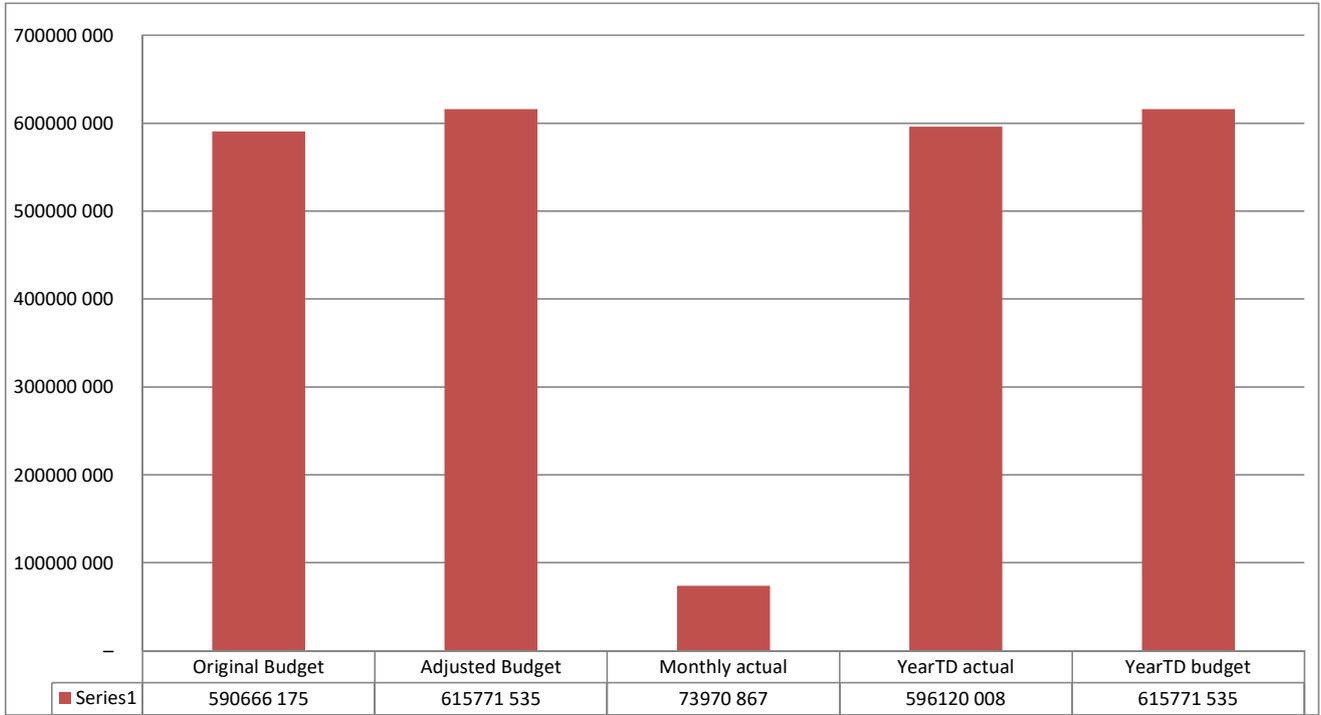
C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

C OPSOMMING

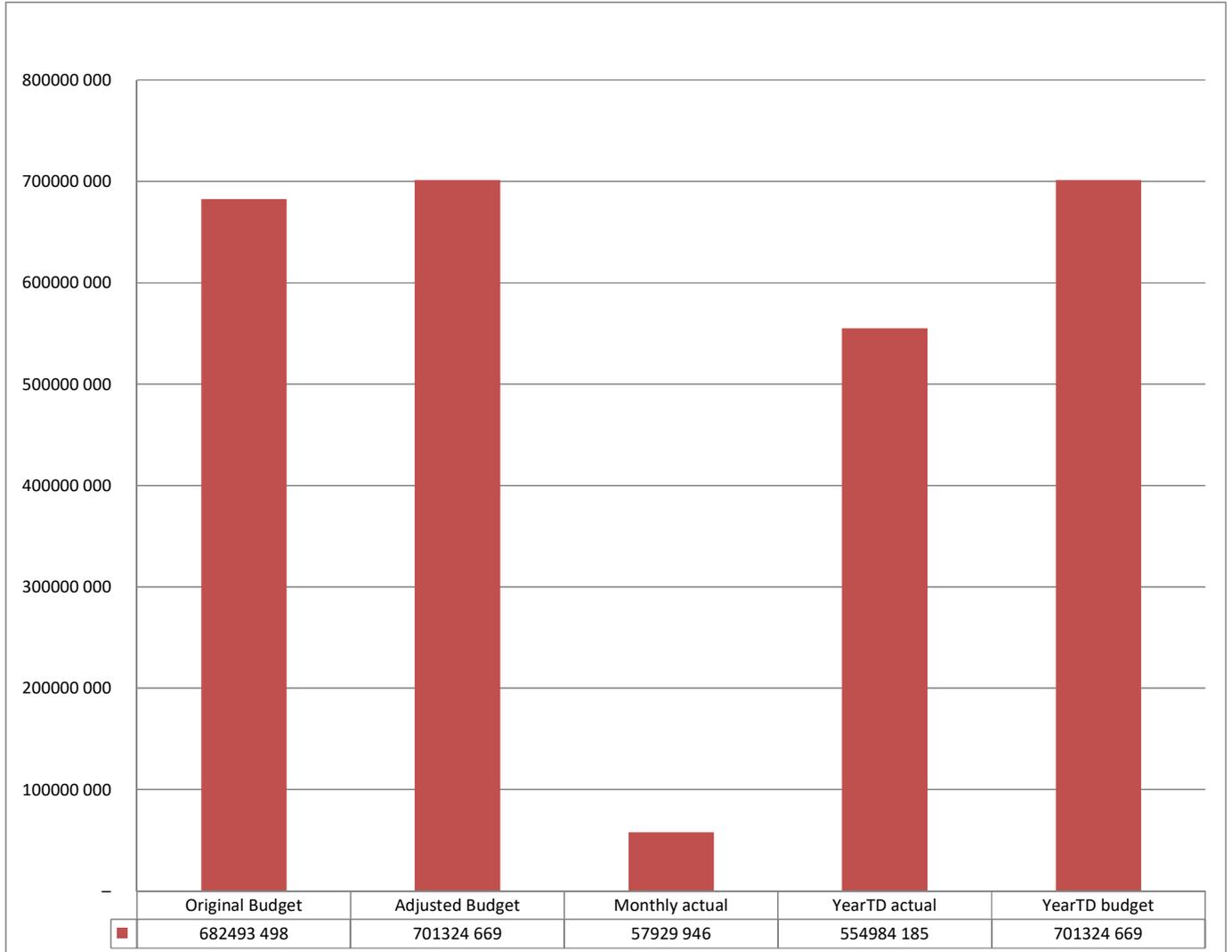
Die volgende tabelle voorsien n opsomming van die finansiele inligting:

TOTAL OPERATIONAL REVENUE



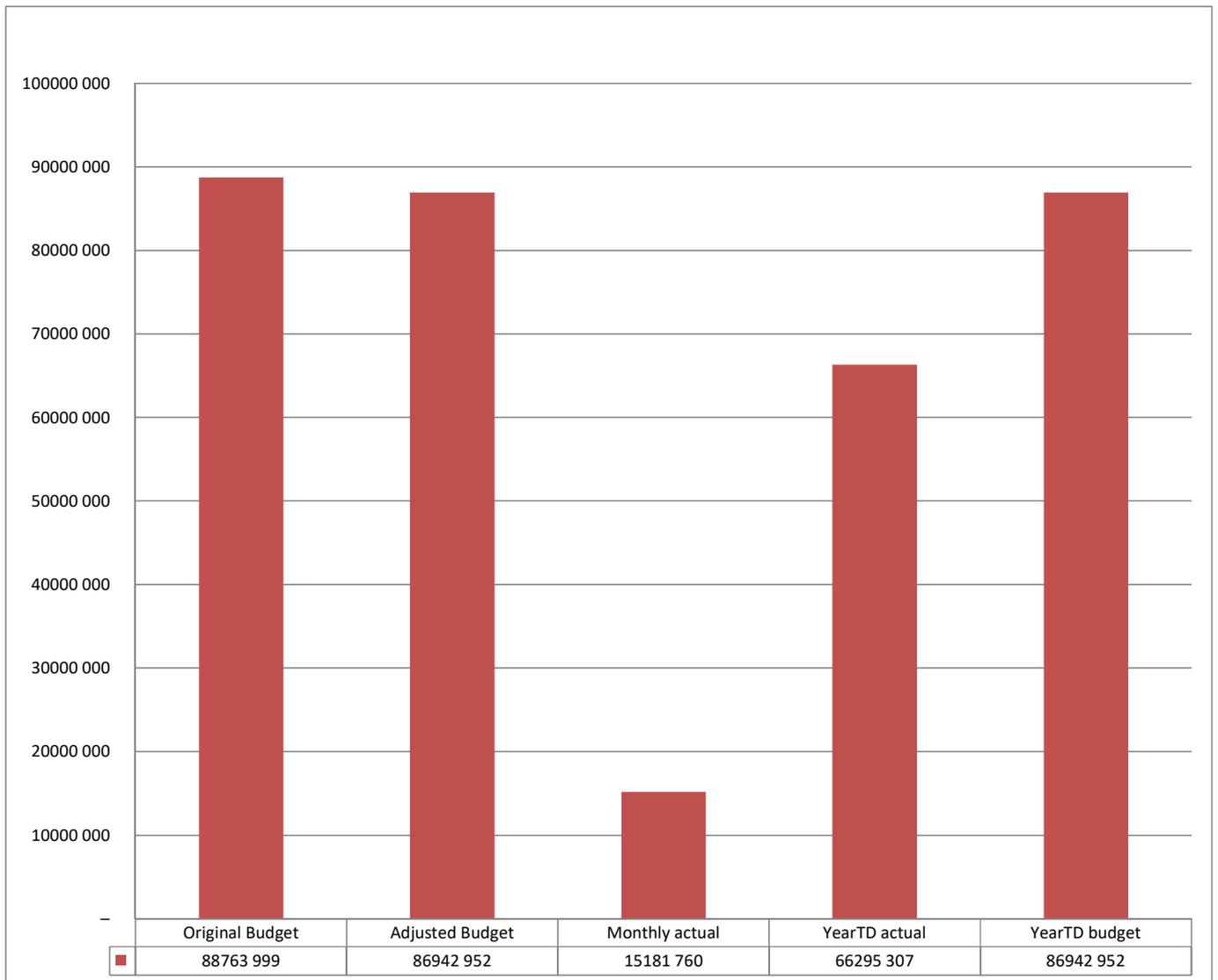
For the period 1 July 2020 to 30 June 2021, 96,81% of the budgeted operational revenue was raised.

Vir die periode 1 Julie 2020 to 30 Junie 2021, is 96,81% van die begrote operasionele inkomste gehef.

TOTAL OPERATIONAL EXPENDITURE

For the period 1 July 2020 to 30 June 2021, 79,13% of the budgeted operational expenditure was incurred. This figure will increase as some invoices are still outstanding.

Vir die periode 1 Julie 2020 to 30 Junie 2021, is 79,13% van die begrote operasionele uitgawes aangegaan. Die syfer mag verhoog aangesien daar nog uitstaande fakture is.

CAPITAL EXPENDITURE

For the period 1 July 2020 to 30 June 2021, 76,25% of the budgeted capital expenditure was incurred.

Vir die periode 1 Julie 2020 to 30 Junie 2021, is 76,25% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 30 June 2021.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	73 497	76 388	76 388	4 752	80 674	76 388	4 286	6%	76 388
Service charges	346 176	341 732	354 732	35 042	373 297	354 732	18 565	5%	354 732
Investment revenue	7 446	9 129	3 358	259	3 093	3 358	(265)	-8%	8 393
Transfers recognised - operational	131 561	116 989	140 835	30 778	119 852	140 835	(20 983)	-15%	140 835
Other own revenue	47 345	46 427	40 457	3 140	19 203	40 457	(21 254)	-53%	40 457
transfers and contributions)	606 024	590 666	615 772	73 971	596 120	615 772	(19 652)	-3%	620 806
Employee costs	10 604	226 182	216 399	17 179	197 218	216 399	(19 181)	-9%	216 399
Remuneration of Councillors	10 604	12 032	12 032	825	9 897	12 032	(2 134)	-18%	12 032
Depreciation & asset impairment	32 732	40 688	35 688	-	2	35 688	(35 686)	-100%	35 688
Finance charges	9 408	9 181	9 181	19	244	9 181	(8 937)	-97%	9 181
Materials and bulk purchases	236 016	252 289	253 521	22 793	224 935	253 521	(28 586)	-11%	253 521
Transfers and grants	25 477	2 179	13 630	5 054	6 534	13 630	(7 095)	-52%	13 630
Other expenditure	275 517	139 944	160 875	12 060	116 154	160 875	(44 721)	-28%	111 116
Total Expenditure	600 358	682 493	701 325	57 930	554 984	701 325	(146 340)	-21%	651 566
Surplus/(Deficit)	5 667	(91 827)	(85 553)	16 041	41 136	(85 553)	126 689	-148%	(30 760)
Transfers recognised - capital	13 442	78 716	65 559	-	1	65 559	(65 558)	-100%	65 559
Contributions & Contributed assets	237	59	560	53	396	560	(164)	-29%	560
contributions	19 346	(13 052)	(19 434)	16 094	41 533	(19 434)	60 966	-314%	35 359
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	19 346	(13 052)	(19 434)	16 094	41 533	(19 434)	60 966	-314%	35 359
Capital expenditure & funds sources									
Capital expenditure	27 944	88 764	86 943	15 182	66 295	86 943	(20 648)	-24%	86 943
Capital transfers recognised	13 123	78 716	66 198	12 437	52 525	66 198	(13 673)	-21%	66 198
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	21 175	10 048	20 745	2 745	13 770	20 745	(6 975)	-34%	20 745
Total sources of capital funds	34 298	88 764	86 943	15 182	66 295	86 943	(20 648)	-24%	86 943
Financial position									
Total current assets	218 961	108 824	199 345	-	267 465	-	-	-	185 556
Total non current assets	945 893	1 049 210	989 246	-	1 012 190	-	-	-	1 052 677
Total current liabilities	142 768	130 550	187 620	-	211 013	-	-	-	205 180
Total non current liabilities	115 144	185 378	118 150	-	120 175	-	-	-	170 101
Community wealth/Equity	906 942	842 106	882 821	-	948 467	-	-	-	862 953
Cash flows									
Net cash from (used) operating	70 313	62 440	24 413	(15 150)	54 372	24 413	29 959	123%	70 601
Net cash from (used) investing	(33 819)	(88 764)	(69 760)	(14 635)	(69 277)	(69 760)	482	-1%	-
Net cash from (used) financing	(371)	(1 500)	(1 800)	(101)	(193)	(1 800)	1 607	-89%	(193)
Cash/cash equivalents at the month end	130 394	38 463	83 247	-	115 296	83 247	32 049	38%	200 995
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	49 841	5 408	5 002	4 902	4 109	3 972	24 118	179 844	277 197
Creditors Age Analysis									
Total Creditors	6 832	-	-	-	-	-	-	-	6 832

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The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q4 Fourth Quarter

Description	2019/20	Budget Year 2020/21							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	91 801	101 030	95 262	7 356	90 866	95 262	(4 396)	-5%	95 275
Executive and council	122	-	-	-	13	-	13	#DIV/0!	13
Finance and administration	91 679	101 030	95 262	7 356	90 853	95 262	(4 409)	(0)	95 262
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	163 882	142 111	166 403	30 151	126 158	166 403	(40 245)	-24%	166 403
Community and social services	105 131	114 880	129 762	29 403	118 474	129 762	(11 288)	-9%	129 762
Sport and recreation	10 375	1 805	4 684	312	2 242	4 684	(2 442)	-52%	4 684
Public safety	24 096	24 912	25 634	427	5 402	25 634	(20 232)	-79%	25 634
Housing	24 280	514	6 324	9	40	6 324	(6 283)	-99%	6 324
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	4 311	20 173	23 388	351	1 856	23 388	(21 532)	-92%	23 388
Planning and development	1 933	2 512	4 611	351	1 853	4 611	(2 759)	-60%	4 611
Road transport	2 227	17 647	18 763	-	3	18 763	(18 760)	-100%	18 763
Environmental protection	152	13	13	-	-	13	(13)	-100%	13
<i>Trading services</i>	359 616	406 013	396 723	36 166	377 560	396 723	(19 162)	-5%	396 723
Energy sources	257 723	265 685	270 965	26 212	269 545	270 965	(1 420)	-1%	270 965
Water management	43 372	64 856	52 652	4 540	45 276	52 652	(7 376)	-14%	52 652
Waste water management	30 397	43 424	43 845	2 586	33 111	43 845	(10 735)	-24%	43 845
Waste management	28 124	32 047	29 261	2 829	29 629	29 261	368	1%	29 261
<i>Other</i>	93	115	115	-	77	115	(38)	-33%	115
Total Revenue - Functional	619 704	669 441	681 891	74 024	596 517	681 891	(85 374)	-13%	681 904
Expenditure - Functional									
<i>Governance and administration</i>	107 912	150 869	153 165	10 882	114 140	153 165	(39 025)	-25%	153 165
Executive and council	23 579	30 612	30 004	1 845	21 928	30 004	(8 077)	-27%	30 004
Finance and administration	81 892	117 451	120 284	8 761	89 701	120 284	(30 582)	-25%	120 284
Internal audit	2 441	2 805	2 877	276	2 511	2 877	(366)	-13%	2 877
<i>Community and public safety</i>	128 099	107 225	111 994	7 878	80 417	111 994	(31 576)	-28%	81 068
Community and social services	23 738	28 760	28 732	2 136	23 025	28 732	(5 706)	-20%	28 732
Sport and recreation	25 674	30 457	31 313	2 645	24 317	31 313	(6 996)	-22%	31 313
Public safety	50 404	42 200	40 343	2 602	28 265	40 343	(12 078)	-30%	9 417
Housing	28 283	5 807	11 606	495	4 810	11 606	(6 797)	-59%	11 606
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	34 344	38 426	34 919	2 075	28 058	34 919	(6 861)	-20%	34 919
Planning and development	9 695	12 992	11 846	959	10 085	11 846	(1 760)	-15%	11 846
Road transport	23 640	23 425	21 218	1 070	17 520	21 218	(3 698)	-17%	21 218
Environmental protection	1 009	2 009	1 855	45	453	1 855	(1 402)	-76%	1 855
<i>Trading services</i>	329 120	385 015	400 326	37 092	331 467	400 326	(68 859)	-17%	400 326
Energy sources	245 969	268 463	278 333	29 096	239 608	278 333	(38 725)	-14%	278 333
Water management	40 314	35 733	41 381	2 536	31 789	41 381	(9 593)	-23%	41 381
Waste water management	33 598	34 766	33 936	2 264	27 693	33 936	(6 243)	-18%	33 936
Waste management	9 239	46 053	46 676	3 197	32 377	46 676	(14 299)	-31%	46 676
<i>Other</i>	882	959	922	3	902	922	(20)	-2%	922
Total Expenditure - Functional	600 358	682 493	701 325	57 930	554 984	701 325	(146 340)	-21%	670 399
Surplus/ (Deficit) for the year	19 346	(13 052)	(19 434)	16 094	41 533	(19 434)	60 966		11 505

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q4 Fourth Quarter

Description	2019/20	Budget Year 2020/21					YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands									
Revenue - Functional									
Municipal governance and administration	91 801	101 030	95 262	7 356	90 866	95 262	(4 396)	-5%	95 275
Executive and council	122	-	-	-	13	-	13		13
Mayor and Council	103	-	-	-	13	-	13		13
Municipal Manager, Town Secretary and Chief	19	-	-	-	-	-	-		-
Finance and administration	91 679	101 030	95 262	7 356	90 853	95 262	(4 409)	-5%	95 262
Administrative and Corporate Support	-	9	9	-	0	9	(9)	-100%	9
Asset Management	-	-	-	-	-	-	-		-
Budget and Treasury Office	91 860	100 446	94 679	7 356	90 503	94 679	(4 176)	-4%	94 679
Finance	-	-	-	-	-	-	-		-
Fleet Management	313	552	552	-	254	552	(299)	-54%	552
Human Resources	-	-	-	-	-	-	-		-
Information Technology	-	-	-	-	-	-	-		-
Legal Services	-	4	4	-	0	4	(4)	-91%	4
Marketing, Customer Relations, Publicity and Media	(550)	-	-	-	-	-	-		-
Property Services	-	-	-	-	-	-	-		-
Risk Management	-	-	-	-	-	-	-		-
Security Services	56	18	18	0	96	18	78	436%	18
Supply Chain Management	-	-	-	-	-	-	-		-
Valuation Service	-	-	-	-	-	-	-		-
Internal audit	-	-	-	-	-	-	-		-
Governance Function	-	-	-	-	-	-	-		-
Community and public safety	163 882	142 111	166 403	30 151	126 158	166 403	(40 245)	-24%	166 403
Community and social services	105 131	114 880	129 762	29 403	118 474	129 762	(11 288)	-9%	129 762
Aged Care	95 300	104 406	118 872	29 363	118 100	118 872	(772)	-1%	118 872
Agricultural	-	-	-	-	-	-	-		-
Animal Care and Diseases	-	-	-	-	-	-	-		-
Cemeteries, Funeral Parlours and Crematoriums	176	233	233	31	328	233	95	41%	233
Child Care Facilities	-	-	-	-	-	-	-		-
Community Halls and Facilities	357	405	125	4	31	125	(94)	-75%	125
Consumer Protection	-	-	-	-	-	-	-		-
Cultural Matters	-	-	-	-	-	-	-		-
Disaster Management	-	-	-	-	-	-	-		-
Education	-	-	-	-	-	-	-		-
Indigenous and Customary Law	-	-	-	-	-	-	-		-
Industrial Promotion	-	-	-	-	-	-	-		-
Language Policy	-	-	-	-	-	-	-		-
Libraries and Archives	9 299	9 836	10 531	4	15	10 531	(10 516)	-100%	10 531
Literacy Programmes	-	-	-	-	-	-	-		-
Media Services	-	-	-	-	-	-	-		-
Museums and Art Galleries	-	-	-	-	-	-	-		-
Population Development	-	-	-	-	-	-	-		-
Provincial Cultural Matters	-	-	-	-	-	-	-		-
Theatres	-	-	-	-	-	-	-		-
Zoo's	-	-	-	-	-	-	-		-
Sport and recreation	10 375	1 805	4 684	312	2 242	4 684	(2 442)	-52%	4 684
Beaches and Jetties	-	-	-	-	-	-	-		-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-		-
Community Parks (including Nurseries)	-	-	-	-	-	-	-		-
Recreational Facilities	6 296	773	665	311	2 240	665	1 575	237%	665
Sports Grounds and Stadiums	4 079	1 032	4 019	1	1	4 019	(4 017)	-100%	4 019

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Description	2019/20	Budget Year 2020/21						Full Year Forecast	
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands									
Public safety	24 096	24 912	25 634	427	5 402	25 634	(20 232)	-79%	25 634
Civil Defence	-	-	-	-	-	-	-		-
Cleansing	-	-	-	-	-	-	-		-
Control of Public Nuisances	-	-	-	-	-	-	-		-
Fencing and Fences	-	-	-	-	-	-	-		-
Fire Fighting and Protection	5	6	728	-	2	728	(726)	-100%	728
Licensing and Control of Animals	-	-	-	-	-	-	-		-
Police Forces, Traffic and Street Parking Control	24 091	24 906	24 906	427	5 400	24 906	(19 506)	-78%	24 906
Housing	24 280	514	6 324	9	40	6 324	(6 283)	-99%	6 324
Housing	24 280	514	6 324	9	40	6 324	(6 283)	-99%	6 324
Informal Settlements	-	-	-	-	-	-	-		-
Health	-	-	-	-	-	-	-		-
Ambulance	-	-	-	-	-	-	-		-
Health Services	-	-	-	-	-	-	-		-
Laboratory Services	-	-	-	-	-	-	-		-
Food Control	-	-	-	-	-	-	-		-
Health Surveillance and Prevention of Communicable Diseases including immunizations	-	-	-	-	-	-	-		-
Vector Control	-	-	-	-	-	-	-		-
Chemical Safety	-	-	-	-	-	-	-		-
Economic and environmental services	4 311	20 173	23 388	351	1 856	23 388	(21 532)	-92%	23 388
Planning and development	1 933	2 512	4 611	351	1 853	4 611	(2 759)	-60%	4 611
Billboards	-	-	-	-	-	-	-		-
Corporate Wide Strategic Planning (IDPs, LEDs)	-	-	-	-	-	-	-		-
Central City Improvement District	-	-	-	-	-	-	-		-
Development Facilitation	-	-	-	-	-	-	-		-
Economic Development/Planning	166	-	2 099	131	131	2 099	(1 968)	-94%	2 099
Regional Planning and Development	-	-	-	-	-	-	-		-
Town Planning, Building Regulations and Project Management Unit	1 768	1 882	1 882	220	1 721	1 882	(161)	-9%	1 882
Provincial Planning	-	630	630	-	-	630	(630)	-100%	630
Support to Local Municipalities	-	-	-	-	-	-	-		-
Road transport	2 227	17 647	18 763	-	3	18 763	(18 760)	-100%	18 763
Public Transport	-	-	-	-	-	-	-		-
Road and Traffic Regulation	-	-	-	-	-	-	-		-
Roads	2 227	17 647	18 763	-	3	18 763	(18 760)	-100%	18 763
Taxi Ranks	-	-	-	-	-	-	-		-
Environmental protection	152	13	13	-	-	13	(13)	-100%	13
Biodiversity and Landscape	152	13	13	-	-	13	(13)	-100%	13
Coastal Protection	-	-	-	-	-	-	-		-
Indigenous Forests	-	-	-	-	-	-	-		-
Nature Conservation	-	-	-	-	-	-	-		-
Pollution Control	-	-	-	-	-	-	-		-
Soil Conservation	-	-	-	-	-	-	-		-

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Trading services	359 616	406 013	396 723	36 166	377 560	396 723	(19 162)	-5%	396 723
Energy sources	257 723	265 685	270 965	26 212	269 545	270 965	(1 420)	-1%	270 965
<i>Electricity</i>	257 250	265 685	270 685	26 212	269 545	270 685	(1 140)	0%	270 685
<i>Street Lighting and Signal Systems</i>	474	-	280	-	-	280	(280)	-100%	280
<i>Nonelectric Energy</i>	-	-	-	-	-	-	-		-
Water management	43 372	64 856	52 652	4 540	45 276	52 652	(7 376)	-14%	52 652
<i>Water Treatment</i>	-	-	-	-	-	-	-		-
<i>Water Distribution</i>	43 372	64 856	52 652	4 540	45 276	52 652	(7 376)	-14%	52 652
<i>Water Storage</i>	-	-	-	-	-	-	-		-
Waste water management	30 397	43 424	43 845	2 586	33 111	43 845	(10 735)	-24%	43 845
<i>Public Toilets</i>	-	-	-	-	-	-	-		-
<i>Sewerage</i>	27 134	29 605	33 238	2 586	33 111	33 238	(127)	0%	33 238
<i>Storm Water Management</i>	3 263	13 819	10 607	-	-	10 607	(10 607)	-100%	10 607
<i>Waste Water Treatment</i>	-	-	-	-	-	-	-		-
Waste management	28 124	32 047	29 261	2 829	29 629	29 261	368	1%	29 261
<i>Recycling</i>	-	-	-	-	-	-	-		-
<i>Solid Waste Disposal (Landfill Sites)</i>	-	-	-	-	-	-	-		-
<i>Solid Waste Removal</i>	28 124	32 047	29 261	2 829	29 629	29 261	368	1%	29 261
<i>Street Cleaning</i>	-	-	-	-	-	-	-		-
Other	93	115	115	-	77	115	(38)	-33%	115
Abattoirs	-	-	-	-	-	-	-		-
Air Transport	-	-	-	-	-	-	-		-
Forestry	-	-	-	-	-	-	-		-
Licensing and Regulation	93	115	115	-	77	115	(38)	-33%	115
Markets	-	-	-	-	-	-	-		-
Tourism	-	-	-	-	-	-	-		-
Total Revenue - Functional	619 704	669 441	681 891	74 024	596 517	681 891	(85 374)	-13%	681 904

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q4 Fourth Quarter

Description	2019/20	Budget Year 2020/21					YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands									
Expenditure - Functional									
Municipal governance and administration	107 912	150 869	153 165	10 882	114 140	153 165	(39 025)	-25%	153 165
Executive and council	23 579	30 612	30 004	1 845	21 928	30 004	(8 077)	-27%	30 004
Mayor and Council	15 490	19 731	20 359	1 101	13 192	20 359	(7 167)	-35%	20 359
Municipal Manager, Town Secretary and Chief	8 089	10 881	9 645	744	8 735	9 645	(909)	-9%	9 645
Finance and administration	81 892	117 451	120 284	8 761	89 701	120 284	(30 582)	-25%	120 284
Administrative and Corporate Support	16 482	12 535	19 077	2 071	16 795	19 077	(2 282)	-12%	19 077
Asset Management	156	4 772	660	0	31	660	(629)	-95%	660
Finance	30 689	38 188	43 808	3 001	31 431	43 808	(12 376)	-28%	43 808
Fleet Management	3 005	2 845	2 740	268	3 076	2 740	336	12%	2 740
Human Resources	11 788	37 508	30 773	2 171	18 186	30 773	(12 587)	-41%	30 773
Information Technology	3 833	4 002	4 109	(204)	3 077	4 109	(1 032)	-25%	4 109
Legal Services	3 095	3 490	5 571	397	5 418	5 571	(153)	-3%	5 571
Marketing, Customer Relations, Publicity and Media	3 864	3 968	3 907	324	3 759	3 907	(147)	-4%	3 907
Property Services	1 944	1 239	1 157	76	752	1 157	(405)	-35%	1 157
Risk Management	-	457	457	-	-	457	(457)	-100%	457
Security Services	-	-	-	-	-	-	-	-	-
Supply Chain Management	6 688	6 963	6 645	631	6 765	6 645	120	2%	6 645
Valuation Service	348	1 483	1 381	25	411	1 381	(970)	-70%	1 381
Internal audit	2 441	2 805	2 877	276	2 511	2 877	(366)	-13%	2 877
Governance Function	2 441	2 805	2 877	276	2 511	2 877	(366)	-13%	2 877
Community and public safety	128 099	107 225	111 994	7 878	80 417	111 994	(31 576)	-28%	81 068
Community and social services	23 738	28 760	28 732	2 136	23 025	28 732	(5 706)	-20%	28 732
Aged Care	5 011	4 771	4 548	461	4 631	4 548	84	2%	4 548
Agricultural	-	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	2 931	3 585	3 735	300	3 173	3 735	(562)	-15%	3 735
Child Care Facilities	6	896	874	-	8	874	(866)	-99%	874
Community Halls and Facilities	5 512	6 671	6 636	484	4 879	6 636	(1 757)	-26%	6 636
Consumer Protection	-	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-	-
Disaster Management	54	77	141	21	95	141	(46)	-33%	141
Education	2	766	745	-	1	745	(743)	-100%	745
Indigenous and Customary Law	-	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-	-
Libraries and Archives	10 223	11 994	12 054	871	10 238	12 054	(1 816)	-15%	12 054
Literacy Programmes	-	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-	-

