

Ordinary Council (OPEN) Meeting

30 May 2025

Addendum 1:

ITEM NO	SUBJECT	FILE REF	PG
SECTION : OFFICE OF THE MUNICIPAL MANAGER			
C/1/319/05/25	2022-2027 INTEGRATED DEVELOPMENT PLAN (IDP) – ANNUAL REVIEW AND AMENDMENT OF THE IDP 2025/26 (Annexure A to be circulated herewith)	2/8/5	3
SECTION 2: FINANCE			
C/2/284/05/25	TABLING OF ANNUAL BUDGET: 2025/26 TO 2027/28 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) (Updated Item and Annexures circulated herewith)	5/1/1/17	254

SECTION 1

**OFFICE OF THE MUNICIPAL
MANAGER**

BITOU MUNICIPAL

2025-2026

AMENDED IDP

IDP CYCLE 2022-2027



to be the best together



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www.bitou.gov.za



ABREVIATIONS	v		
FOREWORD BY THE EXECUTIVE MAYOR	VII	POVERTY	27
FOREWORD BY THE MUNICIPAL MANAGER	VIII	GDPR PER CAPITA	27
		INCOME INEQUALITY	27
		POVERTY LINE	27
OFFICIAL SIGN OFF: ITEM	X	BASIC SERVICE DELIVERY	29
		HOUSING AND HOUSEHOLD SERVICES	29
		FREE BASIC SERVICES	29
EXECUTIVE SUMMARY	1		
STRATEGIC AND MUNICIPAL PERFORMANCE FOR THE		SAFETY AND SECURITY	31
2023/2024 FINANCIAL YEAR	3	MURDER	31
OVERALL PERFORMANCE IN 2023/2024	3	SEXUAL OFFENCES	31
OVERALL PERFORMANCE PER OBJECTIVE	4	DRUG-RELATED OFFENCES	31
INDIVIDUAL PERFORMANCE:	4	DRIVING UNDER THE INFLUENCE (DUI)	31
SENIOR MANAGEMENT	4	RESIDENTIAL BURGLARIES	31
MANAGERS AND OTHER STAFF	5	GDPR PERFORMANCE	33
WAY FORWARD	5	GDPR FORECAST	33
AWARENESS	5		
TRAINING	6	LABOUR MARKET PERFORMANCE	35
MID-YEAR EVALUATION	6	EMPLOYMENT PROFILE	35
WAY FORWARD	6	SKILL LEVELS (2023)	35
FINANCIAL PERFORMANCE	6	UNEMPLOYMENT RATE (2019-2023)	35
INTEGRATED PLANNING ANALYSIS	2	WAGE DISTRIBUTION (2023)	35
PROCESS FOLLOWED	2	SECTORAL JOB GAINS & LOSSES (2022-2023)	35
IDP AND BUDGET TIME-SCHEDULE	3	TOP JOB-CREATING SECTORS:	35
PUBLIC PARTICIPATION OUTCOMES	7	TOP JOB-LOSING SECTORS:	35
IDP COMPLIANCE	9	OVERALL EMPLOYMENT TRENDS (2014-2023)	35
ALIGNMENT	9	CONCLUSION & RECOMMENDATIONS:	36
SITUATION OVERVIEW	10		
LEGISLATIVE AND POLICY FRAMEWORK	11	RISK AND VULNERABILITY FACTORS	38
SITUATION ANALYSIS	13	SEA-LEVEL RISE AND STORM SURGES	38
		DROUGHT	38
DEMOGRAPHICS	17	VEGETATION FIRES	38
POPULATION GROWTH	17	FLOODS	38
GENDER, AGE, AND RACE DYNAMICS	17	COMMUNITY DEVELOPMENT PRIORITIES	39
POPULATION DENSITY	17		
EDUCATION	20	INSTITUTIONAL ANALYSIS	45
INTRODUCTION	20	FINANCIAL SERVICES	45
LEARNER ENROLMENT	20	COMMUNITY SERVICES	47
EDUCATION INFRASTRUCTURE AND FACILITIES	20	CORPORATE SERVICES	52
LEARNER RETENTION RATE	20	ENGINEERING SERVICES	53
LEARNER-TEACHER RATIO	21	ECONOMIC DEVELOPMENT AND PLANNING	58
EDUCATION OUTCOMES	21	GLOBAL, NATIONAL, PROVINCIAL, AND DISTRICT	
		IMPERATIVE	63
HEALTH	23	MORE ON THE PROVINCIAL STRATEGIC PLAN 2025 –	
HEALTHCARE FACILITIES	23	2030	67
EMERGENCY MEDICAL SERVICES	23	MORE ON THE DISTRICT DEVELOPMENT MODEL (DDM)	
MATERNAL HEALTH	23	AND JOINT DISTRICT AND METRO APPROACH (JDMA)	70
CHILD HEALTH	23	PILLARS OF THE RECOVERY PLAN	74
HIV/AIDS & TUBERCULOSIS	24	MUNICIPAL RISKS	80
		MUNICIPAL POLICIES	81