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Sport and recreation	25 674	30 457	31 313	2 645	24 317	31 313	(6 996)	-22%	31 313
<i>Beaches and Jetties</i>	-	-	-	-	-	-	-		-
<i>Casinos, Racing, Gambling, Wagering</i>	-	-	-	-	-	-	-		-
<i>Community Parks (including Nurseries)</i>	7 731	7 262	7 325	639	7 009	7 325	(315)	-4%	7 325
<i>Recreational Facilities</i>	13 206	17 843	18 344	1 318	12 171	18 344	(6 173)	-34%	18 344
<i>Sports Grounds and Stadiums</i>	4 738	5 352	5 644	688	5 137	5 644	(507)	-9%	5 644
Public safety	50 404	42 200	40 343	2 602	28 265	40 343	(12 078)	-30%	9 417
<i>Civil Defence</i>	-	-	-	-	-	-	-		-
<i>Cleansing</i>	-	-	-	-	-	-	-		-
<i>Control of Public Nuisances</i>	-	-	-	-	-	-	-		-
<i>Fencing and Fences</i>	-	-	-	-	-	-	-		-
<i>Fire Fighting and Protection</i>	7 964	9 867	9 417	648	7 873	9 417	(1 543)	-16%	9 417
<i>Licensing and Control of Animals</i>	-	-	-	-	-	-	-		-
<i>Police Forces, Traffic and Street Parking Control</i>	42 440	32 333	30 926	1 954	20 392	30 926	(10 534)	-34%	30 926
<i>Pounds</i>	-	-	-	-	-	-	-		-
Housing	28 283	5 807	11 606	495	4 810	11 606	(6 797)	-59%	11 606
<i>Housing</i>	28 104	3 948	9 747	489	4 703	9 747	(5 044)	-52%	9 747
<i>Informal Settlements</i>	178	1 859	1 859	6	106	1 859	(1 753)	-94%	1 859
Health	-	-	-	-	-	-	-		-
<i>Ambulance</i>	-	-	-	-	-	-	-		-
<i>Health Services</i>	-	-	-	-	-	-	-		-
<i>Laboratory Services</i>	-	-	-	-	-	-	-		-
<i>Food Control</i>	-	-	-	-	-	-	-		-
<i>Health Surveillance and Prevention of Communicable Diseases including immunizations</i>	-	-	-	-	-	-	-		-
<i>Vector Control</i>	-	-	-	-	-	-	-		-
<i>Chemical Safety</i>	-	-	-	-	-	-	-		-

SECTION 52 - QUARTERLY REPORT JUNE 2021

Description	2019/20	Budget Year 2020/21							YTD variance %	YearTD budget
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance			
R thousands										
Economic and environmental services	34 344	38 426	34 919	2 075	28 058	34 919	(6 861)	-20%	34 919	
Planning and development	9 695	12 992	11 846	959	10 085	11 846	(1 760)	-15%	11 846	
Billboards	-	-	-	-	-	-	-	-	-	
Corporate Wide Strategic Planning (IDPs, LEDs)	1 541	2 290	2 100	136	1 663	2 100	(436)	-21%	2 100	
Central City Improvement District	-	-	-	-	-	-	-	-	-	
Development Facilitation	-	-	-	-	-	-	-	-	-	
Economic Development/Planning	1 609	2 215	2 480	167	1 392	2 480	(1 087)	-44%	2 480	
Regional Planning and Development	-	-	-	-	-	-	-	-	-	
Town Planning, Building Regulations and Enforcement	4 818	5 740	4 666	389	4 735	4 666	69	1%	4 666	
Project Management Unit	1 727	2 746	2 600	267	2 294	2 600	(306)	-12%	2 600	
Provincial Planning	-	-	-	-	-	-	-	-	-	
Support to Local Municipalities	-	-	-	-	-	-	-	-	-	
Road transport	23 640	23 425	21 218	1 070	17 520	21 218	(3 698)	-17%	21 218	
Public Transport	-	-	-	-	-	-	-	-	-	
Road and Traffic Regulation	-	-	-	-	-	-	-	-	-	
Roads	23 640	23 425	21 218	1 070	17 520	21 218	(3 698)	-17%	21 218	
Taxi Ranks	-	-	-	-	-	-	-	-	-	
Environmental protection	1 009	2 009	1 855	45	453	1 855	(1 402)	-76%	1 855	
Biodiversity and Landscape	1 009	2 009	1 855	45	453	1 855	(1 402)	-76%	1 855	
Coastal Protection	-	-	-	-	-	-	-	-	-	
Indigenous Forests	-	-	-	-	-	-	-	-	-	
Nature Conservation	-	-	-	-	-	-	-	-	-	
Pollution Control	-	-	-	-	-	-	-	-	-	
Soil Conservation	-	-	-	-	-	-	-	-	-	
Trading services	329 120	385 015	400 326	37 092	331 467	400 326	(68 859)	-17%	400 326	
Energy sources	245 969	268 463	278 333	29 096	239 608	278 333	(38 725)	-14%	278 333	
Electricity	243 205	265 128	275 687	28 773	237 313	275 687	(38 374)	-14%	275 687	
Street Lighting and Signal Systems	2 764	3 335	2 646	323	2 294	2 646	(351)	-13%	2 646	
Nonelectric Energy	-	-	-	-	-	-	-	-	-	
Water management	40 314	35 733	41 381	2 536	31 789	41 381	(9 593)	-23%	41 381	
Water Treatment	25	1 692	1 661	13	154	1 661	(1 507)	-91%	1 661	
Water Distribution	37 185	29 481	35 620	2 144	29 535	35 620	(6 085)	-17%	35 620	
Water Storage	3 104	4 560	4 100	378	2 100	4 100	(2 000)	-49%	4 100	
Waste water management	33 598	34 766	33 936	2 264	27 693	33 936	(6 243)	-18%	33 936	
Public Toilets	1 489	1 875	1 793	137	1 576	1 793	(217)	-12%	1 793	
Sewerage	24 782	23 500	23 085	1 622	20 097	23 085	(2 988)	-13%	23 085	
Storm Water Management	7 325	6 691	6 359	504	6 020	6 359	(339)	-5%	6 359	
Waste Water Treatment	2	2 699	2 699	0	0	2 699	(2 699)	-100%	2 699	
Waste management	9 239	46 053	46 676	3 197	32 377	46 676	(14 299)	-31%	46 676	
Recycling	-	-	-	-	-	-	-	-	-	
Solid Waste Disposal (Landfill Sites)	(22 565)	16 613	16 129	1 106	3 795	16 129	(12 334)	-76%	16 129	
Solid Waste Removal	29 890	28 001	29 115	2 076	27 057	29 115	(2 059)	-7%	29 115	
Street Cleaning	1 915	1 440	1 432	15	1 526	1 432	94	7%	1 432	
Other	882	959	922	3	902	922	(20)	-2%	922	
Abattoirs	-	-	-	-	-	-	-	-	-	
Air Transport	-	-	-	-	-	-	-	-	-	
Forestry	-	-	-	-	-	-	-	-	-	
Licensing and Regulation	28	62	25	3	10	25	(15)	-61%	25	
Markets	-	-	-	-	-	-	-	-	-	
Tourism	854	897	897	-	892	897	(4)	0%	897	
Total Expenditure - Functional	600 358	682 493	701 325	57 930	554 984	701 325	(146 340)	-21%	670 399	
Surplus/ (Deficit) for the year	19 346	(13 052)	(19 434)	16 094	41 533	(19 434)	60 966	-314%	11 505	

SECTION 52 - QUARTERLY REPORT JUNE 2021

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	89 792	97 078	92 603	7 196	88 842	92 603	(3 761)	-4,1%	92 603
Vote 2 - Community Services	40 250	11 944	12 702	374	2 839	12 702	(9 864)	-77,7%	12 702
Vote 3 - Community Services	116 399	126 015	140 201	29 796	123 661	140 201	(16 540)	-11,8%	140 201
Vote 4 - Community Services	7 857	4 905	15 852	132	133	15 852	(15 719)	-99,2%	15 852
Vote 5 - Corporate Services	(134)	566	566	-	267	566	(299)	-52,8%	566
Vote 6 - Technical Services	291 441	330 552	337 077	29 127	305 425	337 077	(31 652)	-9,4%	337 077
Vote 7 - Technical Services	71 476	96 840	81 849	7 367	74 851	81 849	(6 997)	-8,5%	81 849
Vote 8 - Municipal Manager	575	1 542	1 042	31	499	1 042	(543)	-52,1%	1 042
Total Revenue by Vote	617 655	669 441	681 891	74 024	596 517	681 891	(85 374)	-12,5%	681 891
Expenditure by Vote									
Vote 1 - Financial Services	38 268	52 907	53 794	3 813	40 210	53 794	(13 584)	-25,3%	53 794
Vote 2 - Community Services	34 907	42 428	43 351	2 954	35 354	43 351	(7 997)	-18,4%	43 351
Vote 3 - Community Services	57 632	51 839	50 927	3 218	33 107	50 927	(17 820)	-35,0%	50 927
Vote 4 - Community Services	39 210	19 452	23 614	2 026	14 864	23 614	(8 750)	-37,1%	23 614
Vote 5 - Corporate Services	54 582	81 238	81 687	5 598	57 773	81 687	(23 914)	-29,3%	81 687
Vote 6 - Technical Services	308 685	334 930	340 583	32 928	290 587	340 583	(49 996)	-14,7%	340 583
Vote 7 - Technical Services	53 689	84 015	90 317	6 046	68 038	90 317	(22 279)	-24,7%	90 317
Vote 8 - Municipal Manager	12 124	15 685	17 052	1 346	15 050	17 052	(2 002)	-11,7%	17 052
Total Expenditure by Vote	599 097	682 493	701 325	57 930	554 984	701 325	(146 340)	-20,9%	701 325
Surplus/ (Deficit) for the year	18 559	(13 052)	(19 434)	16 094	41 533	(19 434)	60 966	-313,7%	(19 434)

SECTION 52 - QUARTERLY REPORT JUNE 2021

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - A - Q4 Fourth Quarter

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote									
Vote 1 - Financial Services	89 792	97 078	92 603	7 196	88 842	92 603	(3 761)	-4%	92 603
1.1 - Assessment Rates	68 153	81 350	81 350	4 558	74 774	81 350	(6 576)	-8%	81 350
1.2 - Treasury: Administration	22 355	20 240	15 765	2 783	14 793	15 765	(972)	-6%	15 765
1.3 - Treasury: Debtors	(773)	(4 764)	(4 764)	(145)	(821)	(4 764)	3 943	-83%	(4 764)
1.4 - Treasury: Credit controle	(0)	234	234	(0)	(0)	234	(234)	-100%	234
1.5 - Supply Chain Management	56	18	18	0	96	18	78	436%	18
1.6 - Director: Finance	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	164 505	142 864	162 894	30 302	126 633	162 894	(36 262)	-22%	165 883
2.1 - Cemeteries	176	233	233	31	328	233	95	41%	12 702
2.2 - Housing: Administration	24 474	1 098	547	27	254	547	(293)	-54%	233
2.3 - Library Services	9 299	9 836	10 531	4	15	10 531	(10 516)	-100%	-
2.4 - Fire Protection Sevices	5	6	728	-	2	728	(726)	-100%	547
2.5 - Pine Forest : Administration	6 296	771	663	311	2 240	663	1 577	238%	10 531
2.6-Klipriver Park: Administration	-	-	-	-	-	-	-	-	728
2.7-Community Halls And Facilities	222	310	30	4	31	30	1	5%	663
2.8-Licensing & Regulation	93	115	115	-	77	115	(38)	-33%	-
2.9-Enviromental Protection	152	13	13	-	-	13	(13)	-100%	-
2.10-Parks	19	119	119	1	53	119	(65)	-55%	-
2.11-Traffic	20 613	21 053	21 053	427	5 400	21 053	(15 652)	-74%	-
2.12-Disaster Management	-	-	-	-	-	-	-	-	140 201
2.13-Social & Welfare Services	95 300	104 406	118 872	29 363	118 100	118 872	(772)	-1%	30
2.14-Sport Grounds	-	-	-	-	-	-	-	-	-
2.15-Recreational Land	4 079	1 032	4 019	1	1	4 019	(4 017)	-100%	-
2.16-Swimming Pools	135	19	19	-	-	19	(19)	-100%	-
2.17-Vehicle Licensing & Testing	3 477	3 854	3 854	-	-	3 854	(3 854)	-100%	115
2.18-L E D	166	-	2 099	131	131	2 099	(1 968)	-94%	13
2.19-Director: Community Services	-	-	-	-	-	-	-	-	119
Vote 3 - Corporate Services	(134)	566	566	-	267	566	(299)	-53%	31 703
3.1-Property Administration	(550)	-	-	-	-	-	-	-	15 852
3.2-Information Technology	-	-	-	-	-	-	-	-	5 861
3.3-Human Resources	313	552	552	-	254	552	(299)	-54%	-
3.5-Council Cost	103	-	-	-	13	-	13	#DIV/0!	4 019
3.5-Town Secretary	-	-	-	-	-	-	-	-	19
3.6-Tourism	-	-	-	-	-	-	-	-	3 854
3.7-Marketing & Communications	-	4	4	-	0	4	(4)	-91%	-
3.8-Thusong Centre	-	-	-	-	-	-	-	-	2 099
3.9-Administration	-	9	9	-	0	9	(9)	-100%	-
3.10-Director Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services	362 917	427 392	418 925	36 494	380 276	418 925	(38 649)	-9%	611 573
4.1-Building Regulations & Enforce	768	944	944	146	1 009	944	65	7%	566
4.2-Electricity: Administration	256 018	267 434	272 141	26 267	269 989	272 141	(2 152)	-1%	-
4.3-Electricity: Street Lights	474	-	280	-	-	280	(280)	-100%	-
4.4-Mechanical Workshop	-	-	-	-	-	-	-	-	552
4.4-Public Toilets	-	-	-	-	-	-	-	-	-
4.5-Sewerage	27 898	29 914	33 547	2 653	33 922	33 547	375	1%	-
4.7-Town Planning	794	794	794	61	501	794	(293)	-37%	-
4.8-Stormwater Management	3 263	13 819	10 607	-	-	10 607	(10 607)	-100%	-
4.9-Roads	2 227	17 647	18 763	-	3	18 763	(18 760)	-100%	4
4.10-Solid Waste (Dumping Site)	803	10 024	6 266	76	681	6 266	(5 585)	-89%	9
4.11-Solid Waste (Garden)	-	5	5	-	-	5	(5)	-100%	-
4.12-Solid Waste (Removal)	27 301	21 955	22 927	2 751	28 895	22 927	5 968	26%	337 077
4.13-Water Storage	-	-	-	-	-	-	-	-	944
4.14-Water Distribution	43 372	64 856	52 652	4 540	45 276	52 652	(7 376)	-14%	272 141
	-	-	-	-	-	-	-	-	280
	-	-	-	-	-	-	-	-	-
Vote 5 - Muncipal Manager	575	1 542	1 042	31	499	1 042	(543)	-52%	174 757
5.1-Property & Legal Services	556	912	412	31	499	412	87	21%	-
5.2-IDP	-	-	-	-	-	-	-	-	33 547
5.3-Project Management	19	630	630	-	-	630	(630)	-100%	794
5.4-Performance Management	-	-	-	-	-	-	-	-	10 607
5.5-Internal Audit	-	-	-	-	-	-	-	-	18 763
5.6-Municipal Manager	-	-	-	-	-	-	-	-	81 849
	-	-	-	-	-	-	-	-	6 266
	-	-	-	-	-	-	-	-	5
	-	-	-	-	-	-	-	-	22 927
	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	617 655	669 441	676 030	74 024	596 517	676 030	(79 513)	-12%	1 076 519

SECTION 52 - QUARTERLY REPORT JUNE 2021

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - A - Q4 Fourth Quarter

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote									
Vote 1 - Financial Services	38 268	52 907	53 794	3 813	40 210	53 794	(13 584)	-25%	71 272
1.1 - Assessment Rates	4 548	3 819	4 819	(105)	4 963	4 819	143	3%	12 680
1.2 - Treasury: Administration	13 217	25 318	25 290	1 763	12 441	25 290	(12 849)	-51%	-
1.3 - Treasury: Debtors	5 129	6 410	6 599	476	5 961	6 599	(638)	-10%	-
1.4 - Treasury: Credit controle	8 263	8 487	8 732	891	8 500	8 732	(233)	-3%	-
1.5 - Supply Chain Management	6 698	6 963	6 645	631	6 766	6 645	122	2%	-
1.6 - Director: Finance	412	1 909	1 709	157	1 579	1 709	(129)	-8%	50 927
-	-	-	-	-	-	-	-	-	6 207
-	-	-	-	-	-	-	-	-	1 457
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	107 334	113 279	111 596	8 149	82 849	111 596	(28 747)	-26%	205 178
2.1 - Cemeteries	2 931	3 585	3 735	300	3 173	3 735	(562)	-15%	7 605
2.2 - Housing: Administration	4 286	5 807	5 745	495	4 810	5 745	(936)	-16%	27 471
2.3 - Library Services	10 223	11 714	11 774	871	10 238	11 774	(1 536)	-13%	141
2.4 - Fire Protection Sevices	7 964	9 867	9 417	648	7 873	9 417	(1 543)	-16%	6 167
2.5 - Pine Forest : Administration	9 505	11 454	12 680	641	9 261	12 680	(3 419)	-27%	23 614
2.6-Klipriver Park: Administration	934	1 457	1 457	70	895	1 457	(562)	-39%	5 861
2.7-Community Halls And Facilities	5 091	6 250	6 207	438	4 407	6 207	(1 800)	-29%	1 074
2.8-Licensing & Regulation	28	62	25	3	10	25	(15)	-61%	5 644
2.9-Environmental Protection	1 009	2 009	1 855	45	453	1 855	(1 402)	-76%	4 207
2.10-Parks	7 731	7 529	7 605	639	7 009	7 605	(595)	-8%	3 455
2.11-Traffic	37 765	28 022	27 471	1 541	15 598	27 471	(11 873)	-43%	458
2.12-Disaster Management	54	77	141	21	95	141	(46)	-33%	2 480
2.13-Social & Welfare Services	5 019	6 433	6 167	461	4 641	6 167	(1 526)	-25%	-
2.14-Sport Grounds	584	453	458	76	750	458	292	64%	435
2.15-Recreational Land	4 738	5 352	5 644	688	5 137	5 644	(507)	-9%	-
2.16-Swimming Pools	2 741	4 932	4 207	607	2 015	4 207	(2 192)	-52%	81 687
2.17-Vehicle Licensing & Testing	4 675	4 312	3 455	413	4 793	3 455	1 338	39%	-
2.18-L E D	1 609	2 215	2 480	167	1 392	2 480	(1 087)	-44%	4 108
2.19-Director: Community Services	448	1 749	1 074	25	299	1 074	(775)	-72%	30 773
Vote 3 - Corporate Services	55 014	81 678	82 122	5 647	58 249	82 122	(23 873)	-29%	644 625
3.1-Property Administration	-	-	-	-	-	-	-	-	1 516
3.2-Information Technology	3 832	4 001	4 108	(204)	3 077	4 108	(1 031)	-25%	897
3.3-Human Resources	11 788	37 508	30 773	2 171	18 186	30 773	(12 587)	-41%	1 968
3.5-Council Cost	15 490	19 731	20 359	1 101	13 192	20 359	(7 167)	-35%	3 908
3.5-Town Secretary	1 452	1 505	1 516	129	1 573	1 516	57	4%	18 158
3.6-Tourism	854	897	897	-	892	897	(4)	0%	-
3.7-Marketing & Communications	3 865	3 969	3 908	324	3 759	3 908	(148)	-4%	340 583
3.8-Thusong Centre	432	441	435	49	476	435	41	9%	2 961
3.9-Administration	15 294	11 628	18 158	1 942	15 222	18 158	(2 936)	-16%	274 634
3.10-Director Corporate Services	2 006	1 999	1 968	135	1 871	1 968	(97)	-5%	-
Vote 4 - Technical Services	362 374	418 945	430 899	38 975	358 625	430 899	(72 274)	-17%	243 621
4.1-Building Regulations & Enforce	2 828	2 884	2 961	261	3 108	2 961	147	5%	2 740
4.2-Electricity: Administration	243 085	265 464	274 634	28 889	236 050	274 634	(38 584)	-14%	1 793
4.3-Electricity: Street Lights	-	-	-	-	-	-	-	-	29 173
4.4-Mechanical Workshop	3 005	2 845	2 740	268	3 076	2 740	336	12%	1 705
4.4-Public Toilets	1 489	1 875	1 793	137	1 576	1 793	(217)	-12%	6 359
4.5-Sewerage	27 528	28 888	29 173	1 826	23 451	29 173	(5 722)	-20%	21 218
4.7-Town Planning	1 990	2 857	1 705	129	1 627	1 705	(78)	-5%	90 317
4.8-Stormwater Management	7 325	6 691	6 359	504	6 020	6 359	(339)	-5%	16 129
4.9-Roads	23 640	23 425	21 218	1 070	17 520	21 218	(3 698)	-17%	11 709
4.10-Solid Waste (Dumping Site)	(22 565)	16 613	16 129	1 106	3 795	16 129	(12 334)	-76%	18 838
4.11-Solid Waste (Garden)	10 906	12 000	11 709	1 187	10 971	11 709	(738)	-6%	4 114
4.12-Solid Waste (Removal)	20 898	17 441	18 838	904	17 611	18 838	(1 227)	-7%	37 540
4.13-Water Storage	3 104	4 576	4 114	378	2 100	4 114	(2 015)	-49%	1 986
4.14-Water Distribution	37 210	31 430	37 540	2 158	29 889	37 540	(7 652)	-20%	-
4.15-Director: Technical Services	1 932	1 956	1 986	158	1 831	1 986	(155)	-8%	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Vote 5 - Muncipal Manager	12 124	15 685	17 052	1 346	15 050	17 052	(2 002)	-12%	17 052
5.1-Property & Legal Services	3 100	3 703	5 696	397	5 420	5 696	(276)	-5%	3 322
5.2-IDP	1 541	2 290	2 100	136	1 663	2 100	(436)	-21%	5 696
5.3-Project Management	641	1 310	1 394	130	1 091	1 394	(303)	-22%	2 100
5.4-Performance Management	1 086	1 437	1 206	137	1 204	1 206	(2)	0%	1 394
5.5-Internal Audit	2 441	3 263	3 334	276	2 511	3 334	(823)	-25%	1 206
5.6-Municipal Manager	3 315	3 683	3 322	270	3 162	3 322	(161)	-5%	3 334
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 115	682 493	695 464	57 930	554 984	695 464	(140 479)	(0)	1 181 748
Surplus/ (Deficit) for the year	42 541	(13 052)	(19 434)	16 094	41 533	(19 434)	60 966	(0)	(105 228)

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	73 497	76 388	76 388	4 752	80 674	76 388	4 286	6%	76 388
Service charges - electricity revenue	255 095	266 973	271 973	26 235	269 592	271 973	(2 381)	-1%	271 973
Service charges - water revenue	39 419	35 137	35 137	4 077	43 040	35 137	7 903	22%	35 137
Service charges - sanitation revenue	25 949	18 352	25 352	2 404	32 700	25 352	7 348	29%	25 352
Service charges - refuse revenue	25 713	21 271	22 271	2 326	27 965	22 271	5 694	26%	22 271
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	3 905	2 663	1 163	310	1 789	1 163	626	54%	1 163
Interest earned - external investments	7 446	9 129	3 358	259	3 093	3 358	(265)	-8%	3 358
Interest earned - outstanding debtors	10 515	8 264	5 035	1 154	5 569	5 035	534	11%	5 035
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	19 654	20 456	20 456	7	66	20 456	(20 391)	-100%	20 456
Licences and permits	1 042	2 010	2 010	421	5 419	2 010	3 409	170%	2 010
Agency services	3 477	3 854	3 854	-	-	3 854	(3 854)	-100%	3 854
Transfers recognised - operational	131 561	116 989	140 835	30 778	119 852	140 835	(20 983)	-15%	140 835
Other revenue	9 225	9 181	7 939	1 247	6 360	7 939	(1 580)	-20%	7 939
Gains on disposal of PPE	(474)	(0)	(0)	-	-	(0)	0	-100%	(0)
Total Revenue (excluding capital transfers and contributions)	606 024	590 666	615 772	73 971	596 120	615 772	(19 652)	-3%	615 772
Expenditure By Type									
Employee related costs	180 046	226 182	216 399	17 179	197 218	216 399	(19 181)	-9%	216 399
Remuneration of councillors	10 604	12 032	12 032	825	9 897	12 032	(2 134)	-18%	12 032
Debt impairment	14 187	44 688	54 688	(688)	32 487	54 688	(22 202)	-41%	(0)
Depreciation & asset impairment	32 732	40 688	35 688	-	2	35 688	(35 686)	-100%	35 688
Finance charges	9 408	9 181	9 181	19	244	9 181	(8 937)	-97%	9 181
Bulk purchases	221 822	232 760	237 360	20 737	212 096	237 360	(25 264)	-11%	237 360
Other materials	14 194	19 528	16 160	2 057	12 839	16 160	(3 322)	-21%	16 160
Contracted services	44 029	48 486	59 728	8 065	48 029	59 728	(11 699)	-20%	59 728
Transfers and grants	25 477	2 179	13 630	5 054	6 534	13 630	(7 095)	-52%	13 630
Other expenditure	47 859	46 770	46 458	4 683	35 638	46 458	(10 821)	-23%	51 388
Loss on disposal of PPE	-	0	0	-	-	0	(0)	-100%	0
Total Expenditure	600 358	682 493	701 325	57 930	554 984	701 325	(146 340)	-21%	651 566
Surplus/(Deficit)									
Transfers recognised - capital	13 442	78 716	65 559	-	1	65 559	(65 558)	-100%	65 559
Contributions recognised - capital	237	59	560	53	396	560	(164)	-29%	560
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	19 346	(13 052)	(19 434)	16 094	41 533	(19 434)	60 966	-	30 324
Surplus/(Deficit) attributable to									
Share of surplus/ (deficit) of associate	19 346	(13 052)	(19 434)	16 094	41 533	(19 434)			30 324
Surplus/ (Deficit) for the year	19 346	(13 052)	(19 434)	16 094	41 533	(19 434)			30 324

The revenue and expenditure figures excludes internal charges.

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The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	(6 525)	-	-	-	-	-	-	-	-
Vote 2 - Community Services	126	-	214	27	210	214	(4)	-2%	214
Vote 3 - Community Services	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	12 575	14 421	16 833	1 176	12 385	16 833	(4 448)	-26%	16 833
Vote 7 - Technical Services	1 400	26 288	12 499	2 866	3 913	12 499	(8 586)	-69%	12 499
Vote 8 - Municipal Manager	19	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	7 596	40 708	29 547	4 070	16 509	29 547	(13 038)	-44%	29 547
Single Year expenditure appropriation									
Vote 1 - Financial Services	206	-	195	165	165	195	(30)	-15%	195
Vote 2 - Community Services	-	-	4 264	1 275	1 971	4 264	(2 293)	-54%	4 264
Vote 3 - Community Services	1 053	620	1 245	535	1 126	1 245	(119)	-10%	1 245
Vote 4 - Community Services	4 152	900	9 328	3 329	9 160	9 328	(168)	-2%	9 328
Vote 5 - Corporate Services	1 833	1 050	4 615	643	3 417	4 615	(1 198)	-26%	4 615
Vote 6 - Technical Services	11 458	35 021	28 783	3 667	25 546	28 783	(3 237)	-11%	28 783
Vote 7 - Technical Services	1 632	10 465	8 967	1 498	8 402	8 967	(565)	-6%	8 967
Vote 8 - Municipal Manager	14	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	20 348	48 056	57 396	11 112	49 787	57 396	(7 610)	-13%	57 396
Total Capital Expenditure	27 944	88 764	86 943	15 182	66 295	86 943	(20 648)	-24%	86 943

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter									
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
Governance and administration	(3 867)	1 400	4 523	808	3 037	4 523	(1 486)	-33%	4 523
Executive and council	166	600	1	–	(1)	1	(2)	-182%	1
Finance and administration	(4 033)	800	4 522	808	3 038	4 522	(1 484)	-33%	4 522
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	5 091	1 520	12 962	4 717	10 534	12 962	(2 429)	-19%	12 962
Community and social services	313	580	1 732	498	1 613	1 732	(119)	-7%	1 732
Sport and recreation	4 651	940	7 448	2 917	7 435	7 448	(13)	0%	7 448
Public safety	126	–	3 782	1 302	1 485	3 782	(2 297)	-61%	3 782
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	7 871	20 245	22 231	1 421	17 177	22 231	(5 054)	-23%	22 231
Planning and development	76	–	2 089	450	1 934	2 089	(154)	-7%	2 089
Road transport	7 795	20 245	20 142	971	15 243	20 142	(4 899)	-24%	20 142
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	18 849	65 600	47 226	8 236	35 547	47 226	(11 679)	-25%	47 226
Energy sources	7 740	2 500	4 493	1 323	4 014	4 493	(478)	-11%	4 493
Water management	2 297	27 396	17 197	1 328	7 873	17 197	(9 324)	-54%	17 197
Waste water management	7 096	26 347	20 370	2 549	18 448	20 370	(1 922)	-9%	20 370
Waste management	1 716	9 356	5 167	3 037	5 212	5 167	45	1%	5 167
Other	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard Classification	27 944	88 764	86 943	15 182	66 295	86 943	(20 648)	-24%	86 943
Funded by:									
National Government	12 852	35 763	26 793	6 222	18 101	26 793	(8 692)	-32%	26 793
Provincial Government	271	42 954	38 164	5 747	33 318	38 164	(4 846)	-13%	38 164
District Municipality	–	–	740	302	665	740	(75)	-10%	740
Other transfers and grants	–	–	501	165	442	501	(60)	-12%	501
Transfers recognised - capital	13 123	78 716	66 198	12 437	52 525	66 198	(13 673)	-21%	66 198
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	21 175	10 048	20 745	2 745	13 770	20 745	(6 945)	-33%	20 745
Total Capital Funding	34 298	88 764	86 943	15 182	66 295	86 943	(20 648)	-24%	86 943

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure)
2. Include capital component of PPP unitary payment
3. Capital expenditure by standard classification must reconcile to the total of multi-year and single year appropriations
4. Include expenditure on investment property, intangible and biological assets
5. Must reconcile to Monthly Budget Statement Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA

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WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - A - Q4 Fourth Quarter

Vote Description	2019/20	Budget Year 2020/21								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure - Municipal Vote										
Expenditure of multi-year capital appropriation										
Vote 1 - Financial Services	(6 525)	-	-	-	-	-	-	-	-	-
1.1 - Assessment Rates	-	-	-	-	-	-	-	-	-	-
1.2 - Treasury: Administration	(6 525)	-	-	-	-	-	-	-	-	-
1.3 - Treasury: Debtors	-	-	-	-	-	-	-	-	-	-
1.4 - Treasury: Credit controle	-	-	-	-	-	-	-	-	-	-
1.5 - Supply Chain Management	-	-	-	-	-	-	-	-	-	-
1.6 - Director: Finance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	126	-	214	27	210	214	(4)	-2%	214	
2.1 - Cemeteries	-	-	-	-	-	-	-	-	-	-
2.2 - Housing: Administration	-	-	-	-	-	-	-	-	-	-
2.3 - Library Services	-	-	-	-	-	-	-	-	-	-
2.4 - Fire Protection Sevices	-	-	-	-	-	-	-	-	-	-
2.5 - Pine Forest : Administration	126	-	214	27	210	214	(4)	-2%	214	
2.6-Klipriver Park: Administration	-	-	-	-	-	-	-	-	-	-
2.7-Community Halls And Facilities	-	-	-	-	-	-	-	-	-	-
2.8-Licensing & Regulation	-	-	-	-	-	-	-	-	-	-
2.9-Enviromental Protection	-	-	-	-	-	-	-	-	-	-
2.10-Parks	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-
3.1-Property Administration	-	-	-	-	-	-	-	-	-	-
3.2-Information Tecnology	-	-	-	-	-	-	-	-	-	-
3.3-Human Resources	-	-	-	-	-	-	-	-	-	-
3.5-Council Cost	-	-	-	-	-	-	-	-	-	-
3.5-Town Secretary	-	-	-	-	-	-	-	-	-	-
3.6-Tourism	-	-	-	-	-	-	-	-	-	-
3.7-Marketing & Communications	-	-	-	-	-	-	-	-	-	-
3.8-Thusong Centre	-	-	-	-	-	-	-	-	-	-
3.9-Administration	-	-	-	-	-	-	-	-	-	-
3.10-Director Corporate Services	-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services	13 975	40 708	29 333	4 042	16 298	29 333	(4 339)	-15%	19 141	
4.1-Building Regulations & Enforce	-	-	-	-	-	-	-	-	-	-
4.2-Electricity: Administration	2 907	2 500	2 027	848	2 001	2 027	(26)	-1%	-	
4.3-Electricity: Street Lights	1 266	-	280	222	222	280	(58)	-21%	-	
4.4-Mechanical Workshop	-	-	-	-	-	-	-	-	-	-
4.4-Public Toilets	-	-	-	-	-	-	-	-	-	-
4.5-Sewerage	-	-	-	-	-	-	-	-	-	-
4.7-Town Planning	-	-	-	-	-	-	-	-	-	-
4.8-Stormwater Management	3 263	4 331	3 981	-	3 980	3 981	(0)	0%	-	
4.9-Roads	5 139	7 590	10 546	106	6 182	10 546	(4 364)	-41%	-	
4.10-Solid Waste (Dumping Site)	1 196	9 356	3 803	2 866	3 913	3 803	110	3%	-	
4.11-Solid Waste (Garden)	-	-	-	-	-	-	-	-	-	-
4.12-Solid Waste (Removal)	-	-	-	-	-	-	-	-	-	16 833
4.13-Water Storage	-	-	-	-	-	-	-	-	-	-
4.14-Water Distribution	204	16 931	8 696	-	-	8 696	-	-	-	2 027
4.15-Director: Technical Services	-	-	-	-	-	-	-	-	-	280
Vote 5 - Municipal Manager	19	-	-	-	-	-	-	-	-	27 026
5.1-Property & Legal Services	-	-	-	-	-	-	-	-	-	-
5.2-IDP	-	-	-	-	-	-	-	-	-	-
5.3-Project Management	19	-	-	-	-	-	-	-	-	-
5.4-Performance Management	-	-	-	-	-	-	-	-	-	3 981
5.5-Internal Audit	-	-	-	-	-	-	-	-	-	10 546
5.6-Municipal Manager	-	-	-	-	-	-	-	-	-	12 499
	-	-	-	-	-	-	-	-	-	-
Total multi-year capital expenditure	7 596	40 708	29 547	4 070	16 509	29 547	(13 038)	-44%	46 380	

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Capital expenditure - Municipal Vote									
Expenditure of single-year capital appropriation									
Vote 1 - Financial Services	206	-	195	165	165	2 281	(2 116)	-93%	2 281
1.1 - Assessment Rates	-	-	-	-	-	-	-	-	-
1.2 - Treasury: Administration	187	-	195	165	165	-	165	#DIV/0!	-
1.3 - Treasury: Debtors	-	-	-	-	-	-	-	-	-
1.4 - Treasury: Credit controle	-	-	-	-	-	-	-	-	-
1.5 - Supply Chain Management	-	-	-	-	-	-	-	-	-
1.6 - Director: Finance	19	-	-	-	-	1 245	(1 245)	-100%	1 245
-	-	-	-	-	-	1 036	(1 036)	-100%	1 036
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	5 205	1 520	14 837	5 139	12 257	14 837	(2 580)	-17%	24 316
2.1 - Cemeteries	-	-	-	-	-	-	-	-	-
2.2 - Housing: Administration	-	-	-	-	-	-	-	-	208
2.3 - Library Services	-	-	-	-	-	-	-	-	-
2.4 - Fire Protection Sevices	-	-	696	-	696	696	-	-	-
2.5 - Pine Forest : Administration	-	-	3 568	1 275	1 275	3 568	(2 293)	-64%	-
2.6-Klipriver Park: Administration	-	-	-	-	-	-	-	-	9 328
2.7-Community Halls And Facilities	313	580	1 036	498	917	1 036	(119)	-11%	-
2.8-Licensing & Regulation	-	-	-	-	-	-	-	-	-
2.9-Enviromental Protection	-	-	-	-	-	-	-	-	7 240
2.10-Parks	620	40	208	37	208	208	(0)	0%	-
2.11-Traffic	120	-	-	-	-	-	-	-	-
2.12-Disaster Management	-	-	-	-	-	-	-	-	-
2.13-Social & Welfare Services	-	-	-	-	-	-	-	-	2 089
2.14-Sport Grounds	-	-	-	-	-	-	-	-	-
2.15-Recreational Land	4 031	900	7 240	2 880	7 227	7 240	(13)	0%	-
2.16-Swimming Pools	-	-	-	-	-	-	-	-	-
2.17-Vehicle Licensing & Testing	-	-	-	-	-	-	-	-	4 615
2.18-L E D	76	-	2 089	450	1 934	2 089	(154)	-7%	-
2.19-Director: Community Services	44	-	-	-	(1)	-	(1)	-	837
Vote 3 - Corporate Services	1 833	1 050	4 615	643	3 417	4 615	(1 198)	-26%	33 848
3.1-Property Administration	-	-	-	-	-	-	-	-	-
3.2-Information Tecnology	666	450	837	374	636	837	(200)	-24%	-
3.3-Human Resources	-	-	-	-	-	-	-	-	-
3.5-Council Cost	1 003	600	899	-	769	899	(129)	-14%	-
3.5-Town Secretary	-	-	-	-	-	-	-	-	2 879
3.6-Tourism	-	-	-	-	-	-	-	-	-
3.7-Marketing & Communications	47	-	-	-	-	-	-	-	28 783
3.8-Thusong Centre	-	-	-	-	-	-	-	-	-
3.9-Administration	70	-	2 879	269	2 011	2 879	(868)	-30%	1 316
3.10-Director Corporate Services	46	-	-	-	-	-	-	-	870
Vote 4 - Technical Services	13 090	45 486	37 750	5 165	33 948	37 750	(3 801)	-10%	44 530
4.1-Building Regulations & Enforce	-	-	-	-	-	-	-	-	611
4.2-Electricity: Administration	3 567	-	1 316	25	1 093	1 316	(223)	-17%	-
4.3-Electricity: Street Lights	-	-	870	228	698	870	(172)	-20%	9 762
4.4-Mechanical Workshop	1 522	350	611	-	226	611	(386)	-63%	-
4.4-Public Toilets	884	-	-	-	-	-	-	-	6 627
4.5-Sewerage	2 949	12 528	9 762	136	7 841	9 762	(1 921)	-20%	9 596
4.7-Town Planning	-	-	-	-	-	-	-	-	8 967
4.8-Stormwater Management	-	9 489	6 627	2 413	6 627	6 627	-	-	-
4.9-Roads	2 535	12 655	9 596	866	9 062	9 596	(535)	-6%	-
4.10-Solid Waste (Dumping Site)	-	-	-	-	-	-	-	-	1 363
4.11-Solid Waste (Garden)	520	-	-	-	-	-	-	-	-
4.12-Solid Waste (Removal)	-	-	1 363	170	1 299	1 363	(65)	-5%	7 603
4.13-Water Storage	-	-	-	-	-	-	-	-	-
4.14-Water Distribution	1 089	10 465	7 603	1 328	7 103	7 603	(500)	-7%	-
4.15-Director: Technical Services	23	-	-	-	-	-	-	-	-
Vote 5 - Muncipal Manager	14	-	-	-	-	-	-	-	-
5.1-Property & Legal Services	-	-	-	-	-	-	-	-	-
5.2-IDP	-	-	-	-	-	-	-	-	-
5.3-Project Management	-	-	-	-	-	-	-	-	-
5.4-Performance Management	-	-	-	-	-	-	-	-	-
5.5-Internal Audit	-	-	-	-	-	-	-	-	-
5.6-Municipal Manager	14	-	-	-	-	-	-	-	-
Total single-year capital expenditure	20 348	48 056	57 396	11 112	49 787	59 482	(9 695)	(0)	104 975
Total Capital Expenditure	27 944	88 764	86 943	15 182	66 295	89 029	(22 733)	(0)	151 356

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	130 394	38 462	84 518	115 296	107 316
Call investment deposits	–	–	–	–	–
Consumer debtors	68 999	38 038	97 481	84 666	63 257
Other debtors	7 966	20 630	3 046	57 762	3 520
Current portion of long-term receivables	–	–	–	–	–
Inventory	11 602	11 693	14 301	9 741	11 464
Total current assets	218 961	108 824	199 345	267 465	185 556
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	43 765	44 492	43 765	43 765	44 325
Investments in Associate	–	–	–	–	–
Property, plant and equipment	900 003	1 002 139	943 356	966 300	1 005 197
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	1 576	2 029	1 576	1 576	2 606
Other non-current assets	550	550	550	550	550
Total non current assets	945 893	1 049 210	989 246	1 012 190	1 052 677
TOTAL ASSETS	1 164 854	1 158 034	1 188 591	1 279 655	1 238 234
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	1 968	–	–	1 968	–
Consumer deposits	7 976	7 150	7 976	8 564	7 544
Trade and other payables	52 843	47 310	124 876	118 226	141 209
Provisions	79 982	76 091	54 769	82 255	56 427
Total current liabilities	142 768	130 550	187 620	211 013	205 180
Non current liabilities					
Borrowing	2 620	4 722	2 788	2 620	4 588
Provisions	112 525	180 655	115 363	117 555	165 513
Total non current liabilities	115 144	185 378	118 150	120 175	170 101
TOTAL LIABILITIES	257 913	315 928	305 770	331 188	375 281
NET ASSETS	906 942	842 106	882 821	948 467	862 953
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	896 324	831 751	872 204	937 850	852 598
Reserves	10 618	10 355	10 618	10 618	10 355
TOTAL COMMUNITY WEALTH/EQUITY	906 942	842 106	882 821	948 467	862 953

The cash flows for the year to date are indicated in the following table:

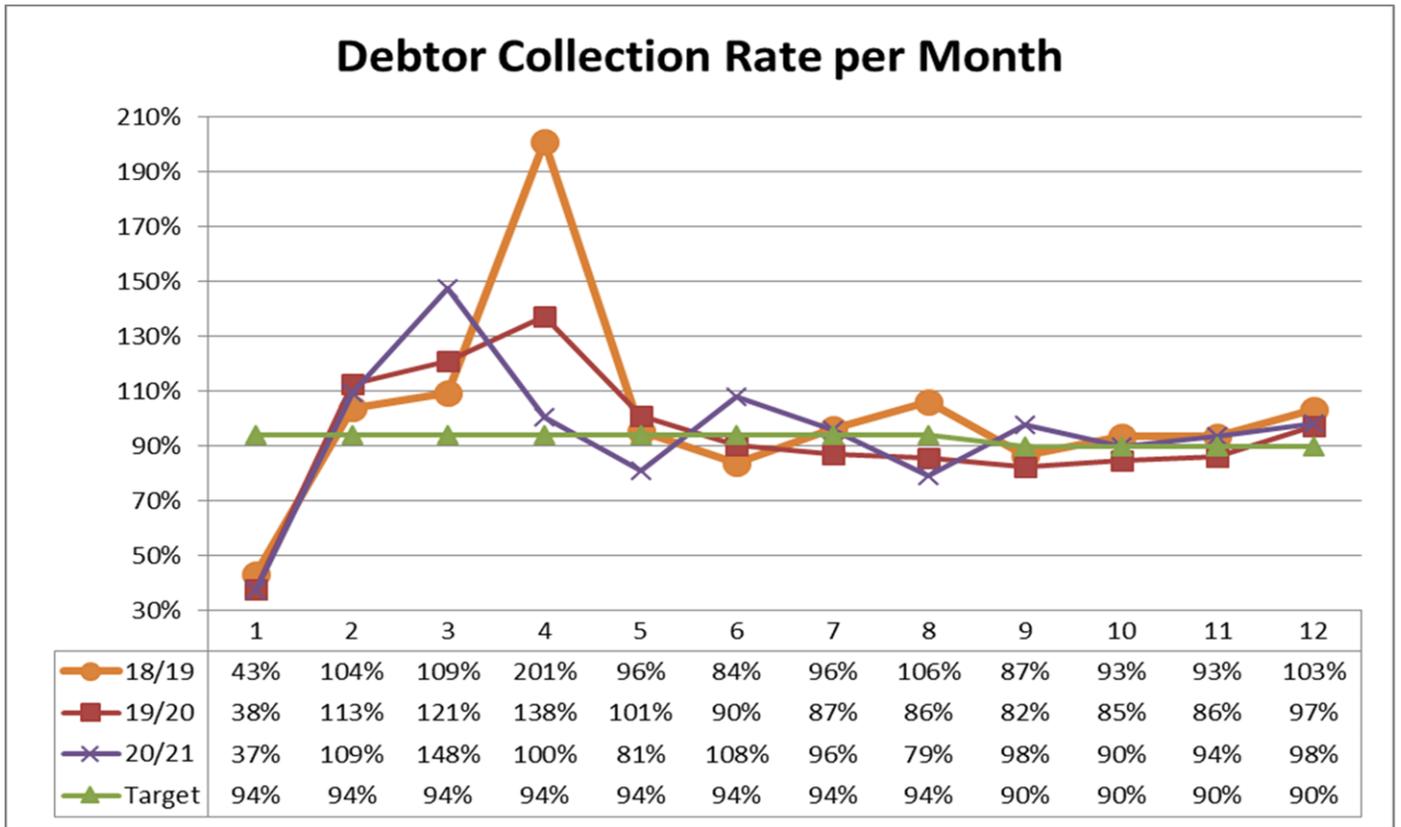
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	68 290	72 569	65 694	5 016	72 979	65 694	7 285	11%	74 766
Service charges	346 579	315 962	367 583	40 249	390 548	367 583	22 965	6%	366 826
Other revenue	21 385	21 754	20 239	1 220	11 211	20 239	(9 028)	-45%	19 004
Government - operating	131 014	116 989	140 245	-	104 430	140 245	(35 814)	-26%	137 020
Government - capital	13 442	78 716	70 330	-	60 300	70 330	(10 030)	-14%	65 423
Interest	17 961	17 393	4 868	260	2 843	4 868	(2 025)	-42%	(41 693)
Dividends									
Payments									
Suppliers and employees	(526 395)	(557 432)	(634 731)	(56 072)	(580 225)	(634 731)	(54 506)	9%	(550 745)
Finance charges	(469)	(1 332)	(1 706)	(19)	(47)	(1 706)	(1 659)	97%	-
Transfers and Grants	(1 495)	(2 179)	(8 110)	(5 804)	(7 668)	(8 110)	(442)	5%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	70 313	62 440	24 413	(15 150)	54 372	24 413	(83 255)	-341%	70 601
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	649	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(34 468)	(88 764)	(69 760)	(14 635)	(69 277)	(69 760)	(482)	1%	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	(33 819)	(88 764)	(69 760)	(14 635)	(69 277)	(69 760)	(482)	1%	-
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	827	-	-	8	62	-	62	-	-
Payments									
Repayment of borrowing	(1 199)	(1 500)	(1 800)	(109)	(255)	(1 800)	(1 545)	86%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(371)	(1 500)	(1 800)	(101)	(193)	(1 800)	(1 607)	89%	(193)
NET INCREASE/ (DECREASE) IN CASH HELD	36 123	(27 824)	(47 147)	(29 885)	(15 099)	(47 147)			70 601
Cash/cash equivalents at beginning:	94 272	66 287	130 394		130 394	130 394			130 394
Cash/cash equivalents at month/year end:	130 394	38 463	83 247		115 296	83 247			200 995

The debtors age analysis per Income source and customer group is as follows:

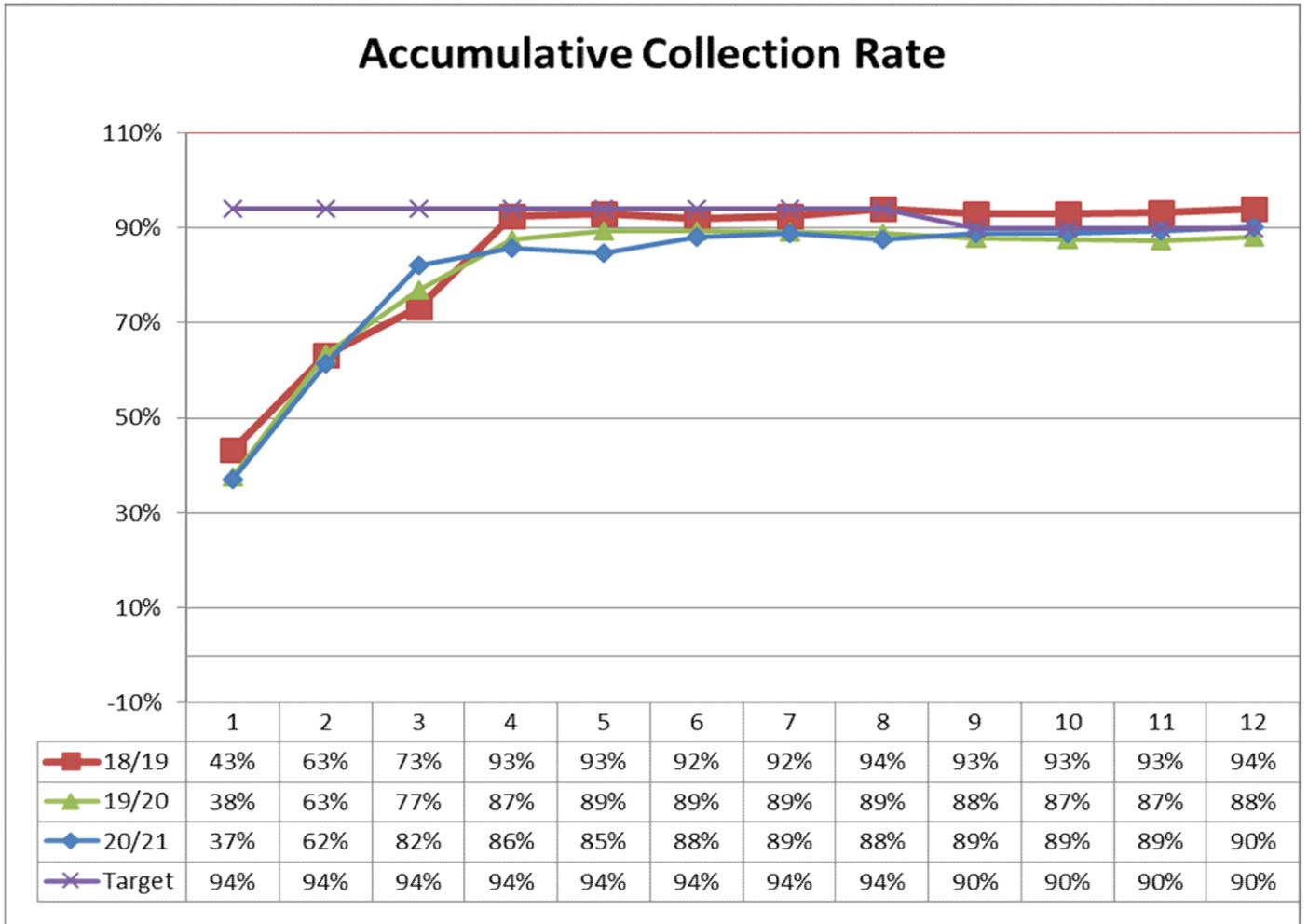
WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2020/21								Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr		
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	10 806	2 060	1 941	2 007	1 451	1 492	8 023	57 142	84 921	70 114
Electricity	1300	21 686	497	369	323	182	161	812	4 857	28 888	6 336
Property Rates	1400	5 397	403	330	306	294	257	3 784	15 974	26 745	20 615
Waste Water Management	1500	7 904	1 084	1 038	989	955	879	5 011	29 408	47 268	37 242
Waste Management	1600	8 076	1 204	1 163	1 077	1 020	992	5 366	30 636	49 534	39 090
Property Rental Debtors	1700	184	14	14	14	19	18	106	996	1 366	1 154
Interest on Arrear Accounts	1810	1 193	97	120	149	138	135	831	39 655	42 319	40 909
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(5 404)	48	27	37	50	36	185	1 175	(3 844)	1 484
Total By Income Source	2000	49 841	5 408	5 002	4 902	4 109	3 972	24 118	179 844	277 197	216 944
Debtors Age Analysis By Customer Group											
Organs of State	2200	31	264	142	146	111	95	846	5 685	7 319	6 882
Commercial	2300	19 362	418	388	338	230	200	2 139	10 039	33 113	12 945
Households	2400	30 150	4 545	4 283	4 254	3 616	3 522	20 152	159 093	229 614	190 637
Other	2500	299	181	190	164	153	155	981	5 027	7 150	6 480
Total By Customer Group	2600	49 841	5 408	5 002	4 902	4 109	3 972	24 118	179 844	277 197	216 944



The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 90% while the actual figure for June 2021 amounts to 98% in comparison to the previous year 97%.

Die doel van hierdie grafiek is om die verhaling van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 90%, terwyl die syfer vir Junie 2021 98% beloop in vergelyking met die vorige jaar 97 %.



The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 90% while the actual figure is 90%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 90%, terwyl die werklike syfer 90% beloop.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2020/21									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	6 832	-	-	-	-	-	-	-	-	6 832	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	6 832	-	-	-	-	-	-	-	-	6 832	-

Notes

Material increases in value of creditors' categories compared to previous month to be explained

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q4 Fourth Quarter

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
R thousands								
Municipality								
-	-			-		-	-	-
-	-			-		-	-	-
-	-			-		-	-	-
-	-		-	-		-	-	-
-	-			-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	-

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	106 455	120 625	30 421	119 495	120 625	(1 130)	-0,9%	120 625
Operational Revenue:General Revenue:Equitable	101 915	116 085	29 134	116 086	116 085	1	0,0%	116 085
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Ope	-	-	-	-	-	-	-	-
Agriculture Research and Technology	-	-	-	-	-	-	-	-
Agriculture, Conservation and Environmental	-	-	-	-	-	-	-	-
Arts and Culture Sustainable Resource Manageme	-	-	-	-	-	-	-	-
Community Library	-	-	-	-	-	-	-	-
Department of Environmental Affairs	-	-	-	-	-	-	-	-
Department of Tourism	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Masiba	-	-	-	-	-	-	-	-
Emergency Medical Service	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Gr	2 360	2 360	230	2 014	2 360	(346)	-14,7%	2 360
HIV and Aids	-	-	-	-	-	-	-	-
Housing Accreditation	-	-	-	-	-	-	-	-
Housing Top structure	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule	-	-	-	-	-	-	-	-
Integrated City Development Grant	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [S	1 550	1 550	1 057	1 395	1 550	(155)	-10,0%	1 550
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Sche	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Sche	-	-	-	-	-	-	-	-
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 [Sche	-	-	-	-	-	-	-	-
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 [Schedul	-	-	-	-	-	-	-	-
Health Hygiene in Informal Settlements	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	630	630	-	-	630	(630)	-100,0%	630
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Smart Connect Grant	-	-	-	-	-	-	-	-
Urban Settlement Development Grant	-	-	-	-	-	-	-	-
WiFi Grant [Department of Telecommunications an	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizon	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living h	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Gran	-	-	-	-	-	-	-	-
Municipal Restructuring Grant	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-

SECTION 52 - QUARTERLY REPORT JUNE 2021

Provincial Government:	10 534	17 786	-	-	17 786	(17 786)	-100,0%	17 786
Capacity Building	-	-	-	-	-	-	-	-
Capacity Building and Other	10 534	11 925	-	-	11 925	(11 925)	-100,0%	11 925
Disaster and Emergency Services	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Infrastructure	-	5 861	-	-	5 861	(5 861)	-100,0%	5 861
Libraries, Archives and Museums	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	-	-	-	-	-	-	-	-
Sports and Recreation	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance	-	-	-	-	-	-	-	-
District Municipality:	-	2 087	-	-	2 087	(2 087)	-100,0%	2 087
All Grants	-	2 087	-	-	2 087	(2 087)	-100,0%	2 087
Other grant providers:	-	338	357	357	-	357		338
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-
Foreign Government and International Organisation	-	338	357	357	338	19	5,8%	338
Households	-	-	-	-	-	-	-	-
Non-profit Institutions	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-
Public Corporations	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	116 989	140 835	30 778	119 852	140 498	(20 645)	-14,7%	140 835

SECTION 52 - QUARTERLY REPORT JUNE 2021

Capital Transfers and Grants								
National Government:	35 763	26 793	-	-	26 793	(26 793)	-100,0%	26 793
Integrated National Electrification Programme (Municipal Infrastructure Grant [Schedule 5B])	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	18 831	18 097	-	-	18 097	(18 097)	-100,0%	18 097
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 4]	-	-	-	-	-	-	-	-
Urban Settlement Development Grant [Schedule 4]	-	-	-	-	-	-	-	-
Municipal Human Settlement	-	-	-	-	-	-	-	-
Community Library	-	-	-	-	-	-	-	-
Integrated City Development Grant [Schedule 4B]	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant [Schedule 4B]	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 4B]	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 4B]	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)	16 931	8 696	-	-	8 696	(8 696)	-100,0%	8 696
Water Services Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-
WiFi Connectivity	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	-	-	-	-	-	-	-	-
Aquaponic Project	-	-	-	-	-	-	-	-
Restitution Settlement	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 4B]	-	-	-	-	-	-	-	-
Restructuring Seed Funding	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-
Provincial Government:	42 954	38 164	-	-	38 164	(38 164)	-100,0%	38 164
Capacity Building	-	-	-	-	-	-	-	-
Capacity Building and Other	-	1 417	-	-	1 417	(1 417)	-100,0%	1 417
Disaster and Emergency Services	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Infrastructure	42 954	36 746	-	-	36 746	(36 746)	-100,0%	36 746
Libraries, Archives and Museums	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-
Road Infrastructure	-	-	-	-	-	-	-	-
Sports and Recreation	-	-	-	-	-	-	-	-
Waste Water Infrastructure	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-
District Municipality:	-	602	-	-	602	(602)	-100,0%	1 104
All Grants	-	602	-	-	602	(602)	-100,0%	602
Other grant providers:	-	501	-	-	501	(501)	-100,0%	501
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-
Foreign Government and International Organisation	-	501	-	-	501	(501)	-100,0%	501
Households	-	-	-	-	-	-	-	-
Non-Profit Institutions	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-
Public Corporations	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	78 716	66 060	-	-	66 060	(66 060)	-100,0%	66 562
TOTAL RECEIPTS OF TRANSFERS & GRANTS	195 705	206 896	30 778	119 852	206 558	(86 706)	-42,0%	207 397

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q4 Fourth Quarter

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	63 364	61 773	5 363	44 626	61 773	(17 147)	-27,8%	61 773
Operational Revenue:General Revenue:Equitable Share	58 824	57 233	4 076	41 216	57 233	(16 016)	-28,0%	57 233
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Operatin	-	-	-	-	-	-	-	-
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 Masibamba	-	-	-	-	-	-	-	-
Emergency Medical Service	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant f	2 360	2 360	230	2 014	2 360	(346)	-14,7%	2 360
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 [Sche	1 550	1 550	1 057	1 395	1 550	(155)	-10,0%	1 550
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
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]	630	630	-	-	630	(630)	-100,0%	630
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Smart Connect Grant	-	-	-	-	-	-	-	-
Urban Settlement Development Grant	-	-	-	-	-	-	-	-
WiFi Grant [Department of Telecommunications and Po	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizon	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Hand	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-
Municipal Restructuring Grant	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-

SECTION 52 - QUARTERLY REPORT JUNE 2021

Provincial Government:	10 534	17 909	1 036	9 965	17 909	(7 944)	-44,4%	17 909
Capacity Building	-	-	-	-	-	-	-	-
Capacity Building and Other	10 534	12 048	1 036	9 965	12 048	(2 083)	-17,3%	12 048
Disaster and Emergency Services	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Infrastructure	-	5 861	-	-	5 861	(5 861)	-100,0%	5 861
Libraries, Archives and Museums	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	-	-	-	-	-	-	-	-
Sports and Recreation	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance	-	-	-	-	-	-	-	-
District Municipality:	-	1 949	36	255	1 949	(1 694)	-86,9%	1 949
All Grants	-	1 949	36	255	1 949	(1 694)	-86,9%	1 949
Other grant providers:	566	904	133	357	904	(547)	-60,5%	904
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	566	904	133	357	904	(547)	-60,5%	904
Households	-	-	-	-	-	-	-	-
Non-profit Institutions	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-
Public Corporations	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	74 464	82 535	6 567	55 203	82 535	(27 332)	-219,5%	82 535
Capital expenditure of Transfers and Grants								
National Government:	35 763	26 793	6 222	18 101	26 793	(8 692)	-32,4%	26 793
Integrated National Electrification Programme (Municipal)	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	18 831	18 097	6 222	18 101	18 097	4	0,0%	18 097
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 [Schedule 4B]	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 4B]	-	-	-	-	-	-	-	-
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)	16 931	8 696	-	-	8 696	(8 696)	-100,0%	8 696
Water Services Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-
WIFI Connectivity	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for	-	-	-	-	-	-	-	-
Aquaponic Project	-	-	-	-	-	-	-	-
Restitution Settlement	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Restructuring Seed Funding	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-

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Provincial Government:	42 954	38 164	5 747	33 318	38 164	(4 846)	-13%	38 164
Capacity Building	-	-	-	-	-	-		-
Capacity Building and Other	-	1 417	722	1 417	1 417	-		1 417
Disaster and Emergency Services	-	-	-	-	-	-		-
Health	-	-	-	-	-	-		-
Housing	-	-	-	-	-	-		-
Infrastructure	42 954	36 746	5 026	31 900	36 746	(4 846)	-13,2%	36 746
Libraries, Archives and Museums	-	-	-	-	-	-		-
Other	-	-	-	-	-	-		-
Public Transport	-	-	-	-	-	-		-
Road Infrastructure	-	-	-	-	-	-		-
Sports and Recreation	-	-	-	-	-	-		-
Waste Water Infrastructure	-	-	-	-	-	-		-
Water Supply Infrastructure	-	-	-	-	-	-		-
District Municipality:	-	740	302	665	740	(75)	-10,2%	740
All Grants	-	740	302	665	740	(75)	-10,2%	740
Other grant providers:	10 048	21 216	2 910	14 212	21 216	(7 005)	-33,0%	21 216
Departmental Agencies and Accounts	-	-	-	-	-	-		-
Foreign Government and International Organisations	-	501	165	442	501	(60)	-11,9%	501
Households	-	-	-	-	-	-		-
Non-Profit Institutions	-	-	-	-	-	-		-
Private Enterprises	-	-	-	-	-	-		-
Public Corporations	-	-	-	-	-	-		-
Higher Educational Institutions	-	-	-	-	-	-		-
Parent Municipality / Entity	-	-	-	-	-	-		-
Transfer from Operational Revenue	10 048	20 715	2 745	13 770	20 715	(6 945)	-33,5%	20 715
Total capital expenditure of Transfers and Grants	88 764	86 913	15 182	66 295	86 913	(20 618)	-23,7%	86 913
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	163 228	169 447	21 749	121 498	169 447	(47 949)	-28,3%	169 447

In terms of section 12 of the Division of Revenue Act the municipality confirms that, based on internal controls, all grant funding has been received and spent in terms of the conditions attached thereto.