SWOT ANALYSIS	83	-LIST OF FUNDED PROVINCIAL INFRASTRUCTURE INVESTMENT PROJECTS AND PROGRAMMES IN THE MUNICIPALITY FOR THE MTEF PERIOD 2024/25 – 2025/27	139
STRATEGIC THRUST	84	MAP SHOWING THE SPATIAL DISTRIBUTION OF PROVINCIAL INFRASTRUCTURE INVESTMENT PROJECTS (INDIVIDUAL PROJECTS) IN THE MUNICIPALITY FOR THE MTEF PERIOD 2025/26 – 2027/28.	141
MUNICIPAL VISION	84	INTEGRATION AND ALIGNMENT STRATEGIES	142
VISION 2030	84	ECONOMIC DEVELOPMENT STRATEGY	143
MISSION STATEMENT	84	INTEGRATED HUMAN SETTLEMENT PIPELINE REPORT	145
VALUES	84		
STRATEGIC OBJECTIVES	85		
STRATEGIC OUTCOMES	85		
OUTCOMES	86		
STRATEGIC ACTION PLAN	87		
STRATEGIC ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS, NATIONAL DEVELOPMENT PLAN AND PROVINCIAL STRATEGIC PRIORITY AREA	91	SPATIAL DEVELOPMENT FRAMEWORK	152
DEVELOPMENTAL STRATEGIES	96		
		ENVIRONMENTAL MANAGEMENT	166
STRATEGIC CATALYTIC DEVELOPMENT PROJECTS	99	HUMAN RESOURCE MANAGEMENT STRATEGY	168
1. WADRIFT DAM DEVELOPMENT	99	AIR QUALITY MANAGEMENT PLAN	172
		INTEGRATED WASTE MANAGEMENT PLAN	175
2. DEVELOPMENT OF A PUBLIC HOSPITAL	100	DISASTER MANAGEMENT PLAN	182
3. COMING TOGETHER PROJECT	101	PERFORMANCE MANAGEMENT	185
		BITOU TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2025/2026	187
4. CORRECTIONAL FACILITY	102	SPORTS FACILITIES MASTER PLAN	205
		OVERVIEW	205
5. CENTRAL BEACH DEVELOPMENT	105	PROJECT BACKGROUND	205
		STATUS AND PLAN PESPORT FACILITY	205
IMPLEMENTATION	107	KWANOKUTHULA SPORTS FIELD	205
INSTITUTIONAL INTELLECTUAL DIMENSIONS	107	NEW HORIZONS SPORTS FIELD	208
COMPOSITION OF THE MUNICIPALITY	108	QOLWENI BOSSIESGIF	210
ADMINISTRATION	110	KRANSHOEK	212
ADMINISTRATIVE DUTIES AND FUNCTIONS	111	PLETTENBERG BAY	214
ALIGNMENT OF MUNICIPAL OBJECTIVES WITH FUNCTIONAL MUNICIPAL STRUCTURE	112	KURLAND (SOCCER)	215
MACROSTRUCTURE	113	KURLAND (RUGBY) FACILITY	216
STAFF COMPLEMENT	113	WITTEDRIFT	219
		EARLY CHILDHOOD DEVELOPMENT	221
FINANCIAL PLAN	115		
ANNUAL BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2025/26 – 2027/28	121		
MUNICIPAL ANNUAL CAPITAL BUDGET AND MID-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)	126		