WC022 Witzenberg - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - Q4 Fourth Quarter

Description	Ref	Budget Year 2020/21				
		Approved Rollover 2019/20	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
None		-	-	-	-	
Provincial Government:		-	-	-	-	
None		-	-	-	-	
District Municipality:		-	-	-	-	
None		-	-	-	-	
Other grant providers:		-	-	-	-	
None		-	-	-	-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Integrated National Electrification Programme (Municipal Grant) [Schedule 3]		-	-	-	-	
Provincial Government:		-	-	-	-	
None		-	-	-	-	
District Municipality:		-	-	-	-	
None		-	-	-	-	
#REF!		-	-	-	-	
None		-	-	-	-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter

Summary of Employee and Councillor remuneration	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	8 104	8 104	636	7 617	8 104	(487)	-6%	8 104
Pension and UIF Contributions	1 194	1 194	90	1 076	1 194	(118)	-10%	1 194
Medical Aid Contributions	239	239	17	224	239	(14)	-6%	239
Motor Vehicle Allowance	778	778	-	-	778	(778)	-100%	778
Cellphone Allowance	1 149	1 149	78	938	1 149	(211)	-18%	1 149
Housing Allowances	511	511	3	41	511	(470)	-92%	511
Other benefits and allowances	56	56	-	-	56	(56)	-100%	56
Sub Total - Councillors	12 032	12 032	825	9 897	12 032	(2 134)	-18%	12 032
Senior Managers of the Municipality								
Basic Salaries and Wages	4 139	3 589	324	3 933	3 589	344	10%	3 589
Pension and UIF Contributions	851	851	29	258	851	(594)	-70%	851
Medical Aid Contributions	147	147	5	56	147	(91)	-62%	147
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	968	768	62	670	768	(97)	-13%	768
Motor Vehicle Allowance	1 143	950	83	916	950	(34)	-4%	950
Cellphone Allowance	77	77	(16)	22	77	(56)	-72%	77
Housing Allowances	167	167	24	165	167	(2)	-1%	167
Other benefits and allowances	125	125	9	113	125	(12)	-10%	125
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers	7 617	6 674	520	6 133	6 674	(542)	-8%	6 674
Other Municipal Staff								
Basic Salaries and Wages	126 695	122 707	9 640	114 790	122 707	(7 917)	-6%	122 707
Pension and UIF Contributions	19 060	19 060	1 579	18 698	19 060	(362)	-2%	19 060
Medical Aid Contributions	8 467	8 467	680	8 479	8 467	12	0%	8 467
Overtime	13 794	13 874	1 520	16 564	13 874	2 690	19%	13 874
Performance Bonus	8 895	8 895	759	9 020	8 895	126	1%	8 895
Motor Vehicle Allowance	4 886	6 454	478	5 774	6 454	(681)	-11%	6 454
Cellphone Allowance	440	440	43	532	440	92	21%	440
Housing Allowances	1 792	1 792	151	1 663	1 792	(128)	-7%	1 792
Other benefits and allowances	4 691	4 291	401	4 773	4 291	482	11%	4 291
Payments in lieu of leave	966	4 966	673	1 961	4 966	(3 005)	-61%	4 966
Long service awards	-	-	67	791	-	791	#DIV/0!	-
Post-retirement benefit obligations	28 880	18 780	670	8 040	18 780	(10 740)	-57%	18 780
Sub Total - Other Municipal Staff	218 565	209 725	16 660	191 086	209 725	(18 639)	-9%	209 725
TOTAL SALARY, ALLOWANCES &	238 214	228 431	18 004	207 116	228 431	(21 315)	-9%	228 431
% increase								
TOTAL MANAGERS AND STAFF	226 182	216 399	17 179	197 218	216 399	(19 181)	-9%	216 399

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q4 Fourth Quarter

Description	Ref	Budget Year 2020/21											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget
Cash Receipts By Source													
Property rates		4 112	8 928	17 512	9 568	37	5 654	4 672	4 508	4 582	4 603	3 784	(2 269)
Service charges - electricity revenue		21 484	28 159	24 941	22 254	17 501	22 693	18 157	21 842	27 798	30 296	33 216	38 173
Service charges - water revenue		2 338	3 382	2 008	2 175	2 704	3 009	2 554	3 213	3 551	3 698	3 373	(4 528)
Service charges - sanitation revenue		1 302	1 590	1 493	1 476	2 043	7 574	1 744	1 682	1 796	2 218	1 962	(7 678)
Service charges - refuse		1 545	1 422	2 063	1 785	1 622	1 631	1 690	1 789	2 097	1 877	2 134	(3 264)
Service charges - other		-	4 470	-	-	948	-	-	-	-	-	-	(5 418)
Rental of facilities and equipment		3	1	1	1	7	17	178	2	29	16	197	710
Interest earned - external investments		235	298	298	231	-	249	298	223	240	262	250	775
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	1 510
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		3	55	30	64	51	9	48	39	331	45	59	4 585
Licences and permits		813	112	398	554	540	190	606	416	820	64	454	(2 957)
Agency services		-	-	-	-	-	-	-	-	-	-	-	3 854
Transfer receipts - operating		45 862	5 580	-	3 469	-	-	-	-	-	-	-	85 333
Other revenue		83	115	132	340	979	16 930	4 102	2 506	26 329	1 673	167	(45 463)
Cash Receipts by Source		77 779	54 112	48 875	41 917	26 434	57 956	34 049	36 221	67 574	44 753	45 597	63 362
Other Cash Flows by Source													-
Transfer receipts - capital		3 721	-	568	4 674	10 000	10 784	-	-	24 455	363	5 735	10 030
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(35)	1	23	23	40	2	(98)	46	(24)	29	48	(54)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		81 465	54 112	49 466	46 614	36 474	68 741	33 952	36 267	92 004	45 145	51 381	73 338
Cash Payments by Type													-
Employee related costs		13 585	15 116	14 644	15 544	23 042	14 609	14 895	14 967	15 907	14 716	14 786	29 717
Remuneration of councillors		940	940	940	940	1 134	938	938	938	937	937	936	1 516
Interest paid		-	-	3	(0)	-	23	-	-	2	-	-	1 678
Bulk purchases - Electricity		29 263	31 706	28 786	17 164	16 744	16 025	16 069	19 309	22 637	26 471	24 634	29 906
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		1 462	439	557	1 444	988	997	580	601	1 176	1 693	995	9 762
Contracted services		1 859	2 907	3 671	4 684	5 298	4 465	3 691	5 703	2 561	6 032	3 366	24 479
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		672	50	50	275	-	50	273	50	114	277	54	6 245
General expenses		10 173	3 290	3 472	3 865	2 785	3 178	2 241	2 615	3 515	5 616	2 861	9 435
Cash Payments by Type		57 953	54 447	52 123	43 917	49 990	40 286	38 686	44 183	46 849	55 742	47 632	112 739
Other Cash Flows/Payments by Type													
Capital assets		1 025	1 102	2 341	3 550	7 328	5 517	1 862	7 155	15 773	2 270	6 721	15 117
Repayment of borrowing		-	-	19	-	-	107	-	-	20	-	-	1 654
Other Cash Flows/Payments		864	241	(2 763)	1 133	(5 778)	1 206	(1 416)	1 770	(1 850)	679	153	5 762
Total Cash Payments by Type		59 842	55 790	51 720	48 599	51 541	47 116	39 131	53 108	60 792	58 690	54 505	135 272
NET INCREASE/(DECREASE) IN CASH HELD		21 623	(1 677)	(2 254)	(1 985)	(15 067)	21 625	(5 180)	(16 841)	31 212	(13 546)	(3 124)	(61 934)
Cash/cash equivalents at the month/year beginning:		130 394	152 018	150 340	148 087	146 101	131 035	152 660	147 480	130 639	161 851	148 306	145 181
Cash/cash equivalents at the month/year end:		152 018	150 340	148 087	146 101	131 035	152 660	147 480	130 639	161 851	148 306	145 181	83 247

SECTION 52 - QUARTERLY REPORT JUNE 2021

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q4 Fourth Quarter

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	101	–	5 083	–	–	5 083	–		0%
August	3 035	–	5 083	970	970	10 166	9 196	90,5%	1%
September	2 468	18 288	10 357	2 309	3 280	20 523	17 243	84,0%	4%
October	6 398	–	5 083	3 822	7 101	25 606	18 505	72,3%	8%
November	2 200	–	5 083	7 006	14 107	30 689	16 582	54,0%	16%
December	4 387	24 821	12 246	3 969	18 077	42 936	24 859	57,9%	20%
January	1 566	–	5 083	4 376	22 453	48 018	25 565	53,2%	25%
February	2 718	–	5 083	4 502	26 955	53 101	26 146	49,2%	30%
March	1 848	18 288	10 357	15 227	42 182	63 459	21 277	33,5%	48%
April	1 747	–	5 083	2 003	44 185	68 542	24 357	35,5%	
May	1 275	–	5 083	6 929	51 114	73 625	22 511	30,6%	58%
June	201	27 367	13 318	15 182	66 295	86 943	20 648	23,7%	0
Total Capital expenditure	27 944	88 764	86 943	66 295					

MUNICIPALITY WITZENBERG

Report: Withdrawals from Municipal Bank Accounts
 Quarter ending June 2021
 Report in terms of section 11(4)(a) of the MFMA, Act no 56 of 2003

MFMA Section	Item Description	Income transactions April 2021	Income transactions May 2021	Income transactions June 2021	Expenditure transactions April 2021	Expenditure transactions May 2021	Expenditure transactions June 2021	Income YTD transactions Quarter 4	Expenditure YTD transactions Quarter 4	Total YTD Income	Total YTD Expenditure
								R	R	R	R
11(1) (b)	Expenditure authorised in terms of section 26(4) (Expenditure before annual budget is approved)							-	-	-	-
11(1) (c)	Unforeseeable and unavoidable expenditure authorised in terms of section 29(1) (Mayor may approve emergency or other exceptional circumstances expenditure for which no budget provision was made)							-	-	-	-
11(1) (d)	Section 12 withdrawals charitable, trust or other funds withdrawals) (Relief,							-	-	-	-
11(1) (e) (i)	Money collected on behalf of organ of state: - VAT	-	-	-	4 670 706	4 023 722	5 587 877	-	14 282 306	-	43 574 585
	- Agency fees, for example motor registration, drivers licence, etc.	-	-	-	-	-	-	-	-	-	-
11(1) (e) (ii)	Insurance received by the Municipality on behalf of organ of state							-	-	-	-
11(1) (f)	Refund of money incorrectly paid into bank account							-	-	-	-
11(1) (g)	Refund of guarantees, sureties & security deposits	-209 675	718 453	-1 020 327	15 950	60 647	90 302	-511 549	166 899	-1 214 371	637 259
		-209 675	718 453	-1 020 327	4 686 656	4 084 369	5 678 179	-511 549	14 449 205	-1 214 371	44 211 844
								YTD Transactions Quarter 4			
11(1) (h)	Cash management and investment purposes:							-			
	- Realised	-	-	-				-			
	- Made	-	-	-				-			
	- Nett movement	-	-	-				-			

WITZENBERG MUNICIPALITY**Report: Expenditure on Staff & Councillor Benefits - YTD Act Jun**

(Report in terms of Section 66 of the MFMA)

MFMA Section	Item Description	Original Budget 2020/2021	Amended Budget 2020/2021	Year to Date Total	% Spent to date
Staff Benefits					
66(a)	Salaries and Wages	130 845 711	126 267 711	118 723 298	94,03%
66(b)	Contributions to pension funds and medical aid	28 512 716	28 512 716	27 477 672	96,37%
66(c)	Travel, accomodation and subsistence	6 029 459	7 404 459	6 689 375	90,34%
66(d)	Housing benefits and allowances	1 958 667	1 958 667	1 828 751	93,37%
66(e)	Overtime	13 532 733	13 532 733	16 513 727	122,03%
66(f)	Loans and advances	0	0	0	0,00%
66(g)	Other type of benefit or allowances related to staff	45 119 718	38 419 718	25 922 170	67,47%
	Sub - Total (Staff Benefits)	R 225 999 004	R 216 096 004	R 197 154 993	91,23%
Councillor Benefits					
MAY	Mayor	1 028 891	1 028 891	656 495	63,81%
DM	Deputy Mayor	766 078	766 078	604 341	78,89%
SP	Speaker	766 386	766 386	602 722	78,64%
MCM	Mayoral Committee members	2 756 705	2 756 705	2 231 236	80,94%
CLLR	Other Councillors	5 280 715	5 280 715	4 501 548	85,25%
MED	Medical aid contributions	238 722	238 722	224 491	94,04%
PEN	Pension fund contributions	1 194 200	1 194 200	1 076 417	90,14%
WARD	Ward Committee Allowance	1 209 600	1 209 600	1 359 000	112,35%
	Sub - Total (Councillors' Benefits)	13 241 297	R 13 241 297	R 11 256 250	85,01%
	Total Councillor and Staff Benefits	R 239 240 301	R 229 337 301	R 208 411 243	90,88%

TOP LAYER SDBIP 2020/21 : 4th QUARTER PERFORMANCE REPORT

Mun KPA	Mun Strategic Objective	Ref	KPI	Annual Target	4th Quarter 2020/21			
					Target	Result	Reason if target not achieved	Corrective measures
Essential Services	Sustainable provision & maintenance of basic services	TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department.	98%	98%	96%	The final budget amount was increased by means of transfers, as the original budget was insufficient to do much needed maintenance work.	The original budget was exceeded by far.
		TecDir3	Percentage expenditure on capital budget by Technical Department. (Exclude Tulbagh Dam project)	95%	95%	86%	Upgrade of van Breda bridge could not commence as a bidder appealed against the appointment of the successful bidder.	Finalise appeal to start with Construction
		TecRo7	Kilometres of roads upgraded & rehabilitated.	4	4	6		
		TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	95%	95%	100%		
		TecWat20	Decrease unaccounted water losses.	18%	18%	6%		
		TecWat21	Percentage compliance with drinking water quality standards	98%	98%	100%		
		TecWat36	Percentage of valid water connection applications connected by reporting period end	95%	95%	100%		
		TecRef46	Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.	7	7	7		
		TecEI37	Decrease unaccounted electricity losses.	10%	10%	11%	This is not final figure, June sales only available end of July	This is not final figure, June sales only available end of July
		TecEI60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	95%	95%	100%		

Mun KPA	Mun Strategic Objective	Ref	KPI	Annual Target	4th Quarter 2020/21			
					Target	Result	Reason if target not achieved	Corrective measures
Essential Services	Provide for the needs of informal settlements through improved services	TecDir2	Number of subsidised serviced sites developed.	0	0		No target for 2020/21	
		TecSan13	Provide basic services - number of established informal areas with sufficient communal sanitation services points (toilets).	3	3	3		
		TecWat22	Provide basic services - number of established informal areas with sufficient communal water services points (taps).	3	3	3		
		TecRef31	Improve basic services - number of established informal settlements receiving a periodic area cleansing programme.	3	3	3		
		TecEl36	Percentage of houses in a subsidised housing project connected to the electrical network.	95%	95%	100%		
Governance	Support institutional transformation & development	CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	4	4	4		
		CorpHR13	Percentage budget spend on the implementation of the Workplace Skills Plan	96%	96%	90%	Due to Covid gathering restrictions	Adhere to Covid19 Regulations
	Financial Viability	MM1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the whole of the municipality.	98%	98%	95%	The final budget amount was increased by means of transfers, as the original budget was insufficient to do much needed maintenance work.	The original budget was exceeded by far.
		MM2	Percentage spend on the capital budget for the whole of the municipality (excluding Tulbagh Dam).	95%	95%	85%	Upgrade of van Breda bridge could not commence as a bidder appealed against the appointment of the successful bidder. Refer also to ComDir2.	Finalise appeal to start with Construction
		FinDir3	Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.	1 Unqualified Report	1 Unqualified Report	1 Unqualified Report		

Mun KPA	Mun Strategic Objective	Ref	KPI	Annual Target	4th Quarter 2020/21			
					Target	Result	Reason if target not achieved	Corrective measures
	viability	FinFAdm9	Financial viability expressed as Cost-Coverage ratio	2,8	2,8	2,96		
		FinFAdm10	Financial viability expressed as Debt-Coverage ratio	200	200	309		
		FinFAdm11	Financial viability expressed outstanding service debtors	60%	60%	71%	The Covid19 pandemic had negative impact on the collection rate month to month, which also impacted the accumulative collection rate.	As soon as the situation allows stringent implementation of the credit control policy.
		FinInc15	Increased revenue collection	90%	90%	90%		
	To maintain & strengthen relations	MMIDP9	Number of IDP community engagements held.	12	12	12		
		ComSoc49	Number of meetings with intergovernmental partners.	12	12	12		
Communal Services	Provide & maintain facilities that make citizens feel at home	ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	98%	98%	79%	The unspent amount is R 236 000. Maintenance on libraries and sportsfields were reduced mainly because facilities was closed to the public during periods as a result of Covid19 restrictions.	To implement normal maintenance programme with the easing of restrictions.
		ComDir2	Percentage expenditure on capital budget by Community Directorate.	95%	95%	83%	Procurement for vehicles could not proceed on NT tender for piggy-back as no response was received from National Treasury on the confirmation that procurement process was followed in terms of Procurement Regulations. Impact is that R2,3m from budget of R 14,3m could not be spent.	Confirmation from National Treasury was only received on 19 July 2021.
		ComAm34	Report on annual customer satisfaction survey on community facilities.	1	1	1		
		ComHS14	Number of housing opportunities provided per year - top structures.				No target for 2020/21	

Mun KPA	Mun Strategic Objective	Ref	KPI	Annual Target	4th Quarter 2020/21			
					Target	Result	Reason if target not achieved	Corrective measures
Socio-Economic Support	Support the poor & vulnerable through programmes & policy	ComHS15	Number of rental stock transferred.	40	40	14	Reasons for delays on individual cases explained in letter from attorney dated 2021/07/02.	Seven transfers outstanding and circumstances out of our control in terms of four of outstanding transfers. I requested the attorney to expedite the three transfers that he will be able to register
		ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	4500	4500	2867		
		ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	20	20	27		
Socio-Economic Support	Create an enabling environment to attract investment & support local economy	ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	4	4	4		
		ComLed8	The number of jobs created through the municipality's local economic development initiatives including capital projects.	400	400	401		
		ComLed19	Quarterly report on investment incentives implemented.	4	4	4		
		ComLed20	Quarterly report on the Small Business Entrepreneurs Development Programme.	4	4	4		

Total Cost Savings Disclosure in the In-Year and Annual Report
Quarter ended: June 2021
Witzenberg Municipality

Measures	Adj Budget	October	November	December	January	February	March	April	May	June	Q1	Q2	Q3	Q4	Total YTD	PREV TOTAL YTD	Savings
Use fo Consultants	22 111 478	2 437 721	2 293 536	1 325 145	3 345 827	442 000	760 048	1 881 735	1 405 811	2 128 881	1 992 946	6 056 402	4 547 875	5 416 427	18 013 650	15 398 497	-2 615 153
Vehicles used for political office -bearers	28 979	510	-	-	-	-	-	-	21 465	327	1 357	510	-	21 792	23 659	6 657	-17 003
Travel and subsistence	1 153 877	13 829	25 682	22 435	1 505	11 365	16 132	18 616	35 293	72 847	26 645	61 946	29 002	126 756	244 349	533 469	289 120
Domestic Accomodation	279 785	-	-	-	-	-	-	4 959	580	11 392	-	-	-	16 931	16 931	103 912	86 981
Sponsorships, events and catering	810 000	1 245	-	-	-	-	-488	-	3 285	202 065	693	1 245	-488	205 350	206 800	432 088	225 289
Communication	3 103 628	344 926	56 259	368 253	160 619	163 611	199 342	220 082	223 181	253 259	396 864	769 438	523 572	696 522	2 386 396	2 276 638	-109 758
Other Related Expenditure Items	2 105 693	139 998	138 514	135 775	28 047	65 711	216 438	63 269	151 111	-206 556	310 869	414 286	310 197	7 824	1 043 176	1 447 585	404 408
TOTAL	29 593 440	2 938 230	2 513 991	1 851 606	3 535 997	682 688	1 191 471	2 188 661	1 840 727	2 462 215	2 729 375	7 303 827	5 410 157	6 491 603	21 934 962	20 198 846	-1 736 116

*** Savings were calculated based upon a comparison between previous year and current year year-to-date expenditure items

WITZENBERG

MUNISIPALITEIT UMASIPALA MUNICIPALITY

- MEMORANDUM -

AAN / TO: Municipal Manager

VAN / FROM: Director: Finance

DATUM / DATE: 16 March 2022

VERW. / REF.: 08/01/P; 05/01/1/20

PROPOSED AMENDMENTS TO THE SUPPLY CHAIN MANAGEMENT POLICY

1. PURPOSE

The purpose of this report is to submit proposed amendments to the Supply Chain Management Policy for consideration to Council.

2. LEGAL FRAMEWORK

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT NO. 5 OF 2000

The relevant section of abovementioned act is quoted below:

“2. Framework for implementation of preferential procurement policy. — (1) An organ of state must determine its preferential procurement policy and implement it within the following framework:

(a) A preference point system must be followed;

(b) (i) for contracts with a Rand value above a prescribed amount a maximum of 10 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 90 points for price;

(ii) for contracts with a Rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 80 points for price;

(c) any other acceptable tenders which are higher in price must score fewer points, on a pro rata basis, calculated on their tender prices in relation to the lowest acceptable tender, in accordance with a prescribed formula;

(d) the specific goals 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 as published in Government Gazette No. 16085 dated 23 November 1994;

✉ 44 Ceres 6835

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admin@witzenberg.gov.za

(e) any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender;

(f) the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer; and

(g) any contract awarded on account of false information furnished by the tenderer in order to secure preference in terms of this Act, may be cancelled at the sole discretion of the organ of state without prejudice to any other remedies the organ of state may have.

5. Regulations. — (1) *The Minister may make regulations regarding any matter that may be necessary or expedient to prescribe in order to achieve the objects of this Act.*

(2) Draft regulations must be published for public comment in the Government Gazette and every Provincial Gazette before promulgation.”

3. DISCUSSION

The Preferential Procurement Regulations was published in Government Gazette 40553 of 20 January 2017.

On Wednesday, 16 February 2022, the Constitutional Court handed down judgment in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal (SCA). This application was brought by the National Minister of Finance (“the Minister”) against Afribusines NPC, and concerns the validity of the Preferential Procurement Regulations, 2017 (“Procurement Regulations” as referred to in the judgment) promulgated by the Minister on 20 January 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (“Procurement Act” as referred to in the judgment).

The SCA held that the Minister's promulgation of regulation 3(b) (determining whether pre-qualification criteria are applicable to the tender as envisaged in regulation 4), regulation 4 (pre-qualification criteria for preferential procurement) and regulation 9 (subcontracting as a condition of tender) of the Procurement Regulations was unlawful.

Due to the interconnectedness of the regulations, **the SCA declared the entire Procurement Regulations invalid** on the basis that the content of the Regulations exceeded the Minister’s power on what could permissibly be regulated on in terms of section 5 of the Procurement Act and section 217 of the Constitution. The declaration of invalidity was suspended for 12 months which ended 02 November 2021.

4. PROBLEM STATEMENT

The Preferential Procurement Regulations was used in the adjudication of tenders to adhere to the requirements of the Preferential Procurement Policy Framework Act.

The declaration by the SCA that the regulations are invalid has the effect that tenders cannot be evaluated and/or adjudicated as no legal framework is available to ensure compliance with the Preferential Procurement Policy Framework Act.

5. PROPOSED CHANGES

That the following be added to the Witzenberg Municipal Supply Chain Management Policy:

80/20 preference point system for acquisition of goods or services with Rand value equal to or above R30 000 and up to R50 million

(1) The following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{\min} = Price of lowest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) 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.

90/10 preference point system for acquisition of goods or services with Rand value above R50 million

5.(1) The following formula must be used to calculate the points out 90 for price in respect of a tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{\min} = Price of lowest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) 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.

80/20 preference points system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R30 000 and up to Rand value of R50 million

(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 + \frac{P_t - P_{\max}}{P_{\max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{\max} = Price of highest acceptable tender.

- (2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.
- (3) The points scored must be rounded off to the nearest 2 decimal places.
- (4) 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.

90/10 preference point system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R50 million

(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

- P_s = Points scored for price of tender under consideration;
- P_t = Price of tender under consideration; and
- P_{max} = Price of highest acceptable tender.

- (2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.
- (3) The points scored must be rounded off to the nearest 2 decimal places.
- (4) 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.

Points allocated for B-BBEE:

B-BBEE Status Level of Contributor	Number of Points Tenders with Rand value equal to or above R30 000 and up to Rand value of R50 million	Number of Points - tenders with Rand value equal to or above R50 million.
1	20	10
2	18	9
3	14	6
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant contributor	0	0

6. RECOMMENDATION

That the proposed amendments to the Supply Chain Management Policy be approved, with immediate application.

Yours faithfully

H J Kritzinger
DIRECTOR FINANCE



SUPPLY CHAIN MANAGEMENT POLICY

Reviewed by Council 26/05/2021
Reviewed by Council 30/05/2017
Reviewed by Council 18/05/2016
Reviewed by Council 28/05/2015
Reviewed by Council 27/05/2014
Adopted by Council 29/05/2013

SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Proposed date for adoption: 1 April (PP regulations 2017) /July 2017

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the municipality.

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Annexure A

Annexure B

1. Definition - In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“Accounting officer” – means the municipal official referred to in section 60 of the Act

“B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act.

“B-BBEE Status Level of Contributor” means the B-BBEE status of an entity in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. ¹

“Bid” means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of goods, services or construction works through price quotations, advertised competitive bidding processes or proposals.

“Bidder” means any person submitting a competitive bid or a quotation.

“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. ²

“Black people” has the meaning assigned to it in section 1 of the Broad-Based Black Economic Empowerment Act. ³

“Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 53 of 2003 and Codes of Good Practice pertaining thereto.

“Chief Financial Officer or CFO” means a person designated in terms of section 80(2) (a) of the Act.

“CIDBA regulations” means any regulations issued in terms of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);

“Class deviation” means a deviation from the normal procurement process for goods and services anticipated to be procured more than once in a financial year but exclude

¹ Amended by council 30 May 2017

² Amended by council 30 May 2017

³ Amended by council 30 May 2017

procurement made in an emergency situation.

“Community Based Vendor” means a supplier of goods, services and/or construction works who resides in the Witzenberg municipal area or has its principal business activities in the Witzenberg municipal area, who meets the criteria for community based vendor as determined by the Municipal Council from time to time, and who is registered as such on the municipality’s supplier database.

“Competitive bidding process” means a competitive bidding process referred to in paragraph 21 of this Policy;⁴

“Competitive bid” means a bid in terms of a competitive bidding process;

“Consultant/ consulting engineer” means a person or entity providing advisory services to the municipality which amongst others include consulting firms, management firms, procurement agents, inspection agents, auditors, other multinational organisations, investment and merchant banks, universities, research agencies, government agencies, non-governmental organisations (NGOs) and individuals.

“Contract” means the agreement which is concluded when the municipality accepts, in writing, a competitive bid or quotation submitted by a supplier.

“Contract manager” refers to an internal official assigned to ensure the effective administration of the contract

“Day(s)” means calendar days unless the context indicates otherwise.

“Designated sector” means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content.

“Disposal” in relation to capital assets means –

- (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;

“Exempted Micro Enterprise” means an exempted micro enterprise in terms of a code

⁴ Amended by council 30 May 2017

of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.⁵

“Final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote was accepted;

“Formal written price quotation” means a written or electronic offer to the municipality in response to an invitation to submit a quotation as referred to in paragraph 19 of this Policy;

“Green procurement” means the procurement of environmentally friendly products and services;⁶

“Head of Department” means a Senior Manager as defined in the Municipal Finance Management Act, 2003 (Act no.56 of 2003) and who is responsible for a vote as assigned by the Accounting Officer;

“Individual deviation” means a deviation from the normal procurement process as set out in this policy that affect only one contract / procurement award made in circumstances where it is impractical to follow the normal procurement process and in an emergency situation.

“In the service of the state” means to be –

- (a) A member of –
 - (i) Any municipal council;
 - (ii) Any provincial legislature; or
 - (iii) The National Assembly or the National Council of Provinces;
- (b) A member of the board of directors of any municipal entity;
- (c) An official of any municipality or municipal entity;
- (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Municipal Finance Management Act, 2003 (Act No.56 of 2003); and Public Finance Management Act, 1999 (Act No. 1 of 1999)
- (e) A member of the accounting authority of any national or provincial public entity;
or
- (f) An employee of Parliament or a provincial legislature;

⁵ Amended by council 30 May 2017

⁶ Amended by council 30 May 2017

“Joint Venture or Consortium” means an association of persons formed for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract or contracts. The Joint Venture must be formalised by agreement between the parties.

“Line manager” means a manager reporting directly to a senior manager and who is responsible for a cost centre as assigned by the relevant senior manager;

“Long term contract” means a contract with a duration period exceeding one year and does not have the same meaning as contracts of a long term nature referred to in paragraph 24(1)(e) of this policy;⁷

“Long term nature contract” means a contract as defined by section 33(1) of the Municipal Finance Management Act imposing financial obligations on the Municipality beyond the first three years covered in the approved annual budget;⁸

“List of accredited prospective providers” means the list of accredited prospective providers which the municipality must keep in terms of paragraph 16 of this policy;⁹

“Municipality” means Witzenberg Municipality or any person(s) or committee delegated with the authority to act on its behalf.

“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), as amended;
- (b) The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), as amended;
- (c) The Construction Industry Development Board Act, 2000 (Act No.38 of 2000), as amended; and
- (d) The Preferential Procurement Regulations, as amended¹⁰
- (e) The Local Government: Municipal Systems Act;¹¹
- (f) The Competition Act; and¹²

⁷ Amended by council 30 May 2017

⁸ Amended by council 30 May 2017

⁹ Amended by council 30 May 2017

¹⁰ Amended by council 30 May 2017

¹¹ Amended by council 30 May 2017

¹² Amended by council 30 May 2017

(g) The Promotion of Administrative Justice Act.¹³

“Policy” means this Supply Chain Management Policy as amended from time to time by Council

“Targeted Labour” means those individuals employed by a contractor, or sub-contractor, in the performance of a contract, who are defined in the contract as the target group, and who permanently reside in the municipal area.

“Tender” referred to in the Preferential Procurement Regulations 2017, has the same meaning as “bid” as defined in this policy¹⁴

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“The Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“The Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“Written quotations” means quotations referred to in paragraph 18 of this Policy.¹⁵

¹³ Amended by council 30 May 2017

¹⁴ Amended by council 30 May 2017

¹⁵ Amended by council 30 May 2017

2. Policy statement and objectives

Section 111 of the Municipal Finance Management Act requires each municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act.

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.

The objectives of this Policy are:

- to give effect 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;
- to comply with all applicable provisions of the Municipal Finance Management Act including the 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; regulations pertaining thereto, including:
 - the Preferential Procurement Policy Framework Act;
 - the Broad-Based Black Economic Empowerment Act;
 - the Construction Industry Development Board Act;
 - the Local Government: Municipal Systems Act; and
 - the Promotion of Administrative Justice Act.
- the Competition Act.¹⁶

¹⁶ Amended by council 30 May 2017

CHAPTER 1
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

3. 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;
 - (b) is fair, equitable, transparent, competitive and cost effective;
 - (c) Complies with –
 - (i) The Regulations; and
 - (ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) is consistent with other applicable legislation;
 - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

- (2) 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 otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; and
 - (d) Selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

- (e) the procurement of goods and services under a contract secured by that other organ of state, provided that the relevant supplier has agreed to such procurement.
- (3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

4. Amendment of the supply chain management policy

- (1) The accounting officer must –
 - (a) at least annually review the implementation of this Policy; and
 - (b) When the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the Council.
- (2) If the accounting officer submits proposed amendments to the Council that differs from the model policy issued by the National Treasury, the accounting officer must –
 - (a) Ensure that such proposed amendments comply with the Regulations; and
 - (b) Report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy the 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.

5. Delegation of supply chain management powers and duties

- (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
 - (a) To discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) This Policy;
 - (b) to maximize administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (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 35-37 of this Policy.

6. Sub delegations

- (1) The accounting officer may in terms of section 79 or 106 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 subparagraph (2) of this paragraph and paragraph 4 of this Policy.

- (2) The power to make a final award –
 - (a) Above R 10 million (VAT included) may not be sub delegated by the accounting officer;
 - (b) Above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –
 - (i) The chief financial officer;
 - (ii) A bid adjudication committee of which the Chief Financial Officer is a member / Chairperson;
 - (c) Not exceeding R2 million (VAT included) may be sub delegated but only to –
 - (i) The chief financial officer;
 - (ii) A senior manager;
 - (iii) A manager directly accountable to the chief financial officer or a senior manager; or
 - (iv) A bid adjudication committee.

- (3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph 5(2) must within five days of the end of each month submit to the official referred to in subparagraph 5(4) a written report containing particulars of each final award made by such official or committee during that month, including–

- (a) The amount of the award;
 - (b) The name of the person to whom the award was made; and
 - (c) The reason why the award was made to that person.
- (4) A written report referred to in subparagraph 5(3) must be submitted –
- (a) To the accounting officer, in the case of an award by –
 - (i) The chief financial officer;
 - (ii) A bid adjudication committee of which the chief financial officer; or
 - (b) To the chief financial officer or his delegate responsible for the relevant bid, in the case of an award by –
 - (i) A manager referred to in subparagraph 5 (2) (c) (ii); or
 - (ii) A bid adjudication committee of which the chief financial officer is a member.
- (5) Subparagraphs 5(3) and 5(4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant/ consulting engineer.

7. Oversight role of council

- (1) The Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must –
 - (a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report.
- (3) The Supply Chain Manager must, within 4 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Chief Financial Officer, of which he must submit it within 3 days to the Accounting Officer. The Accounting Officer must within 3 days after receiving the report submit it to the Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

8. Supply chain management unit

- (1) Witzenberg Municipality has established a supply chain management unit to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer whom this duty has been delegated in terms of section 82 of the Act.

9. Training of supply chain management officials

- (1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

10. Format of supply chain management system

This Policy provides systems for –

- (1) Demand management;
- (2) Acquisition management;
- (3) Logistics management;
- (4) Disposal management;
- (5) Risk management; and
- (6) Performance management.

11. Communication with the municipality

- (1) All correspondence with regards to this policy shall be addressed to the Manager: Supply Chain Management.

Part 1: Demand management

12. System of demand management

- (1) The accounting officer has established and implemented 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.
- (2) The demand management system -
 - (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
 - (c) Provide for the compilation of the required specifications to ensure that its needs are met.
 - (d) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
 - (e) provide efficient and effective provisioning and procurement systems and practices to enable the municipality to deliver the required quantity and quality of services to the communities.
 - (f) establish uniform procedures, documents and contracts and the implementation of sound systems of control and accountability.
 - (g) establish a professional supply chain management system which results in continuing improvement in affordability and value for money, based on total cost of ownership and quality of procurement as competition amongst suppliers is enhanced.
- (3) Green procurement must be incorporated as far as reasonable possible, for all specifications of goods, services and construction works.
 - (4) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.

Part 2: Acquisition management

13. System of acquisition management

- (1) The objectives of this acquisition management system are to ensure:
 - (a) that goods and services, including construction works and consultant services are procured by the municipality only in accordance with the authorised procedures incorporated herein;
 - (b) that expenditure on goods and services, including construction works and consultant services is incurred in terms of an approved budget; and
 - (c) that the threshold values of the different procurement procedures are complied with.

- (d) that bid documentation, evaluation and adjudication criteria, and general conditions of contract are in accordance with the requirements of relevant legislation including, the Preferential Procurement Policy Framework Act, and any conditions of the Construction Industry Development Board Act; and
 - (e) that procurement guidelines issued by the National Treasury are taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must 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.
- (3) Unless otherwise indicated in the bid documents, the municipality shall not be liable for any expenses incurred in the preparation and / or submission of a bid or quotation.
- (4) Bid documentation may state that alternative bids can be submitted provided that a bid is in accordance with the bid documents is also submitted.
- (5) An alternative bid shall be submitted on a separate complete set of bid documents and shall be clearly marked "Alternative Bid" to distinguish it from the main bid offer referred to above.
- (6) Bid documentation shall state that the municipality will not be bound to consider alternative bids.
- (7) The Manager Supply Chain management may extend the bid closing date if circumstances justify the action, provided that the closing date may not be extended unless a notice is published in the same newspapers as the original advertisement prior to the original bid closing date.
- (8) The notice referred to in paragraph 13 (7) must also be posted on the municipal notice boards, the municipal website and a notice must be sent to all bidders

14. Range of procurement processes

- (1) Goods and services may only be procured by way of
 - (a) One written price quotation up to a transaction value of R 2,000 (VAT included);
 - (b) Petty cash purchases up to a transaction value of R 2,000 (VAT included) for items specified in the Petty Cash policy;
 - (c) Three written price quotations for procurements of a transaction value over R 2,000 up to R10,000 (VAT included);
 - (d) Three formal written price quotations for procurements of a transaction value over R 10,000 up to R200,000 (VAT included); and
 - (e) A competitive bidding process for—
 - (i) Procurements above a transaction value of R200 000 (VAT included); and
 - (ii) The procurement of long term contracts.
 - (2) The accounting officer may, in writing lower, but not increase, the different threshold values specified in subparagraph 14(1);
 - (3) For quotations (up to R 30 000) bidders are required to be registered on the municipality's supplier database prior to the acceptance of their quotation in respect of the goods or services required.
 - (4) 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.
- 15. 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;

- (iv) registration number in terms of section 18(1) of the Construction Industry Development Board Act, 2000 (Act No.38 of 2000), should the provider quote or bid to undertake, carry out or complete any construction works or portion thereof;
 - (b) Has provided the municipality with an original and valid tax clearance from the South African Revenue Services confirming that the provider's tax matters are in order; 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 bidder is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is 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 subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (iv) On their supplier database application form if the supplier or person is in the service of the state, that such declaration be deemed as sufficient and that the responsibility rests on the supplier to notify the supply chain management unit of any changes hereto.
 - (v) Has completed, signed and submitted a certificate of independent bid determination with their bid or quotation.
- (2) Laws of the Republic of South Africa shall govern contracts arising from the acceptance of bids and quotations.
- (3) Where the acquisition in question is likely to involve an imported component which will be subject to foreign exchange rate adjustments, the bid documentation must specify that the contractor take out a forward exchange contract in order to fix the Rand based price as soon as possible after the award.

16. 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 for procurement up to R 30 000; and
 - (b) at least twice 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;
 - (c) specify the listing criteria for accredited prospective providers;
 - (d) disallow the listing of any prospective supplier on the municipality's supplier database who do not comply with the accreditation requirements i.e. listing criteria and also based on standards, set by any relevant control bodies that govern or regulate the category of service or industry.
 - (e) disallow the listing of any prospective provider whose name appears on the National Treasury's List of Restricted Suppliers and/or Registered for Tender Defaulters and/or a person or business 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.
- (4) The accounting officer may use the Central Supplier Database hosted by National Treasury for procurement.¹⁷

¹⁷ Amended by council 30 May 2017

17. Petty cash purchases

Petty cash purchases must be done according to the Petty Cash policy. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 14 (1) (b) of this Policy, are as follows–

- (a) The Accounting Officer may delegate the responsibility for petty cash to an official directly or indirectly reporting to the CFO;
- (b) No item that is an approved stores item might be purchase by means of a petty cash transaction;
- (c) No fixed asset of whatever value may be purchase through petty cash;
- (d) The nature of petty cash transactions that can be processed as petty cash transactions are listed in paragraph 5 of the Petty Cash policy;
- (e) The Council will determine annually the maximum amount of petty cash expenditure per month as referred to in paragraph 6 of the petty cash policy;
- (f) A monthly reconciliation report must be provided to the chief financial officer, within five days of the end of each month containing particulars of each final award made by an official during that month, including:
 - (i) The total amount of petty cash purchases for that month; and
 - (ii) Receipts and appropriate documents for each purchase.

18. Written Price quotations

- (1) The conditions for the procurement of goods or services through written price quotations are as follows:
 - (a) All requirements below R2 000.00 (VAT incl.) which are not covered by the Petty Cash policy, one written price quotation must be obtained from providers who are listed as accredited prospective service providers.
 - (b) All requirements between R2 000.00 (VAT incl.) and R 10 000.00 (VAT incl.) three written price quotations must be obtained from providers who are listed as accredited prospective service providers.
 - (c) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers, provided that such providers meet the listing criteria;¹⁸

¹⁸ Amended by council 30 May 2017

19. Formal written price quotations

- (1) The conditions for the procurement of goods or services through formal written price quotations 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;¹⁹
 - (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 Chief Financial Officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph 19 (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

20. Procedures for procuring goods or services through written or verbal 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 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 19, be advertised for at

¹⁹ Amended by council 30 May 2017

- least seven days on the website and official notice boards of the municipality;
- (c) Offers 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 quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
 - (e) Offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (f) Acceptable offers, which are subject to the preference points system (PPPFA; Preferential Procurement Regulations as amended and this policy), must be awarded to the bidder who scored the highest points;²⁰
 - (g) Comply with all requirements for proper record keeping.

21. Competitive bids

- (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 13(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- (3) The accounting officer may split unduly large quantities of work into smaller contracts (units) to provide opportunities for emerging entrepreneurs and make it manageable. This may only be done when it is technically, logistically and financially feasible.

²⁰ Amended by council 30 May 2017

22. Process for competitive bidding

- (1) The procedures for the following stages of a competitive bidding process are as follows:
 - (a) Compilation of bidding documentation as detailed in paragraph 23
 - (b) Public invitation of bids as detailed in paragraph 24;
 - (c) Site meetings or bid clarification meetings as detailed in paragraph 25;
 - (d) Handling of bids submitted in response to public invitation as detailed in paragraph 27;
 - (e) Evaluation of bids as detailed in paragraph 36;
 - (f) Award of contracts as detailed in paragraph 37;
 - (g) Administration of contracts -
 - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
 - (h) Proper record keeping -
 - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

23. Bid documentation for competitive bids

- (1) The criteria to which bid documentation for a competitive bidding process must –
 - (a) Take into account –
 - (i) The general conditions of contract and any special conditions of contract, if specified;
 - (ii) Any Treasury guidelines on bid documentation; and
 - (iii) The requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (iv) And clearly indicate the terms and conditions of contract specifications, criteria for evaluation and adjudication procedures to be followed where applicable, and

include if and where site meetings/ bid clarification meetings are compulsory.

- (b) include the preference points system to be used , goals as contemplated in the PPPFA; Preferential Procurement Regulations as amended and this policy;²¹
- (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) Provide for an appropriate contract and / or delivery period;
- (e) stipulate if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish—²²
 - (i) If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;
 - (ii) a 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 days;
 - (iii) Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (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

²¹ Amended by council 30 May 2017

²² Amended by Council 26 May 2021

and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

- (j) 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.
- (k) Not be aimed at hampering competition, but rather to ensure fair, equitable, transparent, competitive and cost effective bidding, as well as the protection or advancement of persons or categories of persons.

24. Public invitation for competitive bids

- (1) The procedure for the invitation of competitive bids is as follows:
 - (a) On completion of the bid specification process the municipality shall publicly invite bids.
 - (b) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin);
 - (b) The notice may require a payment of a non-refundable bid fee by bidders who require bid documents. The bid documentation fee shall be determined by the accounting officer from time to time
 - (d) The information contained in a public advertisement, must indicate –
 - (i) The title of the proposed bid;
 - (ii) The bid number;
 - (iii) The date, time and location of any site meeting/ bid clarification meeting and whether such meetings are compulsory;
 - (iv) Whether functionality is required;
 - (v) The place where the bid documentation is available for collection and the times between which bid documents may be collected;

- (vi) The bid documentation fee;
 - (vii) The place where bids must be submitted;
 - (viii) The closing date and time for submission of bids; and
 - (ix) The required CIDB contractor grading for construction work, if applicable.
- (e) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R4 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph 22(2) of this policy;
- (f) A statement that bids may only be submitted on the bid documentation provided by the municipality, must be included.
- (2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, 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) Bids submitted must be sealed and must clearly indicate the bid number and bid title on the outside of the envelope for which the bid is being submitted.²³
- (4) Details of all prospective bidders who have been issued with bid documents must be recorded by the Supply Chain Management Unit and shall remain confidential for the duration of the bid period. Details of prospective bidders must, wherever possible, include the full name of the person drawing documents, the name of the

²³ Amended by council 30 May 2017

company for whom the bid documents are, a contact person, a contact telephone, a fax number and a postal and email address.

- (5) A bidder that did not pay the prescribed bid document fee, will be disqualified from the bidding process.
- (6) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.

25. Site meetings/ bid clarification meetings

- (1) Site meetings/ bid clarification meetings will, in general, not be compulsory. In exceptional circumstances however, a site meeting/ bid clarification meeting may be made compulsory with the approval of the relevant director.
- (2) If site meetings/ bid clarification meeting are to be held, full details must be included in the bid notice and the bid document, including whether or not the site meeting/ bid clarification meeting is compulsory.
- (3) Where site meetings/ bid clarification meetings are made compulsory, the date for the site meetings/ bid clarification meeting shall be not less than 7 (seven) days after the bid has been advertised.
- (4) Site meetings/ bid clarification meeting will be chaired by a duly authorised representative from the Supply Chain Management Unit. The relevant line manager responsible for a specific bid or the duly appointed consulting engineering firm employee must be present at the site meetings/ bid clarification meeting in order to provide technical information and to answer technical related questions that might arise from the prospective bidders.
- (5) The chairperson of the site meeting/ clarification meeting must explain the way how the site meetings/ bid clarification will be

conducted and must exclude prospective bidders that arrive after the meeting has been opened.

- (6) Prospective bidders present at the site meetings/ bid clarification meeting, will be required to confirm their attendance by signing the attendance register as provided by the Supply Chain Management Unit.
- (7) Instances where bid documentation provides for an attendance certificate, such a certificate must be signed by the representative of the Supply Chain Management Unit who was present at the site meetings/ bid clarification meeting and submitted with the bid document.
- (8) If at a site meetings/ bid clarification meeting, any additional information is provided or clarification of vague points is given, such additional information or clarification must be conveyed to all bidders in writing within a time frame as determined by the municipality, but not later than 7 (seven) days before the bid closing date.
- (9) Drawings and other supplements to bid documents may be provided to prospective bidders at the site meetings/ bid clarification meeting.
- (10) A bidder who failed to attend a compulsory site meeting/ bid clarification meeting will be disqualified from the bidding process.

26. Submission of bids

- (1) Bids must be submitted before the closing time, at the address and in accordance with the directives in the bid documents.
- (2) Each bid must be in writing using non-erasable ink and must be submitted on the official Form of Bid/Offer issued with the bid documents.

- (3) The bid must be submitted in a separate sealed envelope with the name and address of the bidder, the bid number and title, the bid box number (where applicable), and the closing date indicated on the envelope. The envelope may not contain documents relating to any bid other than that shown on the envelope. Only sealed bids will be accepted.
- (4) The onus shall be on the bidder to place the sealed envelope in the official, marked and locked bid box provided for this purpose, at the designated venue, not later than the closing date and time specified in the bid notice.
- (5) No bids forwarded by telegram, facsimile or similar apparatus shall be considered.
- (6) A bid is late if it is not placed in the relevant bid box by the closing time and date of such bid.
- (7) A late bid shall not be admitted for consideration and shall be returned unopened (where feasible) to the bidder with the reason for the return thereof endorsed on the envelope.

27. Procedure for handling, opening and recording of competitive bids and formal written price quotations in excess of R 30 000²⁴

- (1) The procedures for the handling, opening and recording of **competitive** bids and formal written price quotations in excess of R 30 000, are as follows:²⁵
 - (a) At least two officials, of whom one must be the delegated Supply Chain Management representative, must at all times, administer the opening of bids.
 - (b) At the specified closing time on the closing date the applicable bid box shall be closed.
 - (c) The bid box shall be opened in public as soon as practical after the closing time of the bid.

²⁴ Amended by council 30 May 2017

²⁵ Amended by council 30 May 2017

- (d) Immediately after the opening of the bid box, all bids that are clearly marked shall be opened.
 - (e) The Supply Chain Management representative as delegated, shall read out the name of the bidder, if practical the bid amount, the BBBEE status level contribution of each bidder, where applicable the local content percentages of the goods offered and the bid opening register will be made available for public inspection and published on the municipality's website.²⁶
 - (f) 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;
 - (g) No information, except the provisions in subparagraph (e), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
 - (h) The Supply Chain Management representative that is delegated to open the bids must –
 - (i) stamp the bid document with the official municipal stamp together with the two signatories administering the bid opening
 - (ii) record in a register all bids received in time;
 - (iii) sign the register as well as the official assisting at the bid opening.
 - (iv) Make the register available for public inspection; and
 - (v) Publish the entries in the register and the bid results on the website.
 - (vi) No councillor may be present at the opening of bids.
- (2) Bids shall be invalid, and shall be endorsed and recorded as such in the bid opening record by the responsible official to open the bid, in the following instances:

²⁶ Amended by council 30 May 2017

- (a) If the bid is not sealed;
 - (b) if the bid, including the bid price amount, where applicable is not submitted on the official Form of Bid/Offer;
 - (c) if the bid is not completed in non-erasable ink;
 - (d) if the Form of Bid/Offer is signed, but the name of the bidder is not stated, or is indecipherable; or
 - (e) if in a two envelope system is followed, the bidder fails to submit both a technical proposal and a separate sealed financial offer/bid.
- (3) A bid will not be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount.
- (4) The Manager Supply Chain Management may, in compliance with paragraph 63 of this policy, provide a reasonable opportunity to a bidder who made an innocent error and/ or omission in his/ her bid document, to correct the innocent error and/ or omission, provided that such opportunity will not unduly prejudice any of the other bidders.
- (5) Bidders shall be afforded no longer than 48 hours from time of notification to correct such innocent errors and/ or omissions. If no response is received from such bidders at the deadline, the bid may be invalidated.
- (6) When bids are declared invalid at the bid opening, the bid sum of such bids shall not be read out. However, the name of the bidder and the reason for the bid having been declared invalid shall be announced.

28. Procedure for the opening of bids where a two envelope system is followed

- (1) If a two envelope system is followed, only the technical proposal will be opened at the bid opening.

- (2) The unopened envelope containing the financial proposal shall be stamped and endorsed with the opening official's signature, and be retained by him/her for safekeeping.
- (3) When required the financial offers/bids corresponding to responsive technical proposals, shall be opened by the opening officials in accordance with paragraph 27 (1) (a)
- (4) All bidders who submitted responsive technical proposals must be invited to attend the opening of the financial offers/bids.
- (5) Envelopes containing financial offers/bids corresponding to non-responsive technical proposals shall be returned unopened along with the notification of the decision of the Bid Adjudication Committee in this regard.

29. Communication with bidders before bid closing

- (1) The Manager Supply Chain Management may, if necessary, communicate with bidders prior to bids closing.
- (2) Such communication shall be in the form of a notice issued to all bidders by the Manager Supply Chain Management by either e-mail, facsimile, or registered post as may be appropriate. A copy of the notice together with a transmission verification report/proof of posting shall be kept for record purposes. Notices should be issued at least one week prior to the bid closing date, where possible, except in terms of paragraph 13 (7).
- (3) Notwithstanding a request for acknowledgement of receipt of any notice issued, the bidder will be deemed to have received such notice if the procedures in paragraph 29 (2) have been complied with.

30. Negotiations with preferred 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. (2) Minutes of such negotiations must be kept for record purposes.

31. Two-stage bidding process

- (1) A two-stage bidding process is allowed for – (a) Large complex projects;
 - (b) Projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) Long term projects with a duration period exceeding three years subject to section 33 of the Act.
- (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.
 - (4) A two envelope system differs from a two-stage (prequalification) bidding process in that a technical proposal and the financial offer are submitted in separate envelopes at the same place and time. The financial offers will only be opened once the technical proposals have been evaluated.

32. Validity periods

- (1) The period for which bids are to remain valid and binding must be indicated in the bid documents.
- (2) The validity period is calculated from the bid closure date and

bids shall remain in force and binding until the end of the final day of that period.

- (3) This period of validity may be extended by the Manager: Supply Chain Management, provided that the original validity period has not expired, and that all bidders are given an opportunity to extend such period. Any such extension shall be agreed to by a bidder in writing.
- (4) Bidders who fail to respond to such a request before the validity of their bid expires, or who decline such a request shall not be considered further in the bid evaluation process.
- (5) In the event that an appeal is received, the validity period is deemed to be extended until finalisation of the appeal.

33. Samples

- (1) Bid documents may require samples that must be submitted.
- (2) Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the Supply Chain Management representative mentioned in the bid document before the bid closing date.
- (3) A register will be kept by the Supply Chain Management representative of samples received from prospective bidders. An acknowledgement of receipt shall be issued to the prospective bidder as proof of delivery.
- (4) Bids may not be included in parcels containing samples.
- (5) If samples are not submitted as required in the bid documents then the bid concerned must be declared non-responsive.
- (6) Samples shall be supplied by a bidder at his/her own expense

and risk.

The municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents.

- (7) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample. If not, it might be deemed as a breach in contract.
- (8) The municipality reserves the right not to return the contract sample and may dispose of it at its own discretion.

34. Committee system for competitive bids

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for procurement or cluster of procurements 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) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with – (a) Paragraph 35, 36 and 37 of this Policy; and (b) Any other applicable legislation.
- (5) The accounting officer may apply the committee system to formal

written price quotations.

35. Bid specification committees

(1) A bid specification committee must compile the specifications for procurement of goods or services by the municipality.

(2) Specifications –

- (a) Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
- (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
- (c) Must, where possible, be described in terms of performance required rather than 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 to be utilised as set out in the PPPFA; Preferential Procurement Regulations as amended and this policy; and²⁷

²⁷ Amended by council 30 May 2017

- (g) Must be approved by the relevant director prior to publication of the invitation for bids in terms of paragraph 24 of this Policy.²⁸

- (3) A bid specification committee must be composed of one or more officials of the municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

- (4) 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.

36. Bid evaluation committees

- (1) A bid evaluation committee must –
 - (a) Evaluate bids in accordance with –
 - (a) the specifications for a specific procurement; and
 - (b) The points system set out in terms of paragraph 35 (2) (f).
 - (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 service charges are not in arrears, and;
 - (d) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

- (2) A bid evaluation committee must as far as possible be composed of-
 - (a) Officials from departments requiring the goods or services; and
 - (b) At least one supply chain management practitioner of the municipality.

- (3) The accounting officer may sub-delegate its power in terms of

²⁸ Amended by council 30 May 2017

paragraph 63 of this policy to the bid evaluation committee.

37. 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) A bid adjudication committee must consist of at least four senior Managers of the municipality which must include –
 - (a) The Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer;
 - (b) at least one senior supply chain management practitioner who is an official of the municipality or the municipal entity; and
 - (c) a technical expert in the relevant field who is an Director of the municipality or municipal entity, if the municipality or municipal entity has such a expert
- (3) A quorum is of 50 % plus 1, with the Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer being, at all times one of the quorum-forming members:
- (4) The accounting officer may appoint the CFO as chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting and will be documented in the

minutes.

- (5) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (6) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –
 - (a) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (b) Notify the accounting officer. (c) 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)-(b); 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.
- (7) 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.
- (8) The accounting officer must comply with section 114 of the Act within 10 working days
- (9) If the Bid Adjudication Committee or other delegated official has resolved that a bid be accepted, the successful and unsuccessful

bidders shall be notified in writing of this decision

- (10) Every notification of decision shall be sent via registered mail and either faxed or sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification and kept for record purposes.
- (11) Members of the bid specification committee, bid evaluation committee and technical advisors may attend the bid adjudication committee to provide clarity, but has no decision making rights pertaining to the award.
- (12) The accounting officer may sub-delegate its power in terms of paragraph 63 of this policy to the bid evaluation committee, the bid adjudication committee and the Manager Supply Chain Management.

38. Procurement of banking services

- (1) A contract for banking services –
 - (a) Must be procured through competitive bids;
 - (b) Must be consistent with section 7 or 85 of the Act; and
 - (c) May not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 Days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

39. Procurement of IT related goods or services

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) 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 IT needs if –
 - (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included);
or
 - (b) The transaction value of a contract to be procured whether for one
or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

40. 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.

- (2) Subparagraphs (1) (c) and (d) do not apply if –
 - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) A municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

41. Procurement of goods necessitating special safety arrangements

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

42. Proudly SA Campaign/Local content

- (1) The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services
- (2) Bids in respect of services, works or goods that have been designated for local production and content, must contain a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered
- (3) The National Department of Trade and Industry is empowered to designate industry sectors, in line with national development and industrial policies for local production, where only locally produced goods, services or construction works, or locally manufactured goods that meet a stipulated minimum threshold for local production and content, may be used.
- (4) In the case of designated sectors, where in the award of

bids, local production and content is of critical importance, such bids must be advertised with a specific condition of bidding, that only locally produced goods, services or construction works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

- (5) Any instructions, circulars and guidelines issued by National Treasury in the above regard may be complied with.
- (6) Where there is no designated sector, bids may include, as a specific condition of bidding, that only locally produced goods, services or construction works, or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.
- (7) Every bid where local production and content are used, it must be measurable and audited.
- (8) Bids must be evaluated in terms of the evaluation criteria stipulated in the bid documents. The amendment of the stipulated minimum threshold for local production and content after the closure of bids is not allowed as this may jeopardise the fairness of the process.