TABLE OF TABLES

TABLE 1: LIST OF ABBREVIATIONS	VII
TABLE 2: APPROVED TIME SCHEDULE	6
TABLE 3: CONSOLIDATED COMMUNITY PRIORITIES.....	8
TABLE 4: LOCAL GOVERNMENT DEVELOPMENTAL LEGISLATION	12
TABLE 5: OBJECTIVES OF THE DDM AND JDMA.....	70
TABLE 6: PILLARS OF GRDM RECOVERY PLAN	79
TABLE 7: APPROVED MUNICIPAL POLICIES	82
TABLE 8: SWOT ANALYSIS	83
TABLE 9: STRATEGIC OBJECTIVES	85
TABLE 10: STRATEGIC OUTCOMES.....	86
TABLE 11: ACTION PLAN	90
TABLE 12: ALIGNMENT OF MUNICIPAL OBJECTIVES WITH SDG'S	95
TABLE 13: ECONOMIC DEVELOPMENT STRATEGIC FOCUS AREAS	98
TABLE 14: SUMMARIZED BASE CASE FINANCIAL OUTCOMES.	119
TABLE 15: BITOU MUNICIPALITY CAPITAL BUDGET FOR THE 2025/2025 MTREF	138
TABLE 16: PROVINCIAL MTEF BUDGET FOR 2024/2025 - 2026/2027	140
TABLE 17: SECTORAL REQUIREMENTS	143
TABLE 18: HUMAN SETTLEMENT HOUSING PIPELINE REPORT.....	151
TABLE 19: DEMAND VS. SUPPLY	158
TABLE 20: SPATIAL STRATEGIES.....	159
TABLE 21: HR STRATEGIC GOAL 1	170
TABLE 22: HR STRATEGIC GOAL 2: ENHANCE ORGANISATIONAL PERFORMANCE AND STAKEHOLDERS	171
TABLE 23: KEY LEGISLATION GOVERNING WASTE MANAGEMENT IN SOUTH AFRICA.	176
TABLE 24: MINIMUM REQUIREMENTS FOR IWMP	178
TABLE 25: GOALS AND OBJECTIVES AS PER DEA&DP GUIDE FOR WASTE MANAGEMENT PLANNING	181

TABLE OF FIGURES

FIGURE 1: IDP REVIEW PROCESS AND CONTENT.....	1
FIGURE 2: SDBIP MEASUREMENT CATEGORIES!.....	3
FIGURE 3: OVERALL PERFORMANCE. SOURCE: ANNUAL REPORT 2023/2024.....	3
FIGURE 4: STRATEGIC PERFORMANCE RESULTS FOR FOUR STRATEGIC OBJECTIVES. SOURCE ANNUAL REPORT 2023/2024.....	4
FIGURE 5: IDP CYCLE.....	10
FIGURE 6: BITOU LOCALITY MAP IN THE WESTERN CAPE.....	13
FIGURE 7: SUSTAINABLE DEVELOPMENT GOALS.....	64
FIGURE 8: NATIONAL DEVELOPMENT PLAN.....	65
FIGURE 9: LOCALITY MAP OF KRANTZBOSCH LOCATED IN THE UPLANDS AREA IN WARD 1.	103
FIGURE 10: LOCATION OF CENTRAL BEACH.....	105
FIGURE 11: COMPOSITION OF THE MAYORAL COMMITTEE	109
FIGURE 12: FUNCTIONALITY OF DIRECTORATES.....	111
FIGURE 13: ALIGNMENT OF MUNICIPAL DIRECTORATES TO THE MUNICIPAL STRATEGIC OBJECTIVES.....	112
FIGURE 14: BITOU MUNICIPALITY MACRO STRUCTURE.....	113
FIGURE 15: PLANNING PROCESS.	116
FIGURE 16: ASSET REPLACEMENT COST, (RM) PER ASSET.....	117
FIGURE 17: LTFP FRAMEWORK	119
FIGURE 18: CONSOLIDATED OVERVIEW OF THE 2025/26 MTREF.....	124
FIGURE 19: SPATIAL DISPLAY OF PROVINCIAL ALLOCATIONS.....	141
FIGURE 20: HUMAN RESOURCE STRATEGIC CYCLE:	168
FIGURE 21: INTEGRATED WASTE MANAGEMENT CYCLE.....	179
FIGURE 22: DISASTER CONTINUUM.....	183
FIGURE 23: BITOU MUNICIPAL PERFORMANCE MANAGEMENT FRAMEWORK.....	185
FIGURE 24: BITOU PERFORMANCE MANAGEMENT FRAMEWORK	186
FIGURE 25: 2025/2026 TOP LAYER SDBIP	202
FIGURE 26: KWANOKUTHULA SPORT FACILITY!.....	206
FIGURE 27: LAYOUT DESIGN OF THE UPGRADED FACILITY.	207
FIGURE 28: NEW HORIZONS PROPOSED NEW STADIUM	209
FIGURE 29: QOLWENI SPORTS FACILITY SITE.....	210
FIGURE 30: KRANSHOEK SPORTSFIELD	212
FIGURE 31: PROPOSED SPORTS FIELD IN KRANSHOEK.....	213
FIGURE 32: PLETT SPORTS FACILITY.....	214
FIGURE 33: MODERN DESIGN OF PLETTENBERG BAY SPORT FACILITY.	214
FIGURE 34: KURLAND SPORTS FIELD.....	215
FIGURE 35: KURLAND SPORTSFIELD.....	216
FIGURE 36: WITTEDRIFT LOCAL PLAN.....	219
FIGURE 37: WITTEDRIFT SPORTS FIELD CONCEPT DESIGN.	220