43. Appointment of consultants

- (1) the accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if
 - (a) The value of the contract exceeds R200 000 (VAT included); 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.

44. 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 procure any required goods or services through any convenient process, which may include direct negotiations and through the process set out in this paragraph provided that the municipality shall adhere to fair, equitable, transparent, competitive and cost-effective, procurements to the maximum extent practicable.
 - (b) Dispense with the official procurement processes established by this Policy only –
 - i. In an emergency;
 - ii. If such goods or services are produced or available from a single provider only;
 - iii. For the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - iv. Acquisition of animals for zoos 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; and
 - (c) 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.
- (2) In compliance with the provisions of paragraph 44(1) the municipality

implements individual and class deviations.

(3) Individual Deviations

The accounting officer may decide to consider an individual deviation

only if – (a) In an emergency

(b) In any other exceptional case where it is impractical or impossible to

follow the official procurement processes; and the goods or services are anticipated to be used only once during the financial year.

(4) The conditions warranting procurement in an emergency dispensation should include, where time of the essence, the existence of one or more of the following:

(a) the possibility of human injury or death;

(b) the prevalence of human suffering or deprivation of rights;

(c) the possibility of damage to property, or suffering and death of livestock and animals;

(d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;

(e) the possibility of serious damage occurring to the natural environment;

(f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service; and

(g) the possibility that the security of the state could be compromised.

(5) The accounting officer must be satisfied that the prevailing situation as indicated in (a)-(g) above is of such a scale and nature that it could not readily be alleviated by interim measures in order to allow time for normal bid, at least three quote procurement process or a class deviation.

(6) Where possible, in an emergency situation, three quotes in accordance with general acquisition management principles should be obtained and a report submitted to the Municipal Manager for approval. However, where time is of the

essence, the emergency shall be immediately addressed, and the process formalised in a report to the Municipal Manager as soon as possible thereafter.

(7) System of class deviations:

(a) The accounting officer may decide to consider a class deviation, only if –

(i) Such goods or services are produced or available from a single provider; (ii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iii) Acquisition of animals for zoos and/or nature and game reserves; or

(iv) In any other exceptional case where it is impractical or impossible to follow the official procurement processes and a contract for goods or services are likely to be awarded more than once in the financial year to the same supplier;

(8) Where possible, in considering a class deviation in terms of paragraph 44(7), three quotes in accordance with general acquisition management principles should be obtained and a report submitted to the Municipal Manager for approval.

(9) If the accounting officer decides to consider a class deviation in terms of paragraph 44 (7) (i)-(iv), other than in paragraph 44(8) the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with

a) Reasons as to why the procurement is done through a class deviation and why it is not open to other competitors; and

(c) An invitation to the public or other potential suppliers to submit their comments within 14 days of the notice.

(10) The bid adjudication committee must consider the class deviation and make a recommendation to the accounting officer

(11) A meeting of the adjudication committee to consider a class deviation may be open to the public.

(12) When considering the class deviation, the adjudication

committee must take into account –

- (a) Any comments submitted by the public or suppliers;
 - (b) The indicative market prices of the goods or services;
 - (c) The duration or planned times of when the service or goods are needed;
 - (d) The proposed circumstances, conditions or limitations for the of use of the class deviation; and
 - (e) The reasons for deviating from the normal procurement process in compliance with paragraph 44
- (13) The accounting officer must record the reasons for any deviations in terms of this policy and report them to the next meeting of the council and include it as a note to the annual financial statements.
- (14) Paragraph 44 (13) of this policy does not apply to the procurement of goods and services contemplated in paragraph 13(2) of this policy.

45. 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 subparagraph 45(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 were accepted; and
 - (c) An invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

- (7) When considering the matter, the adjudication committee must take into account –
 - (a) any comments submitted by the public; and
 - (b) Any written comments and recommendations of the National Treasury or the relevant provincial treasury.

- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

46. Combating of abuse of supply chain management system

- (1) The accounting officer must–
 - (a) Take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) Take appropriate steps against such official or other role player; or
 - (ii) Report any alleged criminal conduct to the South African Police Service;
 - (c) Check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) Reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for

more than three months; or

- (ii) Who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - (e) Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - (f) Cancel a contract awarded to a person if –
 - (i) The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) Reject the bid of any bidder if that bidder or any of its directors –
 - i. Has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - (ii) Has been convicted for fraud or corruption during the past five years;
 - (iii) has willfully 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 paragraphs 46 (1) (b) (i)-(ii) of this policy.

Part 3: Logistics, Contract, Disposal, Risk and Performance Management**47. Logistics management**

Logistics management must provide for an effective system in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration.

- (1) The accounting officer must establish and implement an effective system of logistics management, which must include –
 - (a) Placing of orders:
 - (i) Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations.
 - (ii) All purchase orders will be captured on the municipality's financial system
 - (b) Receiving of goods:
 - (i) Goods received must be captured on the municipality's financial system via a goods receive note with reference to the relevant purchase order number.
 - (ii) Deliveries of goods may not exceed the order quantity. Short deliveries will keep the purchase order open until the balance of the order is received or when the order is cancelled.
 - (c) Expediting orders:
 - (i) The purchasing expeditor will be required to monitor and expedite the transport of goods and outstanding purchase orders.
 - (ii) Reminder letters can be communicated automatically to vendors based on the reminder levels (days before delivery due date) that are set in the bid or quotation.
 - (d) Stores / warehouse management

- i. Stock is valued at the weighted average costing method per item and is VAT exclusive.
- ii. Regular monitoring of spending patterns on types or classes of goods must be performed, where practical.
- iii. Each item must have a unique stock item number.
- iv. A formal stock count must be done on a quarterly basis and any surpluses, deficits, losses, damaged stock and obsolete stock must be reported by the Manager Supply Chain Management to Council.
- v. Each stock item must have a minimum, maximum and re-order level which must be captured on the financial system.
- vi. Stock items must be systematically replenished using the re-order point as per the financial system.
- vii. Goods in transit must be taken into account during the replenishment of stock
- viii. Stock levels must be revisited on an annual basis
- ix. The financial system must indicate lead times for stock items x.

Before payment is approved, certification by the Storekeeper 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

- xi. The Storekeeper must ensure appropriate standards of internal control and warehouse management are adhered to, to ensure that goods placed in stores are secure, safe and only used

for the purpose for which they were purchased

- xii. The Storekeeper must perform regular spot-checking of stock items to ensure that the items are on the correct shelving space and that the physical quantities correspond with the quantities as per the financial system. Any differences found must be reported to the Manager Supply Chain Management.
- xiii. Items listed as stock, may not be procured outside of the stock system.
- xiv. Where user departments require higher quantities of stock, a demand forecast must be provided to the Storekeeper in advance, taking lead time into consideration, to enable the Storekeeper to procure the requested quantities on time.

48. Contract management

- 1) Contract administration includes all administrative duties associated with a contract that has arisen through the acquisition/procurement processes described in this policy.
- 2) All contracts must be administered by a contract manager, who will be an internal official assigned to ensure the effective administration of the contract.
- 3) The contract manager will typically be the internal project manager assigned to the project as a whole, but may also be a cost centre owner or other responsible official.
- 4) A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.
- 5) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.
- 6) In administering a contract, the contract manager will be required to form

opinions and make decisions which, while in the Witzenberg Municipality's best interests, must be fair to all parties concerned.

- 7) Directors shall be responsible for ensuring that contract managers are:
 - (a) assigned to all contracts within the Director's area of responsibility; and
 - (b) adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.

- 8) The contract manager must:
 - (a) ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;
 - (b) ensure that purchase order are captured on the municipality's financial system in the form in accordance with the pricing schedule;
 - (c) ensure that all original contract documentation is lodged with Archives for record purposes;
 - (d) monitor on a monthly basis the performance of the service provider order to ensure that all of the terms and conditions of the contract are met;
 - (e) regularly report to the accounting officer on the management of the contract and the performance of the service provider;
 - (f) conduct contract risk assessments for contracts longer than 3 months as stated in paragraph 50 (4) and 50 (5);
 - (g) where necessary, take appropriate action where a service provider is underperforming or is in default or breach of the contract and to report such failures promptly to the accounting officer;
 - (h) where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that

the necessary Service Entry Sheets or Goods Received Notes are lodged with the Finance Department for capturing on the municipality's financial system;

- (i) contract variation or change procedures are approved by the accounting officer in writing which must be in line with the applicable general conditions of contract and this policy;
- (j) administer disputes, in consultation with the Supply Chain Management Unit, in terms of this policy and the applicable conditions of contract;
- (k) conduct, as appropriate, post contract reviews;
- (l) maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
- (m) act with care and diligence and observe all accounting and legal requirements;
- (n) inform the Asset Management section of the location of newly procured assets for asset register and insurance purposes; and
- (o) provide contract information to the Supply Chain Management Unit, as determined by the unit, after a contract has ended.

49. Disposal management

- (1) Subject to the provisions of the Municipal Asset Transfer Regulations:
 - (a) moveable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality;

- (b) immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - (c) in the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment;
 - (d) in the case of fire arms, the National Conventional Arms Control Committee must approve any sale or donation of firearms to any person within or outside the Republic.
 - (e) where assets are traded in for other assets, the highest possible trade in price is negotiated
- (2) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act; are as follows:
- (A) *A municipality may not transfer ownership as a result of sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.*
 - (B) *A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public-*
 - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and*
 - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset*
- (3) *Immovable property may only be let at market related rates except when the public interest or the plight of the poor demands otherwise and provided that all charges, rates, tariffs, scales of fees or other charges relating to the letting of*

immovable property are annually reviewed;

(a) Except for compliance with paragraph 49(3) above, this policy shall not apply to the letting of immovable property unless decide otherwise by council.

(4) Assets may be disposed of by –

- (i) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
- (ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
- (iii) Selling the asset; or
- (iv) Destroying the asset.

50. Risk management

(1) The accounting officer has established and implemented an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.

(2) Risk management include –

- (a) The early and systematic identification of risks on a case-by-case basis;
- (b) The allocation and acceptance of risks to the party best suited to manage such risks;
- (c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- (d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

(3) Due care must be taken in the bid administration and management process to minimise the risks of:

- (a) litigation by unsatisfied service providers
- (b) misinterpretation of municipal needs
- (c) overstatement or understatement of municipal needs
- (d) selecting or delivery of inappropriate goods and services

- (e) poor value for money
 - (f) appointing inappropriate suppliers
 - (g) unethical conduct of suppliers and other official involved in the supply chain management process
 - (h) uneconomical, uncompetitive and inequitable procurement
- (4) To give effect to paragraph 3 above, the municipality will identify risk inherent to a particular bid
- (a) Risks may be identified for all bids during the specification stage of the bid process.
 - (b) Risks identified in (i) above may cover the entire life cycle of a contract from initiation to completion of the goods/services
 - (c) For contracts with a life cycle in excess of 3 months, the risks may be reviewed at least monthly by the contract manager as referred to in paragraph 48(1)(e)(iii)
 - (d) The contract manager in conducting the review of the bid risks during the life cycle of the contract may add new or emerging risks when identified
- (5) A risk table may be included at specification stage for each bid that may set out:
- (a) Risk description
 - (b) Background to the risk
 - (c) Impact
 - (d) Likelihood
 - (e) Inherent risk
 - (f) Current controls
 - (g) Perceived control effectiveness
 - (h) Residual risk
 - (i) Risk owner
 - (j) Actions to improve management of the risk
 - (k) Time scale
- (6) The risk rating methodology will be in accordance with the Witzenberg Municipality's risk management policy.

- (7) The Evaluation and Adjudication Committee may review risks of bids received against the predetermined risk as identified at the bid specification stage and may in conducting the review of the bid add new or emerging risks and mitigating strategies when identified.

- (8) At the briefing session with the successful bidder in terms of paragraph 66 of this policy:
 - (a) Risks identified during the Bid specification, Bid evaluation and Bid adjudication process that pertains to the contract for goods or services may be disclosed to the successful bidder to improve mitigating factors.
 - (b) New and emerging risks identified may be added
 - (c) Risks identified by the successful bidder may be added to the contract risks if agreed to by the municipality.

51. Performance management

- (1) The accounting officer must establish and 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.

- (2) The quarterly report and annual report on the implementation of this policy, the monitoring of the service delivery and budget implementation plan (SDBIP) and the Annual Report may be used as tools to perform a retrospective analysis of supply chain management processes.

- (3) **Vendor performance**
 - (a) Each project manager shall monitor the supplier's compliance and performance to the set of specifications.
 - (b) If the supplier fails to perform in accordance with the specification requirements, the project manager must report such failure to the supplier in writing immediately upon becoming aware of such non-compliance for them to correct the situation.
 - (c) The above information will be kept and made available for future evaluation purposes, contract negotiations and regular feedback to vendors.
 - (d) If vendors fail to deliver in terms of paragraph 23 (1) (a) of the

General conditions of contract, the municipality reserves the right to make use of remedies at its disposal in terms of applicable law.

Part 4: Other matters

52. Prohibition on awards to persons whose tax matters are not in order

- (1) No award above R15 000 (including VAT) may be made in terms of this policy to a person whose tax matters have not been declared by South African Revenue Service to be in order.²⁹
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.
- (4) It is the supplier's responsibility to provide the municipality with a valid and original tax clearance certificate.

53. Prohibition on awards to persons in the service of the state

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - (a) Who is in the service of the state;
 - (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) A person who is an advisor or consultant contracted with the municipality with the purpose of assisting the municipality with the defining of requirements, drafting of specifications or the evaluation of the bids.
- (2) Persons and business must declare their interest as stated in 53(1)(a)-(c) of this policy when completing their supplier database application forms and bid documents. Failure to do so may lead to disqualification.

²⁹ Amended by council 30 May 2017

- (3) The municipality may utilise mechanisms at its disposal to determine whether a person is in the service of the state.

54. Awards to close family members of persons in the service of the state

- (1) The municipality does not encourage the awarding of contract by employees in decision-making positions to close family members or friends. To this extent the municipality requires all employees to make full disclosures of businesses owned by close family members and/ or friends and it is further expected that such individuals must not directly or indirectly be involved in the awarding of such business
- (2) The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 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.

55. Ethical standards

- (1) A code of ethical standards as set out in the “National Treasury’s code of conduct for supply chain management practitioners” is hereby established for officials and other role players in the supply chain management system of the municipality 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) A breach of the code of ethics must be dealt with as follows -
 - (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) In the case a role player who is not an employee, through other

appropriate means in recognition of the severity of the breach.

- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

56. Inducements, rewards, gifts and favours to municipalities, 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 subparagraph 55 (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) Subparagraph 55 (1) does not apply to gifts less than R350 in value.

57. 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.

58. Objections and complaints

- (1) Persons aggrieved by decisions or actions taken in the implementation of this

supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

59. Resolution of disputes, objections, complaints and queries

- (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –
 - (a) To assist in the resolution of disputes between the municipality and other persons regarding -
 - (i) Any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) Any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
 - (a) Strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) Submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the Relevant provincial treasury if –
 - (a) The dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) No response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the Dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach

a court at any time.

60. Contracts providing for compensation based on turnover

- (1) If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –
 - (a) A cap on the compensation payable to the service provider; and
 - (i) That such compensation must be performance based.

61. Compliance with Ethical standards

- (1) In order to create an environment where business can be conducted with integrity and in a fair and reasonable manner, this Policy will strive to ensure that the accounting officer and all representatives of the Witzenberg Municipality involved in supply chain management activities shall act with integrity and in accordance with the highest ethical standards. All supply chain management representatives shall adhere to the code of conduct of municipal staff contained in schedule 2 of the Systems Act, the code of conduct for supply chain management practitioners and other role players (annexure A to this policy) and the Ethical code of suppliers (annexure B to this policy).

62. Handling of proprietary information

- (1) All information designed and prepared for the municipality is deemed as proprietary. No such information may be distributed, modified or customised for third parties without the written permission of the accounting officer.
- (2) All supplier information shall be treated as confidential
- (3) In appropriate instances, the municipality may require security clearance and confidentiality agreements to be entered into with suppliers.

63. Non-compliance with peremptory requirements of bids

- (1) The accounting officer is empowered to condone non-compliance with peremptory requirements of bids in cases where the condonation is not incompatible with public interest and promote the values of fairness, competitiveness and cost-effectiveness which are listed in Section 217 of the

Constitution.

64. Right of Appeal

- (1) In terms of Section 62 of the Municipal Systems Act (Act 32 of 2000 as amended), a person whose rights are affected by a decision taken by the municipality, in terms of a delegated authority, in the implementation of its supply chain management system, may appeal against that decision by giving written notice of the appeal and reasons to the Municipal Manager within 14 days of the date of receipt of the notification of the decision.³⁰

Bid documents must state that any appeal in terms of paragraph 64 must be submitted to the Municipal Manager, and must contain the following:

- (a) reasons and/or grounds for the appeal;
 - (b) the way in which the appellants rights have been affected; and
 - (c) the remedy sought by the appellant.
- (2) The Municipal manager shall establish an appropriate appeal authority in terms of section 62 of the Systems Act, to consider appeals received in terms of paragraph 64(1) above
 - (3) The appeal authority must consider the appeal, and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision

65. Unsuccessful bidder debriefing

- (1) The unsuccessful bidder debriefing service is offered by the municipality to unsuccessful bidders upon request.
- (2) During the debriefing unsuccessful bidders can find out how their proposal scored against required criteria and obtain comments from the evaluation team on their bid.
- (3) The debriefing should be a positive and constructive experience that explains how bidders can improve future submissions.
- (4) The debriefing an opportunity for unsuccessful bidders to:

³⁰ Amended by Council 26 May 2021

-
- (a) Learn more about the procurement and evaluation process in an informal setting.
 - (b) Find out how their proposal scored against the required criteria. (c) Hear the overall comments from the evaluation team on your bid.
 - (d) Gather information on how future submissions may be improved.
- (5) The debriefing is not part of the Supply Chain complaint or appeal process in terms of paragraph 58 or 64 of this policy.
- (6) The debriefing is not legal proceeding and no legal representation is permitted at the debriefing.
- (7) At the debriefing session the unsuccessful bid is not compared to other bids, nor will information be provided to the unsuccessful bidder about other bids.
- (8) In scheduling bidders debriefings session upon the request of the unsuccessful bidder, the municipality must:
- (a) Confirm the date and time of the debriefing session in writing;
 - (b) Conduct separate debriefings with each vendor;
 - (c) Ensure that proper minutes are kept of each debriefing session;
 - (d) Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.
- (9) In conducting bidder's debriefings, the municipality may:
- (a) Provide a general overview of the evaluation process set out in the bid documents;
 - (b) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score.
 - (c) Provide suggestions on how the supplier may improve future submissions;
 - (d) Address specific questions and issues raised by the supplier in relation to their submission.
- 66. Successful bidder briefing**
- (1) The notification to the successful bidder in terms of paragraph 37(8) may require of the successful bidder to attend a compulsory briefing session with the municipality before commencement of the contract at no cost to the municipality.
- (2) The purpose of the briefing session is to:

- (a) Introduce the municipal contract manager allocated to the specific contract in terms of paragraph 48 and to meet the successful bidders contract manager;
 - (b) Examine and analyse the bid document and contractual conditions to ensure that specific expectations of the municipality and the obligations of the successful bidder are well understood;
 - (c) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score.
 - (d) Communicate and document the anticipated contract risks and challenges as perceived by both the municipality and the successful bidders;
 - (e) To develop mitigating strategies to address and mitigate the contract risk and challenges; and
 - (f) Communicate the contract administration process as stated in paragraph 48 of this policy.
 - (g) Formally sign the bid contract
- (3) At least the following persons must attend the briefing session:
- (a) The municipal contract manager
 - (b) The authorised municipal supply chain official
 - (c) The successful bidders authorised contract signatory
 - (d) The successful bidders contract manager
- (4) The notification to the successful bidder refer to in paragraph 66(1) must state the date, time and place of the briefing session in writing.
- (a) Proper minutes must be kept of each briefing session;
 - (b) All correspondence and documentation in relation to the briefing session must be maintained as part of the procurement documentation.

67. Acceptance of offers

- (1) At the invitation of bids, or quotations;
 - (a) the municipality is not obliged to accept the lowest or any offer;
 - (b) The municipality may, where an offer relates to more than one item, accept such offer in respect of or any specific item or items.
 - (c) The municipality may accept any offer notwithstanding the fact that

the offer does not comply with the bid invitation in respect of which the offer has been made subject to the conditions of paragraph 63 of this policy.

68. Preferential Procurement³¹

68.1 80/20 preference point system for acquisition of goods or services with Rand value equal to or above R30 000 and up to R50 million

(1) The following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) 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.

68.2 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 90 for price in respect of a 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;

³¹ Recommended for inclusion 30 March 2022

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 envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) 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.

68.3 80/20 preference points system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R30 000 and up to Rand value of R50 million

(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 + \frac{P_t - P_{\max}}{P_{\max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{max} = Price of highest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) 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.

68.4 90/10 preference point system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R50 million

(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{max} = Price of highest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) 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.

68.5 Points allocated for B-BBEE:

B-BBEE Level of Contributor	Status of Contributor	Number of Points Tenders with Rand value equal to or above R30 000 and up to Rand value of R50 million	Number of Points - tenders with Rand value equal to or above R50 million.
	1	20	10
	2	18	9
	3	14	6
	4	12	5
	5	8	4
	6	6	3
	7	4	2
	8	2	1
Non-compliant contributor		0	0

69. Commencement

This Policy takes effect on 1 July 2017

Paragraph 68 will be effective retrospectively from 16 February 2022.

Where the content of this policy is in contradiction of laws and regulations, the latter will take preference.

ANNEXURE A

WITZENBERG MUNICIPALITY

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

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.

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.

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.

2. Conflict of interest

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.

3. Accountability

Practitioners are accountable for their decisions and actions to the public.

Practitioners should use public property scrupulously.

Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.

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.

Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.

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:

- (i) Any alleged fraud, corruption, favouritism or unfair conduct;
- (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
- (iii) Any alleged breach of this code of conduct.

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.

4. Openness

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.

5. Confidentiality

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 / contractors personal rights.

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.

6. Bid Specification / Evaluation / Adjudication Committees

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.

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.

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.

No person should-

- (i) Interfere with the supply chain management system of the municipality; or
- (ii) Amend or tamper with any price quotation / bid after its submission.

7. Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- (i) Suggestions to fictitious lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in price quotations / bids;
- (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

ANNEXURE B

Witzenberg Municipality's Supply Chain Management: Supplier's Code of Conduct

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.

WM is committed to high standards of business ethics and integrity as reflected in this WM Code of Conduct. WM expects all of its suppliers to adhere to similar good working standards and business ethics. The Supplier is expected to comply with the requirements set out in this WM Supplier Code of Conduct. In addition, WM and the Supplier may agree on further standards in supply agreements.

1. Human Rights

This Bill of Rights, as enshrined in Constitution Act 108 of 1996, is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom. The Constitution obliges municipalities to respect, protect, promote and fulfill the rights in the Bill of rights. To this end, when service providers provide services to and on behalf of the WM they are also obliged to respect, protect, promote and fulfill the rights in the Bill of rights insofar as it is relevant to their business.

In accordance with the aforementioned ethics and standards, WM require the following business practices from Suppliers:

- To not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.
- To respect the right of everyone to inherent dignity and the right to have their dignity respected and protected.
- To respect the right of every person not to be subjected to slavery, servitude or forced labour.

- To respect everyone's right to freedom of conscience, religion, thought, belief and opinion.

2. Fair Labour Conditions and Child Labour

The Supplier will ensure fair labour conditions. In particular, the supplier will:

- refrain from employment discrimination based on gender, colour, ethnicity, religion, disability, union membership, political affiliation or sexual orientation;
- respect the rights of employees to freely associate and bargain collectively;
- comply with all applicable laws on employment and in particular the Basic Conditions of Employment Act 75 of 1997 and the Labour relations Act 66 of 1995.
- not use any forced or compulsory labour or involuntary prison labor and give all employees the choice to leave their employment freely upon reasonable notice;
- compensate employees fairly and adhere to the Basic Conditions of Employment Act 75 of 1997, sector specific minimum wages and / or collective agreements and where these do not exist, compensate employees so they can at the least meet their basic needs; and
- The Supplier will protect children from exploitative labour practices and in particular they will not require or permit children to perform work or provide services that-
 - are inappropriate for a person of that child's age; or
 - place at risk the child's well-being, education, physical or mental health or spiritual, moral or social development;

3. Occupational Health and Safety

The Supplier will strive to provide a safe and healthy workplace for all of its employees and strive to adhere to the requirements of Occupational Health and Safety Act 85 of 1993.

4. Environmental Responsibility

The Supplier is committed to environmental protection and will conduct its business in an environmentally sensitive way.

5. Business Ethics

The Supplier will conduct its business in an ethical manner in accordance with all applicable rules and regulations. In particular, the Supplier will

- refrain from any and all forms of extortion and bribery;
- adhere to anti-trust and other competition laws, e.g. not participating in price fixing or bid-rigging; and
- disclose to WM information about any principal shareholder, directors in the service of the state
- The Supplier will protect all confidential information provided by WM and its respective business partners.

6. Conflict of Interest

The Supplier must disclose to WM information about conflict of interest of any WM employee, or close family member of an employee that have an interest in any of the Supplier's business.

Suppliers must not use their position for private gain or to improperly benefit any person or company.

Suppliers must not offer any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of a WM employee, irrespective of the value of the gift, reward, favour, hospitality or benefit.

Suppliers must declare to the accounting officer of WM details of any private or business interest which an employee of WM, 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 WM;

Suppliers must not place WM employees under any financial or other obligation that might seek to influence WM employees in the performance of their official duties; and

Suppliers must not take improper advantage of previous WM employees to unfairly benefit the supplier by using the information or knowledge of previous employees of WM after leaving office.

7. Business Continuity Planning

The Supplier shall maintain appropriate insurance and or policies to mitigate exposures to business risk, business threats, terrorism, crime, pandemics, natural disasters and related major accident exposures.

8. Procurement by Supplier

WM expects the Supplier to obtain confirmation from each of its sub-suppliers providing goods or services directly or indirectly to WM that the sub-supplier acts in compliance with this WM Supplier Code of Conduct.



**Annex to the partnership agreement
of the city-to-city cooperation between Essen(Belgium) and Witzenberg (South Africa)
relating to the
VVSG Municipal International Co-operation 2017-2021 long-term policy plan,
subsidised by the Directorate-General of Development co-operation (DGD), Belgium**

1. General provisions

1.1

This partnership agreement is signed by three parties: the municipalities involved in the city-to-city cooperation and the Association of Flemish Cities and Municipalities (VVSG) as administrator of the plan.

The municipality of Essen, represented by **Gaston Van Tichelt, mayor**, hereinafter referred to as 'Essen'.

and

The partner municipality **Witzenberg** in South Africa, represented by **Barnito Klaasen, executive mayor**, hereinafter referred to as 'Witzenberg'.

Work together as local governments in the context of a town twinning, as specified in the general partnership agreement between both local governments.

The Association of Flemish Cities and Municipalities (VVSG) represented by **Mieck Vos, General Director**, hereinafter referred to as 'VVSG', co-ordinates and manages the federal subsidies for the co-operation.

1.2

In this framework of municipal international co-operation, the city-to-city cooperation between **Essen** and **Witzenberg** participates in the VVSG Municipal International Co-operation 2017-2021 long-term policy plan in **South Africa**, financed by the Directorate-General Development co-operation (DGD). The VVSG manages this plan as an umbrella organisation of local governments together with, and for, its members (the Flemish municipalities).

City-to-city cooperation is a long-term administrative co-operation between a local council in Flanders and one in the partner countries. For the financing of the projects within the partnership, the Flemish municipalities use various co-financing sources, including this federal subsidy. The city-to-city cooperation is broader than this plan. The current partnership agreement is therefore an Annex to the broader applicable partnership agreement between Essen and Witzenberg.



The applicable legal framework is – at the time of signing the partnership agreement – the Royal Decree of 11 September 2016 on non-governmental co-operation and the Act on Belgian development co-operation of 16 June 2016.

This Long-Term 2017-2021 Policy Plan is co-ordinated by the Association of Flemish Cities and Municipalities (VMSG), and puts forward the following objective and results in South Africa:

Specific objective	Enhancing the capacity of local governments in SA to contribute to the implementation of the integrated waste management policies respecting the principles of good local governance (Bergrivier, Nquthu, Witzenberg)
Intermediate Result 1	The technical capacity of local municipal staff to implement the integrated waste management policy is strengthened (WITZENBERG)
Intermediate Result 2	The capacity of local municipalities to implement awareness raising campaigns on waste and environment is strengthened, respecting the integrated waste management policy (NQUTHU, BERGRIVIER, WITZENBERG)
Intermediate Result 3	The municipal capacity to collect and process fractions of waste is strengthened through the establishment of operational facilities.

The following budgets have been earmarked for South Africa

	INV	OP	PER	TOTAL
2017	63000	68000	19000	150000
2018	86000	66000	28000	180000
2019	48000	74000	28000	150000
2020	36000	96000	28000	160000
2021	28500	83500	28000	140000
total	261500	387500	131000	780000

The following municipal partnerships also contribute to this plan:

- Heist-op-den-Berg - Bergrivier
- Bornem - Nquthu
- VMSG - Salga



2. Roles and responsibilities of the stakeholders

2.1

Essen and Witzenberg hereby declare they will assume their responsibility with a view to the proper performance of the proposed intervention. This intervention comprises a contribution to the following results:

Specific objective	<i>Enhancing the capacity of Witzenberg to contribute to the implementation of the integrated waste management policies respecting the principles of good local governance</i>
Intermediate Result 1	The technical capacity of Witzenberg municipal staff to implement the integrated waste management policy is strengthened
Intermediate Result 2	The capacity of Witzenberg to implement awareness raising campaigns on waste and environment is strengthened, respecting the integrated waste management policy
Intermediate Result 3	The municipal capacity to collect and process fractions of waste is strengthened through the establishment of operational facilities.

2.2

The three parties hereby accept the principles of an equivalent partnership and undertake to respect them.