ABBREVIATIONS

ABBREVIATION	DESCRIPTION
APP	Annual Performance Plan
APPA	Atmospheric Pollution Prevention Act
AQMP	Air Quality Management Plan
AQO	Air Quality Officer
ARC	Annual Replacement Cost
BBBEE	Broad-Based Black Economic Empowerment
BLM	Bitou Local Municipality
BLMAQMP	Bitou Local Municipality Air Quality Management Plan
BPO	Business Process Outsourcing
CBD	Community-Based Development
CIDB	Construction Industry Development Board
CDW	Community Development Worker
CEF	Capital Expenditure Framework
CPWP	Community Public Works Program
CRC	Current Replacement Cost
CRR	Capital Replacement Reserve
CWP	Community Works Programme
DDM	District Development Model
DEA	Department of Environmental Affairs
DMO	Destination Management Organisations
DoE	Department of Energy
DoEdu	Department of Education
DoEA	Department of Environmental Affairs
DoHS	Department of Human Settlements
Dol	Department of Infrastructure
DoLTA	Department of Corporate Government and Traditional Affairs
DoRDL	Department of Rural Development and Land Reform
DoT	Department of Transport

ABBREVIATION	DESCRIPTION
DoW	Department of Water
DP	Development Plan
DRDLR	Department of Rural Development and Land Reform
DSP	Departmental Strategic Plans
EIA	Environmental Impact Assessment
ECD	Early Childhood Development
EM	Executive Mayor
EMT	Executive Management Team
EOI	Expression of Interest
EPWP	Expanded Public Works Program
ERP	Enterprise Resource Planning
GDP	Gross Domestic Product
GDPR	Gross Domestic Regional Product
GIS	Geographic Information Systems
GRD	Garden Route District
GRDM	Garden Route District Municipality
HR	Human Resources
HRM	Human Resource Management
ICT	Information Communication Technology
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IGR	Intergovernmental Relations Framework
IHSP	Integrated Human Settlement Plan
IIF	Integrated Infrastructure Planning
IPMS	Individual Performance Management Systems
IRDP	Integrated Residential Development Programme
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan

ABBREVIATION	DESCRIPTION
JDMA	Joint District and Metro Approach
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGMTEC	Local Government Medium Term Expenditure Committee
LM	Local Municipality
LTFP	Long-Term Financial Plan
LTO	Local Tourism Organisation
LUS	Land Use Scheme
MAYCO	Mayoral Committee
MDG	Millennium Development Goals
MEC	Member of the Executive Council
MERO	Municipal Review and Outlook
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMF	Municipal Managers Forum
MOU	Memorandum Of Understanding
MPAC	Municipal Public Accounts Committee
MRF	Municipal Restructuring Fund
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
mSCOA	Municipal Regulations on Standard Chart of Accounts
MTREF	Medium Term Revenue and Expenditure Framework
MYPE	Mid-Year Population Estimates
NAAQS	National Ambient Air Quality Standards
NDP	National Development Plan
NEMA	National Environmental Management Act
NEMAQA	National Environmental Management Air Quality Act

ABBREVIATION	DESCRIPTION
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
NWMS	National Waste Management Strategy
OHS	Occupational Health and Safety
OPEX	Operating Expenses
PERO	Provincial Economic Review and Outlook
PGDP	Provincial Growth and Development Plan
PMDS	Performance Management and Development System
PMFP	Performance Management Policy Framework
PMS	Performance Management System
PPE	Property, Plant, and Equipment
PSP	Provincial Strategic Plan
RDP	Reconstruction and Development Programme
RFQ	Request for Quotation
RTO	Registered Training Organisations
SALGA	South African Local Government Association
SAPS	South African Police Service
SARS	South African Revenue Service
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDG	Sustainable Development Goals
SEDA	Small Enterprise Development Agency
SEP	Socio Economic Profile
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SMME	Small, Medium, and Micro Enterprises
SPC	Spatial Planning Categories