All partners know their exact role in the intervention, more specifically:

a. **Witzenberg:**

This local government assumes the leading role in terms of the intervention, more specifically:

- i. Collect all the necessary information and data and make it available as a function of drawing up and submitting the long-term policy plan, annual action plans, annual reports and other administrative obligations regarding DGD.
- ii. Performance of the intervention with a view to achieving the targets and results by 31 December 2021, in co-operation with the other stakeholders.
- iii. Guarantee the general co-ordination, the performance and the follow-up of the intervention, both budgetary and in terms of content, including regular feedback to **Essen. Witzenberg** makes an active contribution to drawing up the long-term policy plan, annual reports and other administrative obligations regarding DGD.
- iv. Contributions to the external evaluation moments specified in the plan and co-ordinate and organise the self-evaluations specified in the plan.
- v. Participate in the co-ordination moments and other activities for the Joint Strategic Framework (GSK) in South Africa.
- vi. All material, vehicles and other provisions purchased in the South with DGD subsidies belong solely to the (semi-)municipal departments and institutions Witzenberg.
- vii. The responsibility of the performance in the partner municipality belongs to **Jo-Ann Krieger, director community services.**



b. Essen:

This local government assumes a guiding and supporting role in terms of the intervention, more specifically:

- i. Representation of all partners in question in the performance.
- ii. Guarantee observance of the obligations regarding the drawing up and submitting of the long-term policy plan, annual action plans, annual reports and other administrative obligations regarding DGD for the city-to-city cooperation.
- iii. Offer general guidance and support to **Witzenberg** in the performance of the intervention.
- iv. From the municipal expertise contribute to the performance of the intervention with a view to achieving the targets and results by 31 December 2021, in co-operation with the other stakeholders, and in accordance with the 'Financial standards and administrative provisions'.
- v. Follow-up of the performance of the intervention, both budgetary and in terms of content, working closely with **Witzenberg**. In case of unexpected circumstances or changes in administration which could have an effect on the performance, the **Essen** shall immediately notify the VVSG of this.
- vi. Contributions to the external evaluation moments specified in the plan and actively participate and guide the self-evaluations specified in the plan.
- vii. Participate in the consultation moments in terms of content and management organised by the VVSG and regional meeting moments organised in the partner countries.
- viii. **Essen** is responsible for the communication regarding the achieved results within this federal plan and in the performance makes a clear distinction between the results of this subsidised plan and those of the city-to-city cooperation in general.
- ix. The performance is followed up in Essen by **Kirsten Vanhooydonck, Head of department international affairs**.

c. VVSG

- i. As submitting party and applicant of the subsidy, the VVSG assumes the role of co-ordinator and manager of the whole plan. The VVSG is also granted the mandate to sign the contract with DGD and to represent them in all contacts with DGD in the context of the performance of the intervention. In this sense the VVSG has a bridging function between the federal administration and the implementing city-to-city cooperations.
- ii. The VVSG is responsible for the guidance, training and support of the different participating municipalities and the city-to-city cooperation partners. The VVSG organises this guidance both individually (per city-to-city cooperation) and collectively.
- iii. The VVSG offers collective learning moments in Belgium and in the partner countries for the participating local governments.
- iv. The VVSG translates the legal framework within which this plan works to municipal reality.
- v. From its helpdesk function, the VVSG offers a first-line service to the participating municipalities regarding the performance and monitoring of the plan.

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- vi. The VMSG represents the participating municipalities and partner municipalities vis-à-vis the federal government and also participates in the Federation of Institutional Stakeholders (FIABEL).
- vii. The VMSG connect the municipalities with the other stakeholders in the country through the moments and structures set up in the Joint Strategic Framework (GSK).
- viii. Every year the VMSG submits a financial and narrative report of this plan in accordance with the legal provisions.
- ix. The VMSG also reserves the possibility to – if the expenditure of the city-to-city cooperation is below par and despite adjustments, no improvement is on the horizon– to restructure the budget of the city-to-city cooperation in accordance with the legal provisions of budget restructuring.

3. Provisions regarding planning, performance, monitoring, evaluation and reporting

3.1

Both local governments aim to involve all stakeholders as much as possible in all facets of this intervention, ranging from planning, performance, monitoring, evaluation and reporting.

3.2

The Municipal International Co-operation 2017-2021 long-term policy plan of South Africa approved by DGD constitutes the basis for the envisaged intervention.

For the performance of the intervention, the following resources are used, provided by the federal government, via DGD:

	INV	OP	PER	TOTAL
2017	18000	30000	2000	50000
2018	42000	16000	2000	60000
2019	20000	28000	2000	50000
2020	10000	38000	2000	50000
2021	6500	31500	2000	40000
total	96500	143500	10000	250000

3.3

The performance of the intervention shall be with respect for the 'Financial standards and administrative provisions' as drawn up by DGD and summarised by the VMSG.



3.4

Both local governments shall provide permanent mechanisms for the result-based management of the intervention, including financial monitoring and in terms of content. The results of the intervention will be evaluated in the interim and at the end of the intervention. On the one hand this is via (guided) self-evaluations on the level of the intervention and with involvement of all stakeholders; on the other hand, via external evaluations on the level of the global long-term policy plan (co-ordinated by the VVSG).

3.5

Every year a report is drawn up which describes the achieved results and the performed activities. This report comprises (1) the annual report of performance and follow-up and (2) the annual financial report. DGD guidelines are followed to draw up this report.

3.6

The federal government (DGD and the Court of Audit) can conduct an audit at any time relating to the allocated subsidy.

3.7

Both local governments and the VVSG undertake to try to solve any disputes following the performance of this intervention amicably.

3.8

The payment of the subsidy is in annual instalments to **Essen**. **Essen** is responsible for transferring (and possibly pre-financing) the performance.

4. Provisions relating to the durability of the intervention

4.1

In the planning, monitoring and performance of the intervention, **Essen** and **Witzenberg** seek maximum durability of the envisaged effects.

4.2

Up to four years following expiry of the co-financing, the federal government (DGD and the Court of Audit) can request reports regarding the management of movable and immovable assets acquired with the subsidy in the context of this plan. The documentary evidence must therefore be stored for up to four years after the end of the long-term policy plan.

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5 Final provisions

This annex to the existing partnership agreement between the VVSG, Essen and Witzenberg was drawn up in Essen, the 15th of april 2017 and signed in triplicate by the three parties.

This document shall be submitted for approval to the authorised bodies of both local governments and of the VVSG.

Essen

Witzenberg

For the VVSG vzw

A blue ink signature of Gaston Van Tichelt, consisting of several loops and a long horizontal stroke at the end.

Gaston Van Tichelt,
Mayor

A black ink signature of Barnito Klaasen, featuring a large, stylized 'B' and 'K'.

Barnito Klaasen,
Executive Mayor

A black ink signature of Mieck Vos, with a prominent 'M' and 'V'.

Mieck Vos,
General Director

Dienst: Internationale samenwerking
Contactpersoon: Boudewijn Vandenbossche
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Schepen: Dirk Konings

Mr. Hennie Smit
Municipality of Witzenberg
Voortrekker Street 50
6835 Ceres
Western-Cape
South Africa

Essen, 1 maart 2022

Meeting Mayoral Committees

Honourable Mr. Mayor Smit,
Honourable Mr. Municipal manager Nasson,

We hope you are all doing well and that you had a good start of 2022 with your new council.

In order to officially meet and discuss the partnership between our municipalities, we would like to organize a virtual meeting between our two Mayoral Committees. All our councillors are looking forward to meeting you all.

January did not only mark the beginning of a new year, it also marked the end of our Federal Programme on waste that ran from 2017 until 2021. We would like to use this opportunity to discuss the highlights of this programme with you and look to the future together.

In 2021 we also officially submitted an application to the Belgian federal government for a new federal programme on waste from 2022 to 2026. Unfortunately, we received word that our application has been rejected, despite our best efforts. However, we are working together with the VVSG (Flemish Local Governments Association) to apply for an alternative, shorter version of the submitted programme.

This will have no impact on the funding for the Job Placement programme. For this programme, we provide other funding and we will remain to do so for the foreseeable future.

This year also marks the twentieth anniversary of our twinning. We would like to discuss this joyous moment with you and brainstorm together on how we can celebrate our long-lasting partnership.

Yours sincerely,

On behalf of the mayoral committee,

Stefaan Denewet
Acting Municipal Manager of Essen

Gaston Van Tichelt
Mayor of Essen

17/4/19

WITZENBERG MUNICIPALITY

HOUSING ADMINISTRATION POLICY



CONTENTS

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11. PREVENTION OF ANTI-SOCIAL BEHAVIOUR BY TENANTS OF MUNICIPAL RENTAL STOCK

In this Policy, the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meaning:

Aged - meaning any person who receives and qualifies for a state pension grant (60 years and older)

Anti-social behaviour – conduct of a person /s with the intention to destabilize the community through the illicit sale of drugs, liquor without a license and gang related activities)

Basic municipal engineering services - limited to water services, sanitation services, access roads and open lined storm water systems provided on a shared base in a dense settlement pattern;

Disabled* - member of a household who receives a permanent disability grant from SASSA until the person reached the old aged grant (pensionable age of 60)

Financial dependent - Minor biological children, adopted children, foster children; children 18 years and over who are studying AND financially dependent; biological parents and grandparents; parents and grandparents in-law; siblings under 18; siblings 18 and over who are financially dependent; extended family members who are financially dependent (National Housing Code).

Municipality - Witzenberg Municipality.

Policy - The policy set out in this document, as amended from time to time;

Beneficiary – Member of the public who has completed a registration for assistance to acquire a house from the variety of housing options available through the National Housing Programmes, and whose details have been captured on the National Housing Needs Register

Approved Beneficiary – A Beneficiary whose application for a housing subsidy has been approved by the Provincial Department of Human Settlements

Housing Allocation – Allocation of a new state subsidized house or rental unit to a specific applicant who has met the selection criteria for the dwelling or project.

Housing Demand Database (the 'Database') - The Housing Demand Database is the Municipality's integrated housing database comprising the consolidation of all the legacy waiting lists or housing databases and lists of the different areas and towns within the Municipality.

Housing Opportunities – Housing opportunities include the full spectrum of opportunities available in terms of the Integrated Residential Development Programme and includes the allocation of serviced stands to households that do not qualify for housing subsidies

Housing Projects – Housing projects undertaken by the Municipality in terms of the National Housing Programmes (UISP, IRDP, CRU, EHP, PHP)

Meaningful Engagement - Affected communities / individuals must be engaged as a group in relation to the impending removal, as well as at an individual and household level, in order to ensure that all relevant personal circumstances are taken into account in the process.

Selection Criteria – Selection criteria are the factors of parameters used in selecting a set of applicants for housing opportunities.

Vulnerable - meaning any person / household living in dangerous circumstances (which is life threatening), dilapidated structures (not informal structures), gross overcrowding.

Council has adopted a Human Settlement Plan which forms part of the Witzenberg Integrated Development Plan as an attempt to expedite housing delivery to its homeless households within its jurisdiction.

The cornerstone of this policy is:-

- (a) the focus on creating partnerships between the various spheres of government, the private sector and communities ;
- (b) that the quality and affordability of the housing delivered, is of central importance ; and
- (d) the focus on creating a wholesome living environment conducive to attracting private investment.
- (e) Management and control of the spread of informal settlements, land invasion and evictions from land, and
- (f) Promotion of integrated housing development; and
- (g) the equitable, non-discriminatory administration of housing issues, including housing provision to the disabled
- (h) Registration of all Witzenberg residents' applications for housing assistance into a computerized housing database

2.1 Legal framework

Although not exhaustive, the following legislation and policies provide the appropriate legislative framework within which the Witzenberg Housing Administration Policy is drafted:

- Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act No 19 of 1998)
- Extension of Security of Tenure Act, 1997 (Act No 62 of 1997)
- Less Formal Township Establishment Act, 1991 (Act No 113 of 1991)
- Municipal Systems Act, 2000 (Act No 32 of 2000)
- Local Government Municipal Finance Management Act, 2003 (Act No.56 of 2003)
- Housing Act, 1997 (No 107 of 1997)
- Rental Housing Act, 1999 (No 50 of 1999)
- National Housing Code, 2000
- National Environmental Management Act, 1998 (No 107 of 1998)
- Land Use Planning Ordinance, 15 of 1985

2.2 Guiding Principles

The following principles serve as guides in the implementation of the Witzenberg Housing Administration Policy:

Sustainability

Promotion of the establishment of socially and economically viable communities and safe and healthy conditions for human settlement while ensuring that residential developments do not impact adversely on the environment.

Fairness and Equity

Housing development shall promote equal access to opportunities as well as promote equity in respect of race, gender, religion and creed.

Integration

Integrating social, economic, institutional, physical and environmental issues in the development of sustainable human settlements whilst ensuring that new developments lead to the integration of urban and rural areas in support of one another

Affordability

Residential development shall be economically, fiscally, socially and financially affordable and sustainable and houses shall have a market value

Innovation and Choice

Promoting innovative responses that increase the availability of choice and variety to the consumer

Combating Urban Sprawl

Ensuring that new developments contribute to the compaction of towns and are contained within the urban fringes as defined in the Spatial Development Framework of the municipality

Community Participation

Ensuring that affected communities actively participate in the development process

Empowerment

Ensuring that development incorporates capacity building programmes that promote the utilisation of local skills and resources as well as the participation of previously disadvantaged communities

Habitability

Only suitable land for human occupation shall be considered for housing development

Proximity to Economic Opportunities

Land for housing shall be ideally located next to economic opportunities to lessen the transport cost for residents going to work

Quality

New housing developments shall comply with the minimum quality standards

Environmentally friendly

Promoting the utilisation of environmentally friendly resources and designs that focus on energy

Nature Centred Development

Creating synergy between man-made and ecological systems through the continuation of green spaces in human settlements and the utilisation of environmentally friendly resources and designs that focus on energy saving

Human Centred Development

Ensuring that the developmental needs and activities of people living in settlements are catered for and that opportunities for people to achieve their full potential through their own efforts are maximized

Chapter Integrated approach to Human

3 Settlements

In its attempt to integrate human settlements:

- The housing development shall be located closer to economic opportunities
- The housing development shall lead to the compacting of the towns and avoid urban sprawl
- The housing development shall be integrated with other municipal services – social, economic and infrastructure to establish sustainable human settlements
- All housing developments (low, middle and high-income) within the Municipality shall be approved by Council in line with the provisions of the Human Settlement Plan (HSP), the Spatial Development Framework (SDF) and the Integrated Development Plan (IDP).
- Municipal departments be coordinated to work together in planning and implementing housing projects
- The promotion of middle and high-income housing will in turn generate resources to improve low-income areas
- Equal preference be given to urban and rural development projects
- To promote environmental sensitive and energy efficient housing

3.1 Establishing an Integrated approach to human settlements

Council shall make available land for human settlement for Greenfield developments, infill planning, urban renewal or *in situ* upgrading projects as prioritized in the Human Settlement Plan, the SDF and the IDP of the municipality.

- 3.1.1 Council shall support and participate in, where feasible, the development of a variety of high, middle and low-income residential developments which combine single residential as well as cluster housing on both Greenfield and urban renewal, *in-situ* upgrading or infill planning sites.
- 3.1.2 All future development proposals shall show how due consideration has been given to social, physical, environmental and economic aspects in the project design. An Environmental Impact Assessment or any other study to support decision-making in this regard may be required from the developer.
- 3.1.3 Council shall support urban developments within the urban fringe. Rural development shall be supported if proven feasible.
- 3.1.4 Council shall support developments that promote the optimum utilization of infrastructure and resources.
- 3.1.5 Council shall support development that is located in close proximity to socio-economic opportunities.
- 3.1.6 New housing developments shall only be supported if in line with the Human Settlement Plan, Spatial Development Framework and the Integrated Development Plan of the municipality.
- 3.1.7 Projects shall be designed to minimize the negative impact on the environment and environmentally sensitive developments shall get preference.

- 4.1 The Housing Administration section shall use the Western Cape Provincial Department of Human Settlements Housing Demand Database.
- 4.2 The Database is housed at the Western Department of Human Settlements.
- 4.3 The Database shall be linked and accessible through computers in the in the Witzenberg Municipality housing offices.
- 4.4 The manager Human Settlement is tasked with the responsibility to oversee update the housing database.
- 4.5 The housing database will be made of the following components:
 - Occupants of informal settlements
 - Backyard dwellers
 - People applying for housing opportunities for subsidized housing
 - People applying for housing opportunities other than subsidized housing
 - Occupant of municipal rental housing accommodation
 - Occupants of houses not registered in the name of owners.
- 4.6 The housing database, in addition to the above will also contain the waiting list of applications seeking accommodation.
- 4.7 The Housing Waiting List shall be updated regularly as and when new allocations are made during the course of the year and when new applications are received.
- 4.8 Auditing of the housing database will be undertaken as necessary and required by the internal auditing section of Council.
- 4.9 Housing officials dealing with the database will access the system through a password that must be kept secret.
- 4.10 After the updating of the database, on a quarterly basis, the list must be distributed to the housing portfolio committee and relevant Ward Councillors to make the information available to the community, to check and verify their information.

Chapter New Housing Development Allocations

5

5.1 Council in through its housing allocation supports the following objectives:

- 5.1.1 Promotion of equal access to housing for Witzenberg residents
- 5.1.2 Transparency
- 5.1.3 Prevention of unfair discrimination
- 5.1.4 Promotion of fair administrative justice
- 5.1.5 The principle of "first come first serve" where possible
- 5.1.6 Proper recording of all housing applicants

5.2 Allocation framework

Council has in terms of the Municipal Structures Act No 117 of 1998 established a Section 79 / 80 Housing Committee and has delegated certain powers and functions to the housing committee to deal with housing related matters.

The Council Housing Committee will determine the criteria for a specific housing project prior to the identification process of all beneficiaries for the project. The Council Committee will inter alia consider the following criteria for allocations:

- 5.2.1 All persons who want to qualify for state financed housing must complete the standard application form to be registered on the housing database.
- 5.2.2 Only applicants who appears on the housing database will be considered for any state subsidized housing assistance.
- 5.2.3 Completed applications shall be lodged at the Housing Office of Council who shall capture the information in the Housing Demand Database (Provincial).
- 5.2.4 Applicants shall be Witzenberg residents for a period of not less than 5 years;
- 5.2.6 The principle of first come first serve will apply as far as possible;
- 5.2.6 Preference will as far as possible and per the further criteria of the Committee, be given to the vulnerable groupings within the Witzenberg community;
- 5.2.7 Allocation of housing subsidies shall comply with the provisions of the Housing Act, the Housing Code, the Provincial and Municipal housing policies;
- 5.2.8 Waiting list numbers are not transferable to other members of a household in any circumstance, especially in circumstances where the person on the waiting list does not qualifies for a government subsidy. No waiting list transfers will be allowed.
- 5.2.9 Financial dependents can only be used once for a subsidy application approval and the necessary support documentation (proof of adoption, affidavits if extended family financial dependent must be provided);
- 5.2.10 Where a person is living with HIV / AIDS (stage 4) will be classified as vulnerable (support documentation must be provided (doctor / clinic certificate /report).
- 5.2.11 The Housing department will investigate each case in terms of section (c) and submit a detail report on the circumstances for approval.

5.3 After an application has been approved, the Municipality or service provider shall inform the applicant through any of the following:

- (a) A letter, where an address has been provided in the application form
- (b) A telephone call / sms / email
- (c) A fax, where a fax number has been provided, and
- (d) Notices on the notice boards of the Municipality and its satellite offices

5.4 The full list of approved allocations will be display on notice boards at municipal offices (where a project is implemented) for transparency purposes and also for possible comments.

Chapter Housing Allocation with regard to Municipal Rental Stock

6

A distinction is drawn between state funded municipal rental stock and own municipal rental stock. All state funded municipal stock are occupied and this policy attempts to guide the allocation thereof in the event of a vacancy and / or illegal occupation of state funded rental stock. This policy will deal with own municipal rental stock as a separate process.

6.1 Subsidized Municipal Rental Stock

- 6.1.1 Before any allocation of rental stock to a person is made a complete report from the housing administration must be submitted to the housing portfolio committee for consideration.
- 6.1.2 The housing committee will give preference to the dependants of the Lessee's where the household have been staying in the rental stock for a minimum period of three years.
- 6.1.3 In the event of the rental stock being unoccupied and / or where the Lessee has passed away with no dependants then the housing committee will consider allocations from the housing waiting list as per the subsidized housing allocation criteria and the urgency and dire circumstances of destitute people.
- 6.1.4 The approved applicant shall sign a lease agreement with the Municipality and the rental fee in terms of the tariffs for that particular financial year will be applicable.
- 6.1.5 Upon the death of a legal occupant, a rental contract must be entered into with the surviving family member/s who at the time of death where residing in that specific unit.
- 6.1.6 In the case of the death of a legal occupant where no surviving family members resides with the legal occupant at the time of death, the unit will be allocated to the next person on the waiting list.
- 6.1.7 Where a person is in possession of a rental Unit and still has other residential property, the Council will forthright take the rental unit and reallocate it from the waiting list (one person one property).
- 6.1.8 Where a tenant signs off his/her rental unit for whatever reason, all his/her belongings and people or dependents must vacate the unit.

6.2. ALLOCATION / QUALIFYING CRITERIA

- 6.2.1 Applicants shall be residents of the Witzenberg Municipality for a period of at least 3 years;
- 6.2.2 Single persons without financial dependents will not be considered.
- 6.2.3 An applicant must automatically be placed on both the Rental and low cost housing lists if the applicant did not possess any property that was or is registered in his or her name.

6.3 RENTAL PAYABLE

- 6.3.1 The rental to be paid will be charged in terms of council policy and budgets applicable for that particular financial year.

- 6.3.2 The above charges include all other municipal services and charges excluding water and electricity.
- 6.3.3 Rental is payable monthly in advance.

6.4 MAPLE PARK APARTMENTS

- 6.4.1 Only people above the age of 60 will be considered as a Lessee for any apartment.
- 6.4.2 Accept for the spouse and / or partner of a Lessee, who should also be a pensioner no dependants of any Lessee will be allowed to be part of a household of any unit.
- 6.4.3 A separate housing waiting list will be maintained for the purposes of an allocation of any housing opportunity.
- 6.4.4 The housing committee will consider the following criteria when considering making an allocation:
 - 6.4.4.1 Any application should have stayed within the Witzenberg district for a minimum period of 10 years.
 - 6.4.4.2 The units are catering for people who are in physical position to support themselves and the applicants must be self-supportive.
 - 6.4.4.3 Applicants must be a recipient of a pension whether private or from government.
 - 6.4.4.4 The housing committee may from time to time set any criteria which they regard as necessary in determining a fair and equitable allocation.
 - 6.4.4.5 The rental payable will be inclusive of any municipal services except for the prepaid electricity and will be based on the rates as determined by Council in its annual budget.
 - 6.4.4.6 The housing administration must table a full report to the housing department before any allocation will be made.

6.5 TRICHARD STREET APARTMENTS

- 6.5.1 Council has taken into consideration the scarcity of accommodation for young professionals, especially for Council itself and has earmarked the Trichard Street apartments as a housing opportunity for such young professionals.
- 6.5.2 The Trichard Street apartments will only cater for single, married couples or partners living as husband and wife with no dependants.
- 6.5.3 The rental payable will be market related and payable in advance.
- 6.5.4 The young professionals must earn a minimum salary of at least R10 000, 00 per month.
- 6.5.5 Preference will be given to young professionals who are on the housing database but it should be noted that this will not be a determining consideration for the committee.
- 6.5.6 The committee will evaluate each and everyone's particular situation in terms of the need, urgency and possible impact from both employee and employer in the event of the young professional not having accommodation in Witzenberg.
- 6.5.7 The housing administration must table a full report to the housing department before any allocation will be made.

Chapter Dealing with Evictions – Rental stock

7

7.1 POLICY FRAMEWORK IN RESPECT OF UNLAWFUL OCCUPATION OF COUNCIL RENTAL UNITS.

7.1.1. PRINCIPLES

7.1.1.1 An unlawful occupant is a person who:

- has moved into a vacant municipal rental unit without Council's authorization, or
- has forced the legal tenant out of a municipal rental unit or
- has been left behind by a vacating tenant or when the tenant dies and is not a family member of the original household (includes families living in backyard structures).

7.1.1.2 Children of former tenants who move into their parents' municipal rental unit will not be considered as unlawful provided that:

- (a) They can show that they have lived in the municipal rental unit for a period of not less than 24 months (unbroken) prior to the termination of the tenancy.
- (b) They can prove that their absence from the Unit was due to economic reasons and are actively contributing to the livelihood of the tenant (working out of town)
- (c) They are not in occupation of another Council owned dwelling
- (d) Doubtful cases will be referred to the Manager: Human Settlements for adjudication after an inspection was undertaken and a report was tabled to the Manager.

7.1.1.3 In dealing with unlawful occupants, Council will ensure that the rights of the occupants are not undermined.

7.1.1.4 Unlawful occupants will be dealt with in terms of set administrative procedures.

7.2. ADMINISTRATIVE PROCEDURES: UNLAWFUL OCCUPANT:

- 7.2.1 A home visit must immediately be conducted after a report is received or it is suspected for any reason that there is an unlawful occupant in occupation to establish the following:
- (a) Date the tenant vacated or died
 - (b) That persons who are members of the tenant's household and who may have claim to the tenancy are no longer in the dwelling.
 - (c) Ascertain the date unlawful occupant moved into the dwelling.
- 7.2.2 The unlawful occupant / s details are checked and any special circumstances pertaining to the occupant / s noted (e.g. invalids, terminally ill persons, health stricken, pregnant persons, wheelchair-bound persons, whether the household is headed by a woman, whether there are minor children, elderly, whether they are employed, etc.)
- 7.2.3 At the interview, the unlawful occupant must be advised about his/her rights as well as the implications of the illegal occupancy.
- 7.2.4 The unlawful occupant will be given a maximum of 14 days, notice letter or sent by registered post to vacate the premises or face eviction.
- 7.2.5 After the 14 days' notice period a process of meaningful engagement will be followed to discuss options not to render the unlawful occupant homeless.
- 7.2.6 Where no agreement can be reach with the unlawful occupant or all alternatives has been explored and eviction is the only option, Council's attorneys will be instructed to institute the required proceedings for the eviction.
- 7.2.7 The same process (*notification, interview and meaningful engagement, eviction*) will be followed against a tenant who is responsible for anti-social behaviour.
- 7.2.8 The Housing committee will approve of any eviction action that needs to be undertaken against any legal occupant and / or occupant where the lease has been terminated.

Chapter Emergency Housing Assistance

8

8.1 AIMS

To establish a basis for the implementation of all relevant and applicable legislation which is utilised in the decision making process on the provision of emergency housing. The aim is to provide temporary aid and assistance in the form of basic municipal engineering services and/or shelter in emergency situations to persons who are destitute and in desperate need and/or crisis situations.

Note that the provision of this type of assistance does not detract from the municipalities overall objectives in terms of section 26 of the Constitution and does not promote queue jumping in that the provision of this type of temporary assistance is limited to emergencies and homelessness due to evictions.

8.2 SCOPE AND CRITERIA

821 SCOPE

Persons who are destitute and who find themselves in desperate need and/or crisis situations, such situations being referred to and defined below as "Emergencies", and only these persons will qualify for temporary emergency housing assistance.

The Municipality also acknowledges that there is a relationship between housing and evictions. A wealth of jurisprudence in respect of housing and evictions law was developed over the last number of years that influence the Municipality's involvement in providing alternative accommodation to evictees who will be rendered homeless. Municipalities must provide reasonable steps to realize the right to housing as enshrined in Chapter 26 of the Constitution of the Republic of South Africa and also endorsed by the Grootboom case (Government of South Africa and other vs Grootboom and others, 2001, Constitutional Court.

822 CRITERIA

Assistance provided under this Policy will only be of a temporary nature, and is not intended to provide a permanent solution and should not be considered as such.

8221 **"Emergencies"** An emergency exists when the Municipality, after application by the affected persons on the prescribed form, has confirmed that the persons affected qualify as a "Beneficiary".

Where such a beneficiary have become:

- a) Destitute and homeless as a result of a declared state of disaster, where assistance is required, including cases where initial remedial measures have been taken in terms of the Disaster Management Act, 2002 (Act No. 57 of 2002) by government, to alleviate the immediate crisis situation;
- b) destitute and homeless as a result of a situation which is not declared as a disaster, but destitution is caused by extraordinary occurrences such as floods, strong winds, severe rainstorms and/or hail, snow, devastating fires, earthquakes and/or sinkholes or large disastrous industrial incidents;
- c) Or live in professionally declared dangerous conditions such as on land being prone to dangerous flooding, or land which is dolomitic, undermined at shallow depth, or prone to sinkholes.
- d) Or live in the way of engineering services or proposed services such for water, sewerage, power, roads or railways, or in reserves established for any such purposes;
- e) Or are legally evicted or threatened with imminent eviction in accordance with a final eviction order from a competent Court from land or from unsafe buildings, or are in unsafe situations where based on professional advice warrants proactive steps ought to be taken to forestall such consequences;
- f) Or whose homes are demolished, or who are in situations where proactive steps ought to be taken to forestall such consequences;
- g) Or are displaced or threatened with imminent displacements as a result of a state of civil conflict or unrest, or are in situations where pro-active steps ought to be taken to forestall such consequences;
- h) Or live in professionally declared conditions that pose immediate threats to life, health and safety and require emergency assistance;

8222 "Evictees" – person or persons evicted from private or public land that will become homeless due to a court granting a final eviction order.

8.3 CATEGORIES OF ASSISTANCE

The various categories of assistance provided under this Policy depend on the specific circumstances and are dictated by the specific situation, as the case may be.

The various categories are the following:

- (a) **Accommodation kept in reserve for possible disasters.** This entails the accommodation of persons in community halls or other buildings designated for this purpose as a temporary measure.
- (b) **Temporary accommodation that is readily available.** This entails the temporary accommodation of persons at any place as decided by Council from time to time. Persons assisted will be provided with a temporary residential unit of a dignified nature and have access to services, which may be communal.

- (c) **transitional accommodation** · this form of accommodation will be established under the relevant housing programme of national and provincial government by setting aside sites for formal housing in human settlement projects, as identified and earmarked by the Municipality from time to time, and applying for funding in this regard, depending on the need that may exist.

A TRA (Temporary Relocation Area) can also be established that can provide for alternative accommodation for persons affected in terms of this policy. Persons assisted will be provided with a structure that meets the requirements of the relevant chapter of the National Housing Code and have access to services, which may be communal.

Persons who are evicted and rendered homeless will be assisted under this section of the policy.

- (d) **shelters** · this entails the temporary accommodation of persons at one of the shelters operated or funded by the Municipality, if any; It is in the discretion of the Municipality to determine which categories of assistance apply to specific persons and which category of assistance to use in a specific situation, depending on, and with reference and having regarded to, the specific circumstances of particular persons.

The assistance is only of a temporary nature and should not be considered as a permanent measure. The Municipality can and reserves the right to, in its discretion, temporarily move persons to another suitable site. Any person assisted under this Policy will be required to enter into an agreement with the Municipality in order to regulate the terms and conditions of such person's accommodation, in particular the temporary nature thereof and any ancillary and / or related obligations.

- (e) **Financial assistance** – the only financial assistance that will be provided is the provision of a food parcel, blankets, donated clothing to an affected household.

Chapter Regulating Informal Settlements

9

9.1 Preamble

Witzenberg Municipality is faced with the continuous proliferation of informal settlements. This situation restricts the municipality from exercising its mandate in rendering basic services to the affected communities.

It is believed that informal settlements, is driven by the following issues:

- a. A perception by rural migrants and people from poor small towns, that settling in informal settlements, illegal squatting in urban areas will usher them to a better life.
- b. Initial occupants of informal settlements, illegal squatters and evictees often rally the support of other potential occupants to strengthen their negotiation power with the land owner
- c. The perception that people in informal settlements, illegal squatters and evictees are helped first before those on a housing waiting list also fuels the spread of informal settlements
- d. The lack of timely planning to accommodate population growth
- e. Community ignorance on the intended use of vacant land or open areas earmarked for development within existing settlements.
- f. The lack of a coordinated approach among spheres of government to release land and/or funding for the planning and servicing of priority areas.
- g. The lack of policy and enforcement by authorities.
- h. Land owners that want to use their land for other profitable means, evict residents.

9.2 Addressing informal settlements

9.2.1 The Policy: Existing Informal Settlements

Council will only recognise informal settlements that existed in its municipal area before the adoption of this policy or where the court did not grant a court interdict for eviction of illegal occupants.

Council will only consider *in-situ* upgrading of an existing informal settlement if:

- a) It is recognised as an existing informal settlement.
- b) It is a priority identified in the Integrated Development Plan (IDP) of the Municipality.
- c) It conforms to the Housing Sector Plan and the Spatial Development Framework (SDF) of the Municipality.
- d) It will create habitable sustainable human settlements.
- e) It is in the interest of those staying in the area as well as the rest of the community.
- f) It conforms to the general principles outlined in the policy.

9.2.2 Council will give priority for relocation of residents from an informal settlement if:

- a) The settlement does not comply with any of the conditions set out in 4.1.2 above.
- b) The health and well-being of people staying in and around the area is adversely affected.
- c) The area proofs to be too small to accommodate all residents in a sustainable manner.
- d) The area proofs to be inhabitable.
- e) Basic services cannot be rendered in an affordable and efficient manner.

9.3 Administrative procedures: Existing Informal Settlements

9.3.1 Pro-active measures: Existing Informal Settlements

- a) The implementation of Council's Illegal squatting Policy shall act as a pro-active measure to curb the proliferation of informal settlements.
- b) The implementation of Greenfield developments shall also pro-actively address the need for residential sites, thus impacting on the proliferation of informal settlements.
- c) Where this policy has failed to pro-actively address the proliferation of informal settlements, a distinction shall be made between areas that are suitable for human occupation and those that might adversely affect the health and well-being of the community or adjacent communities.
- d) Those areas suitable for human occupation shall be treated as *in-situ* upgrading projects while those not suitable shall be treated as relocation projects.
- e) A further distinction shall be made between the availability of council property for relocation and cases where suitable land will have to be acquired by council for the purpose of relocation

9.3.2 Administrative Procedures: *In-situ* upgrading project

- a) If Council decide to upgrade an existing informal settlement, the Housing Department, shall compile a Site Register of all occupants of the informal settlement.
- b) A cut -off date must be decided by Council to include those residing in the informal settlement in the site register.
- c) The site register shall make a distinction between occupants who qualify for housing subsidies and those who do not qualify, South African citizens and those who are illegal immigrants including those who desire to be relocated elsewhere, etc.
- d) The Housing Department shall capture this information into the Housing Database.
- e) The Housing Department shall report all illegal immigrants to the Department of Home Affairs.
- f) The Housing Department shall consult with the Planning Department to investigate the suitability of the land.
- g) The Administration Department (Property Management) shall verify land ownership and identify alternative land for relocation if necessary.
- h) The Director Technical Services shall assess the possibility of servicing the land.
- i) Environmental assessment shall be made to determine the potential impact of the proposed development.
- j) The Manager: Human Settlements shall table a combined report to Council outlining the feasibility of upgrading the informal settlement versus the relocation of the affected community and shall incorporate the various recommendations made from the various departments involved (outcomes of (d) to (g) above).

- k) Council shall approve the project and instruct the completion of the Business Plan for submission to Provincial Housing Department for approval.
- l) Once the process of formalization has been completed, the Housing Department shall allocate sites to potential beneficiaries in terms of the housing allocation policy.
- m) The construction of houses shall then begin.

9.3.3 Administrative Procedures: Relocation to Council Property

- a) The same process will be followed as with the *in-situ* upgrading project [Points (a) to (g)].
- b) However, if the Planning Department has identified that the area occupied by an existing informal settlement is not suitable for human settlement [point (f)] and land is available for relocation [point (g)], the Manager: Human Settlements shall submit a report to council recommending relocation.
- c) Council shall take a decision on the process of relocation and the way sites will be allocated in terms of the housing allocation policy
- d) The Executive Mayor shall be involved in the in negotiating with the affected community around the relocation.
- e) Before a community can be relocated, the Planning Department shall prepare a preliminary layout plan for adoption and approval by Council.
- f) Once the preliminary layout plan has been adopted, the Planning Department shall ensure that the sites are pegged and clearly identified for occupation.
- g) The affected community shall be relocated onto the identified sites per guidelines set by the Council.
- h) Once the community has been relocated according to the guidelines given by council, the Department Civil Engineering Services shall supply basic infrastructure to this community.
- i) The Planning Department shall lodge an application for township establishment with the relevant authorities to formalize the area.
- j) The Housing Department shall lodge a housing subsidy application for those beneficiaries who qualify.

9.3.4 Administrative Procedures: Demolishing of informal structure once formal housing is provided

There is a tendency that residents during *in-situ* upgrading projects or when formal provided, let or sold their informal structure to third parties, thereby creating additional problems and defeating Councils' objectives to eradicate informal settlements.

The following procedure will be applicable:

- a) The person staying in an informal structure who receives a formal house will sign an agreement that he/she will not sell or let his informal structure or plot to a third party and that the structure will be demolished by the owner.
- b) The Manager: Human Settlements will ensure that compliance regarding this policy takes place and that the procedures are followed with regards to the demolishing of the informal structure.

- c) The applicable connection fee for services must be paid in full before the person can move to the new formal house.
- d) The person will only be allowed to move into the allocated formal house once the informal structure is demolished and if an official of the Housing Department certifies to the fact.
- e) No person will be allowed to move into a formal house if the informal structure is not demolished and the material be removed.

Chapter Illegal Occupation of land and 10 Evictions

10.1 PREAMBLE

Witzenberg Municipality is faced with the continuous proliferation illegal squatting and evictions (legal and illegal). These situation restrict the municipality from exercising its mandate in rendering basic services to the affected communities

10.2 Obligations of the Municipality in cases of evictions:

- 10.2.1** We must adopt a reasonable housing policy, which provides not only for permanent housing solutions, but also provides for the provision of adequate accommodation for persons who face homelessness due to aneviction.
- 10.2.2** We are required to meaningfully engage with the parties to eviction proceedings.
- 10.2.3** We may be joined to eviction proceedings in instances where the occupiers that face eviction could be rendered homeless due to an eviction.
- 10.2.4** We are required to place sufficient information before a court for it to be able to make a just and equitable decision having regard to all the relevant circumstances.
- 10.2.5** We are specifically obliged to provide information about its housing policy and how it would provide alternative accommodation to those who require it upon eviction.
- 10.2.6** We are constitutionally obliged to provide access to adequate alternative accommodation to occupiers who are evicted from their home and would otherwise be rendered homeless due to such eviction.
- 10.2.7** In light of the *Blue Moonlight* judgment, it is also clear that we are obliged to budget for all categories of persons in desperate or emergency need of housing and, if necessary, we must leverage provincial and/or national funding to do so.

10.3 **Addressing illegal occupation of land and evictions** (private and public)

10.3.1 The Policy: Illegal occupation of land

- 10.3.1.1 Council shall not tolerate the illegal occupation of land within its area of jurisdiction.
- 10.3.1.2 All measures available to Council shall be exhausted to prohibit the illegal occupation of land.
- 10.3.1.3 Council shall apply to court for the eviction of illegal occupants when due processes has been followed.
- 10.3.1.4 Once a case of illegal occupation of land has been reported the administrative procedures outlined in the policy shall be adhered to.

10.3.1.5 Council shall only recognize illegally occupied land as an existing informal settlement if:

- (a) The land has been illegally occupied before the adoption date of this policy and an eviction order was not granted by the court
- (b) It is a priority identified in the Integrated Development Plan (IDP) of the Municipality
- (c) It conforms to the Housing Sector Plan (HSP) and the Spatial Development Framework (SDF) of the Municipality
- (d) It will create a habitable sustainable human settlement
- (e) It is in the interest of those staying in the area as well as the rest of the community to be upgraded
- (f) It conforms to the general principles outlined in the policy.

10.3.2 Administrative Procedures: Illegal Occupation of land

10.3.2.1 Pro-Active measures: Illegal occupation of land

- (a) Council shall take all possible measures to prohibit the illegal occupation of land. The following pro-active measures shall therefore be put in place:

(i)	To erect signboards on all open and undeveloped pieces of land stating the purpose of the land and that land invasion or dumping on the site is illegal.
(ii)	To regularly patrol all council property and report invasions immediately.
(iii)	To budget for the planning, pegging and servicing of new residential areas.
(iv)	To timeously identify land needed for future development and budget to acquire the land.

10.3.2.2 Administrative procedures: Illegal occupation of land

- a) Any land invasion to be reported to the Manager: Human Settlements.
- b) Once a case has been reported, the Manager: Human Settlements shall investigate and verify the land ownership.
- c) A detailed report with the details of all the invaders must be compiled and photos must be taken of the area which was invaded.
- d) If it is Council property, notice must be given to the illegal occupants to vacate the area. A process of interview, giving notice, meaningful engagement, relocation or eviction will take place.
- e) If the illegal occupation takes place on private land, the land owner will be informed to take the necessary legislative processes
- f) The process shall then unfold in terms of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, Act No 19 of 1998.

Chapter 11 PREVENTION OF ANTI-SOCIAL BEHAVIOUR BY TENANTS OF MUNICIPAL RENTAL HOUSING STOCK

11.1 PREAMBLE

Witzenberg Municipality recognizes that it has a duty in terms of, among others, section 26(2) of the Constitution of the Republic of South Africa Act, 1996, (Act 108 of 1996) to take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of the right to have access to adequate housing. The Municipality further recognizes its duty to assist persons who are destitute and in desperate need of housing.

However Council also recognizes that it has a duty to promote a safe and healthy environment for all who lives within its geographical area of operation. In fulfilment of these duties the Municipality has developed strategies to address needs of the community, but this is subject to the balance being maintained between both duties, referred to above, which is included within the Constitution.

This Policy is implemented in furtherance and fulfilment of the Municipality's duties in terms of the Constitution and other relevant legislation as well as related statutory instruments and case law.

11.2 PURPOSE

The purpose of this implementation guidelines will enable the municipality to prevent and deal with the occurrences of the anti-social behavioral patterns within municipal rental housing stock.

11.3 RELEVANT LEGISLATION

- Constitution for the Republic of South Africa Act, 1996 (Act 108 of 1996).
- Criminal Procedure Act, 1997 (Act 51 of 1977).

11.4 GLOSSARY OF ANTI-SOCIAL BEHAVIOUR

There is no precise definition of anti-social behaviour in housing. Broadly, it is acting in a way that causes or is likely to cause harassment, alarm or distress and even criminal activities, which affects neighbouring tenants.

In order for it to be deemed anti-social behaviour, such behaviour must be persistent in nature.

Anti-social behaviour must be seen to include, but not limited to:

- (a) Sub-letting of the rental units;
- (b) Causing noise pollution;
- (c) Engaging, on the premises or in the rental unit, in the unlawful personal usage of dependency forming substances and / or drugs;
- (d) Engaging, on the premises or in the rental unit, in the unlawful sale of dependency forming substances and / or drugs to persons who are users of such substances and / or drugs;
- (e) Engaging, on the premises or in the rental unit, in the unlawful sale of alcoholic beverages to persons who are users of such alcoholic beverages;
- (f) Possession, usage and / or trafficking dependency forming substances;
- (g) intimidation of neighbours and others through threats or actual violence;
- (h) harassment, including racial harassment;
- (i) verbal abuse;
- (j) homophobic behaviour;
- (k) systematic bullying of children in public recreation grounds;
- (l) abusive behaviour aimed at causing distress or fear to certain people, for example, elderly or disabled people;
- (m) dumping of rubbish and other items;
- (n) animal nuisance, including dog fouling;
- (o) vandalism, property damage and graffiti; and
- (p) criminal activities as described in the South African Criminal Procedures Act.

11.5 IMPLEMENTATION GUIDELINES

11.5.1 When a report / complaint is received that a tenant, a member of his / her household, a relative, a friend or an associate commits or committed any of the transgressions described under clause 3 above, on the premises or in the rental unit, the recipient of the report must make every effort to ascertain the exact address where the transgression is occurring or has occurred.

11.5.2 Upon establishing the identity of the tenant and that the transgression has indeed occurred at the address of the tenant, a letter is then sent inviting the tenant to call the department of housing of Witzenberg Municipality. The interview with the tenant is followed up with a letter confirming the interview and the contents thereof:

- (a) During the course of the interview, the tenant is advised of the nature of the complaint/ transgression, and the implications, if the report / complaint is found to be true;
- (b) The source of the report / complaint shall neither be included or divulged to the tenant nor recorded in the tenant's file;
- (c) Upon receipt of a second and third report / complaint from the previous or different reporter(s) the tenant shall be served with a letter, warning him / her of the alleged abuse of the premises or rental unit and the degree of criminality attached to the transgression;
- (d) A letter shall be simultaneously forwarded, by the Manager : Housing to the South African Police Services requesting:
 - i) an investigation of the alleged transgression(s) and
 - ii) a raid at the address concerned if *prima facie* evidence exists
 - iii) an enquiry should be made to SAPS, as to whether they have any convictions against anyone residing at this address.
- (e) In the event of the SAPS' response that no record of convictions exist and reports / complaints are still being received by the Housing Department, a strongly worded letter must be forwarded to the tenant appealing to the tenant to desist immediately from continued illegal practices on the premises or in the rental unit;
- (f) If more than six months have elapsed since the last report / complaint against the tenant , another letter should be sent to the tenant as a reminder of the reports / complaints against him / her;

- (g) In the event, however, that the SAPS confirms convictions against anyone residing at that address, a detailed report must be forwarded immediately to the Manager : Housing, setting out the activities of the tenant or anybody else residing at that address as well as any convictions against the tenant or any co-habitant. A recommendation for the eviction of the tenant must accompany the report to the Director : Community Services;
- (h) If the Director approves the recommendation for an eviction, the tenant must be served with a one month's notice to vacate the rental unit, commencing on the first day of the month. The tenant should be allowed to make representation, why he/she should not be evicted. The notice shall be sent by registered post and shall include an advice that the tenant shall not be considered for re-housing in public rental stock;
- (i) If the tenant fails to respond or vacate the unit by the expiry date of the notices, the matter shall be referred to the municipality's attorneys for an application for an eviction order at court and, if successful, the Sheriff of the Court must attend to said eviction. The tenant shall be liable for all costs incurred to effect the eviction;
- (j) Tenants who were evicted as a result of anti-social behaviour or associated misconduct shall not be considered for re-housing in public rental stock.
- (k) A copy of this chapter of the Housing Administration Policy will be attached to a rental agreement for signature and discussion with the tenant

Policy owner	Director Community Services
Policy adopted by Council	
Policy implementation date	
Policy responsibility for implementation	Manager: Housing

WITZENBERG

MUNISIPALITEIT

UMASIPALA

MUNICIPALITY

- MEMORANDUM -

AAN / TO Munisipale Bestuurder

VAN / FROM: Bestuurder: Behuising

DATUM / DATE: 14 Maart 2022

VERWYSING/REFER: 17/4/1/1/R

DIE EILAND: SLOPING VAN GEVANDALISEERDE VAKANTE WONINGS

Komitee vir oorweging:

Uitvoerende Burgemeesterskomitee.

Beredenering:

Verskeie klagtes van die inwoners in die Eiland word nou weekliks ontvang rondom die ongeruimdhede wat in die vakante huise plaasvind. Beweringe van prostitusie, drank en dwelmmisbruik en onwettige okkupering asook diefstal van inwoners se goedere.

Hierdie huise het vakant geraak met die verskuiwing van die vorige bewoners na onderskeidelik na die Bella Vista (307) en Vredebes Projekte. Wetstoepassing doen gereelde monitering maar is dit ook moeilik om die oortreders vas te trek.

Verwysing: Notules van die Komitee vir Behuisingsaangeleenthede se vergaderings gehou op (besluite aangeheg)

Item 9.1.9 van 7 Februarie 2019

Item 9.1.4 van 16 Mei 2019

Die huidige situasie is rondom die ingangkantoor en 7 vakante huise is as volg:

No	Ligging	Herwinbare materiaal
1	Kaartjieskantoor by ingang	4 x vensterrame
2	Rondawel 1	2 x vensterrame 9 asbesplate Dakhoute
3	B.1 & 2	4 vensterrame 12 IBR dakplate 2 x ysterraam deure

✉ 44 Ceres 6835

☎ (023) 316 1854

📞 (023) 316 1877

✉ admin@witzenberg.gov.za



4	Ronde rondawel met rietdak	Niks herwinbaar
5	B.5 & B.6	4 vensterrame 12 IBR dakplate Dakhoute
6	E.1 & E.2 (skakel) E.1 word bewoon	E.2 (leeg) 1 veiligheidshek 3 vensterrame asbesdak
7	E.3 & E.4	5 vensterrame
8	D.3 & D.4 (skakel) D.3 word bewoon	D.4 (leeg) 3 vensterrame 1 sink 1 veiligheidshek

FINANSIËLE IMPLIKASIES:

Onbekend

AANBEVELING:

1. Dat alle herwinbare materiaal herwin word deur die Behuisingsinstandhoudingspan.
2. Dat die kaartjieskantoor by die ingang van die Eiland gesloop word.
3. Dat die vakante skakelwonings twee (2) nie gesloop word nie maar aan die bure beskikbaar gestel word om op eie koste te herstel en te bewoon.
4. Dat die vyf (5) vakante wonings intern gesloop word met die hulp van 'n laaigraaf van Tegnieese Dienste en tydelike werkers.



CJ MACKENZIE
BESTUURDER BEHUISING



D NASSON
Wmde: DIREKTEUR: GEMEENSKAPSDIENSTE

**9.1.9 Housing: The Island / Behuising: Die Eiland
(17/04/11/R)**

A memorandum from the Manager: Housing, dated 28 January 2019, is attached as **annexure 9.1.9**.

'n Memorandum vanaf die Bestuurder: Behuising, gedateer 28 Januarie 2019, word ingebind as **bylae 9.1.9**.

The Committee requested that an in loco inspection be held at the vandalised houses at the Island Holiday Resort, Ceres in order to make a cost estimation for the repair of the houses after the meeting.

RESOLVED

- (a) *that the Manager: Housing makes a cost analysis of the vandalised houses at the Island Holiday Resort, Ceres.*
- (b) *that the Manager: Housing tables supra (a) report at the next Committee meeting.*

BESLUIT

- (a) *dat die Bestuurder: Behuising 'n koste-ontleding doen van die gevandaliseerde huise by Die Eiland Vakansieoord, Ceres.*
- (b) *dat die Bestuurder: Behuising verslag supra (a) ter tafel lê by die eerskomende Komiteevergadering.*

**9.1.4 Housing: The Island Holiday Resort / Behuising: Die Eiland Vakansieoord
(17/04/1/1/R)**

Item 9.1.9 of the meeting of the Committee for Housing Matters, held on 7 February 2019, refers.

The Committee for Housing Matters resolved on 7 February 2019:

- (a) that the Manager: Housing makes a cost analysis of the vandalised houses at the Island Holiday Resort, Ceres.
- (b) that the Manager: Housing tables a report supra (a) at the next committee meeting.

Item 9.1.9 van die vergadering van die Komitee vir Behuisingsaangeleenthede, gehou op 7 Februarie 2019, verwys.

Die Komitee vir Behuisingsaangeleenthede het op 7 Februarie 2019 besluit:

- (a) dat die Bestuurder: Behuising 'n koste-ontleding doen van die gevandaliseerde huise by Die Eiland Vakansieoord, Ceres.
- (b) dat die Bestuurder: Behuising 'n verslag supra (a) ter tafel lê by die eerskomende komiteevergadering.

A memorandum from the Manager: Housing, dated 20 February 2019, is attached as **annexure 9.1.4**.

'n Memorandum vanaf die Bestuurder: Behuising, gedateer 20 Februarie 2019, word ingebind as **bylae 9.1.4**.

RESOLVED

To recommend to the Executive Mayoral Committee and Council:

that the future of the Island Holiday Resort be discussed by Council to make a resolution with regard to the future of the Island Holiday Resort.

BESLUIT

Om by die Uitvoerende Burgemeesterskomitee en Raad aan te beveel:

dat die toekoms van Die Eiland Vakansieoord by die volle Raad bespreek word en 'n besluit geneem word van die toekoms van Die Eiland Vakansieoord.

WITZENBERG MUNICIPALITY

RAAD SE VERTEENWOORDIGERS / COUNCIL'S REPRESENTATIVES

OUTSIDE BODIES	Number of representatives	African National Congress (ANC)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	GOOD	Independent Civic Organisation of South Africa (ICOSA)	Patriotic Alliance	Vryheidsfront Plus	Witzenberg Aksie	Witzenberg Party
Cape Winelands District Municipality (Amendments according to list)	3									
Cape Winelands District Municipality Public Transport Forum	2									
Transport Riders Museum Ceres	2									
Oude Kerk Volksmuseum Tulbagh	1									

OUTSIDE BODIES	Number of representatives	African National Congress (ANC)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	GOOD	Independent Civic Organisation of South Africa (ICOSA)	Patriotic Alliance	Vryheidsfront Plus	Witzenberg Aksie	Witzenberg Party
Tourism	Ceres and Koue Bokkeveld									
	Tulbagh									
	Wolseley									
	PA Hamlet									
	Witzenberg Tourism									

OUTSIDE BODIES	Number of representatives	African National Congress (ANC)	Democratic Alliance (DA)	Economic Freedom Fighters (EFF)	GOOD	Independent Civic Organisation of South Africa (ICOSA)	Patriotic Alliance	Vryheidsfront Plus	Witzenberg Aksie	Witzenberg Party
Community Police Forum	Ceres									
	Tulbagh									
	Wolseley									
	PA Hamlet									
	Koue Bokkeveld									
	Breede River									

Reference/Verwysing: Witzenberg Municipal Council / Municipal manager
Enquiries/Navrae/imbuzo: Councillor A.L Gili

14 March 2022

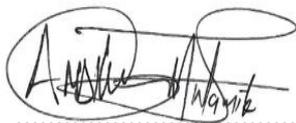
Re: LETTER REQUESTING A PROGRESS REPORT MADE ON THE RESTORATION OF THE LIBRARY IN NDULI AND UPGRADE OF POLOCROSS HALL

I am writing this letter to request a progress report on the restoration of the library in Nduli and the upgrade of the polocrosse hall. I understand that as the council you need to consider several aspects of our community and make rulings which are beneficial for the community members. That is why I'm writing this letter to request a progress report on the two mentioned projects in Nduli, I believe the urgent restoration of the library and the upgrade of the Polocross hall is beneficial for the community of Nduli and Witzenberg as a whole.

Restoration of the Nduli Library – In health care and other areas, libraries are combining the access and trust characteristics of a third place with a hub role in the community – using partnerships with other institutions to connect people with services and help. As the University of Pennsylvania study found, “public libraries are dynamic, socially responsive institutions, a nexus of diversity, and a lifeline for the most vulnerable among us.” I'm writing this letter to urge council to please look at the urgency of restoring Nduli Library and the negative impact it might have in our Community and its future. A child from Nduli doing grade 12 this year, never had an opportunity to use a library in his/her high school life and those learners will be going to university and will not know how to use a library. I also want to request council to consider putting up a Pre-Fab Building as a Library for the people of Nduli.

Upgrade of Polocross hall - We are aware of the fact that a million rand was allocated by the Department of Rural Development and Land Reform for the upgrade of the Polocross hall. As the department or the municipality plans to upgrade to hall in Polocross, we urge them not only to upgrade the hall but to help our people by bringing the municipal and government services closer to the people, and also help our young people who does not have places/facilities to go and engage themselves in positive issues that will help them build a better future for themselves. We would love to have a youth Centre/indoor sport complex with offices that provides municipal services to the people. This will also help our people to bring the service of the Thusong Centre situated in Belle-Vista to the people who saw a need for such a center back in 1997. The people of Nduli must travel to town to buy electricity, and get municipal services while our young people spend most of their time in taverns, because there is no place for them to go, and they get exposed to early sex, alcohol abuse and drugs abuse. We have young people who are doing drama, boxing, music groups and poetry, including aerobics club but they don't have space to practice, while the building can accommodate them and organizations like loveLife South Africa's largest national HIV prevention initiative for young people. That combines a sustained high-powered campaign with nationwide community-level outreach and support programmes to promote healthy, HIV-free living among South African teens.

I hope this finds your urgent attention



.....
Cllr. A.L Gili
Ward Councillor

23 March 2022

QUESTIONS TO THE MAYOR MR. H SMIT BY ANC CAUCUS IN THE MUNICIPALITY, WARD COUNCILOR, ANDILE GILI

MAYOR AS A RESULT OF NEWSPAPER REPORTS AS WELL AS YOUR FAILURE TO BRIEF ENLIGHTEN AND TRUST COUNCIL, I HAVE SIX QUESTIONS DIRECTED TO YOU AND I PLEASE DEMAND ANSWERS FROM YOU ALDERMAN SMIT

1. How could you as a white apartheid beneficiaries allow and authorize the potential use of live ammunition through machine and shot guns by a security company, Mafoko, appointed by your DA, Good, Freedom Front Plus and Witzenberg Party administration against the colored and black citizens of Witzenberg in order to stop an illegal land invasion?
2. Was it your intention to cause a Witzenberg Marikana in Prince Alfred Hamlet to ensure and camouflage the modern continuation of slavery practices caused by agriculture in our area? This house also mandated the MM in our previous meeting to write to the Department of Labour to not give approval to work permits for Farmers in the Witzenberg to transport workers from other countries for cheap labour whilst our people are unemployed,
3. What were the amounts paid to the Mafoko Company for their license to potentially kill our colored and black citizens given the type of weapons stolen from the security company? Can you please provide Council with the tender documentation and payments made to them? What did the company pay where they were staying at the Pine Forest and why they are still being used given the situation that happened?
4. Why were the company still being used after the invasion was stopped during December 2021? Are the same corrupt methods used as before to ensure a private army for David Nasson the municipal manager and Mark Green – Manager at Traffic Services given we had a permanent riot squat in Witzenberg without any riots occurring in the previous years?
5. Will the municipal manager be charged for unlawful participation with the company in actions against the traders and citizens of Witzenberg or can we assume that the matter will be hidden under the mat in order to protect the political interest of your coalition?
6. Why Council was not informed regarding the serious situation given the firearms were stolen at a municipal facility?



Councillor Andile Gili
Ward Councilor

Reference/Verwysing: Witzenberg Municipal Council / Municipal manager
Enquiries/Navrae/imbuzo: Councilor Jacob Zalie

15 March 2022

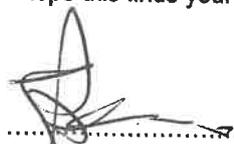
Re: LETTER OF COMPLIANT ON THE PUBLIC PARTICIPATION PROCESS IN DRAFTING OF COUNCIL'S REVIEWED IDP & BUDGET 2022/23 IN WITZENBERG

I am writing this letter of compliant on the public participation process in drafting of council's reviewed IDP & budget 2022/23 in our wards because the time of the public participation in order to assemble the inputs from the community in respect of the review 2022/23 is not suitable for majority of our constituents who are at work between 12:00 – 14:00, they will be totally excluded from participating in this process and also the fact that this interaction was not communicated to the public through the suitable communication channels e.g. the Local Newspaper, majority of our constituents are not even reading or have means to buy the local newspaper.

The most convenient and suitable way of communication in our wards is through loud hailing and distribution of flyers door to door and that never happened, which makes me believe majority of the people are not aware of the session between 12h00 – 14h00 this afternoon, and I as ward councilor, I was not aware, but it only came to my attention of the process of this afternoon on social media, as councilors, we are not given an opportunity to guide the IDP office on suitable and convenient times to call such an important meetings in my wards.

As ward councilors, we are writing this letter to request change of the time and date for the public participation process in drafting of council's reviewed IDP & budget 2022/23

I hope this finds your urgent attention



Cllr. Jacob Zalie
Ward Councilor
Complainant



Cllr. Andile Gili
Ward Councilor
Seconder

Johnnerey Mouton

From: Jimmy Van Wyk <vanwyk.jimmy81@gmail.com>
Sent: Wednesday, 16 March 2022 20:15
To: Hennie Smit; Johnnerey Mouton; President Hotline(DPME); Premier Western Cape; Director Manabela CHAUKE; Christiaan Oelofse; GraceR@NBCPSS.org.za; Whaleed Adams; Judith Steyn; phumela mdudu; Bernice Labuschagne; David Nasson; Meagan de Kock
Subject: complaints against Witzenberg municipality
Attachments: Complaint.docx

CAUTION: This email originated from outside of the Witzenberg Organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

could your offices please investigate this matter please also take note from November 2021 we refer matters to the municipal manager mayor and speakers office no reply we will lodge a formal complaint with the office of public protector

Complaint

Against Witzenberg Municipality because of none compliance of Private Security Industry Regulation act 56 of 2001.

Act nr.18 of 2014 Private Security Industry Regulation Act. The municipality employs law enforcement and traffic wardens to a security services, the municipality and employees are not registered in terms of the Private Security Industry Acts. The workers are also employed on the E.P.W.P which promotes Cheap Labour.

Could your office please investigate this matter urgently.

Greetings

Jimmy van Wyk