ABBREVIATION	DESCRIPTION
SPLUMA	Spatial Planning and Land Management Act
SSEG	Small-Scale Embedded Generation
TLB	Truck-Loader-Backhoe
UISP	Upgrading of Informal Settlement Program

ABBREVIATION	DESCRIPTION
WCG	Western Cape Government
WSDP	Water Services Development Plan
WWTW	Wastewater Treatment Works

Table 1: List of Abbreviations

FOREWORD BY THE EXECUTIVE MAYOR

It is with great honour that I present the 2025/2026 Integrated Development Plan (IDP) and budget for Bitou Municipality. This document embodies our continued commitment to inclusive governance, responsive planning, and sustainable development. More than a statutory requirement, this IDP serves as a collective social contract between the municipality and its people — a roadmap for transforming service delivery, stimulating economic opportunity, and restoring dignity in all our communities.

Bitou's socioeconomic landscape remains marked by inequality, unemployment, and service delivery backlogs. Our population is youthful and rapidly expanding, yet some households remain without access to adequate housing, electricity, water, or sanitation. Income inequality persists, and while there has been progress in education and infrastructure, our residents continue to demand tangible and equitable improvements.

The 2025/2026 IDP and budget respond directly to these challenges. Public participation outcomes, captured during extensive community consultations, highlighted critical concerns such as unreliable water and electricity supply, poor road conditions, the need for more housing, and safety concerns in under-served areas. This administration has listened. A total of 73.27% of the operating budget has been directed towards key service delivery departments — including water, sanitation, electricity, roads, and housing — and more than 93% of the capital budget is committed to infrastructure development and community upliftment. Investments in areas such as Kurland, Qolweni, and Bossiesgif reflect our prioritisation of human settlement, electrification, and dignity restoration.



Our municipality's recovery from political instability in prior years has brought renewed focus and purpose. The stability of the current coalition, and the historic leadership of an all-female executive, mark a new era of unified governance. This political alignment, combined with a professional and focused administration, ensures that municipal priorities are implemented with discipline, transparency, and urgency. Good governance is not a slogan but a working principle — we commit to public accountability, adherence to the rule of law, and ethical leadership across all levels.

Reflecting on our past performance, we acknowledge both our achievements and shortcomings. Infrastructure upgrades, community halls, and new lighting in underserved areas demonstrate our capacity to deliver. However, regression in our audit outcomes and the underspending of some grants remind us of the work still required to improve financial oversight, internal controls, and accountability systems. Through the Top Layer Service Delivery and Budget Implementation Plan (SDBIP), we have realigned strategic objectives with measurable outcomes to monitor delivery and drive institutional performance.

This IDP is also anchored in long-term strategic goals: building sustainable infrastructure, enabling inclusive economic growth, maintaining sound financial management, and cultivating a capable and ethical workforce. Our alignment with national and provincial development strategies ensures that Bitou remains an integral part of South Africa's recovery and development trajectory.

We are mindful of the difficult economic context — rising inflation, constrained national budgets, and ongoing energy crises — yet we remain resolute in our focus. This administration has adopted a prudent fiscal approach, cutting unnecessary costs, streamlining operations, and focusing resources where they are needed most. Revenue enhancement and the continuation of our indigent support programme — including free basic services to qualifying households — affirm our commitment to pro-poor development.

Finally, I thank all residents, stakeholders, and civil society partners who participated in shaping this IDP. Your voice is not only heard — it is reflected in every line of this plan. Let us continue to work together to protect community assets, report wrongdoing, uphold municipal values, and actively shape the Bitou we want to see.

Together, we are building a resilient, inclusive, and prosperous municipality — one that works for all.

Councillor Jessica Kamkam
Executive Mayor
Bitou Municipality

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as a collective social contract between the municipality and its people — a roadmap for transforming service delivery, stimulating economic opportunity, and restoring dignity in all our communities.

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Together, we are building a resilient, inclusive, and prosperous municipality — one that works for all.

COUNCILLOR JESSICA KAMKAM
EXECUTIVE MAYOR
BITOU MUNICIPALITY

FOREWORD BY THE MUNICIPAL MANAGER

Addressing Service Delivery and Advancing Good Governance through the 2025/2026 Budget.

The 2025/2026 budget of Bitou Municipality is a strategic financial instrument designed to respond to service delivery challenges raised by the community during the Integrated Development Plan (IDP) public participation process. It prioritises the urgent needs of previously marginalised areas, ensuring that dignity and equitable access to basic services are restored across the municipality. Community input has directly shaped this budget, affirming our commitment to participatory governance and accountability.

This year's budget demonstrates a strong focus on basic service delivery, economic growth stimulation, and poverty alleviation. Approximately 73.27% of the operating budget has been allocated directly to departments responsible for delivering core municipal services such as water, electricity, sanitation, roads, stormwater management, waste services, public safety, and housing. Capital expenditure is similarly aligned with infrastructure development, with over 93% of the capital budget dedicated to engineering and community services.

These allocations clearly reflect a response to community priorities and are instrumental in improving the quality of life, particularly for the poorest households. Water and wastewater systems receive significant attention, accounting for more than 51% of the capital budget. This shift acknowledges both the demand for improved water services and the environmental sustainability imperatives identified during community consultations.

The inclusion of human settlements infrastructure also highlights the municipality's commitment to housing as a basic right, funded primarily through provincial allocations. In addition to responding to service delivery demands, the budget underscores the vital importance of political and administrative stability.

The restored cohesion within the municipal coalition, following earlier periods of instability, provides the foundation for effective governance. This political alignment, coupled with a resilient and focused administrative leadership, is essential for translating budgetary commitments into tangible service outcomes. Stability fosters investor confidence, enhances accountability, and enables the execution of long-term developmental projects, particularly in an economically constrained national environment.

Moreover, the budget reflects a prudent financial approach in response to external pressures such as diminishing national grants, rising operational costs, and a sluggish post-pandemic recovery. Cost containment measures, revenue enhancement programs, and a renewed focus on financial sustainability have been implemented to ensure that service delivery is not compromised despite fiscal challenges.

In conclusion, the 2025/2026 budget positions Bitou Municipality as a responsive, people-centred government. Through community-driven priorities, targeted investments in infrastructure, and a stable governance



environment, the municipality is poised to drive inclusive development, foster economic opportunity, and improve the daily lives of all its residents.

MBULELO MEMANI
MUNICIPAL MANAGER

OFFICIAL SIGN OFF: ITEM

It is hereby certified that this IDP:

Was developed by the management of the Bitou municipality under the guidance of the Executive Mayor,

Considers all the relevant legislation, policies, and other mandates for which the Bitou Municipality is responsible.

Accurately reflects the strategic priorities and objectives which the Bitou municipality will endeavour to achieve over the period 2022-2027.

Mr. Felix Lotter

Signature: _____

Acting Chief Financial Officer

Date: _____

Mr. Thembinkosi Henge

Signature: _____

Official Responsible for IDP

Date: _____

Mr. Mbulelo Memani

Signature: _____

Accounting Officer

Date: _____

Cllr. Jessica Kam-kam

Signature: _____

Executive Mayor

Date: _____

EXECUTIVE SUMMARY

Section 25(1) of the Municipal Systems Act (MSA) mandates that each municipal council adopt a single, inclusive, and strategic plan for the development of the municipality through a participative process within a prescribed period after the start of its elected term. This plan is called the Integrated Development Plan (IDP) and serves as the principal strategic planning instrument to guide and inform all planning, budgeting, and development decisions in the municipality over five years.

The municipal IDP is a five-year plan that aligns with the council term of office. Bitou Council adopted an IDP on May 31, 2022, with resolution number C/1/55/05/22.

Section 34 of the MSA requires municipalities to annually review and amend their five-year IDP based on MEC comments, past performance, and changing circumstances. The review and amendment process should follow the process outlined in Chapter 3 of the Municipal Planning and Performance regulations.

The diagram in Figure 1 outlines the steps involved in revising a municipal IDP until the council adopts it. This report will analyse the elements raised in Figure 1.

THE IDP REVIEW AND CONTEXT



Figure 1: IDP Review process and content.

The above diagram deals with the contextual framework of revising a municipal until Council adopts the document. The section below will individually analyse the elements raised in Figure 1. The report will first deal with the MEC comments for the 2022 -2027 five-year IDP, and the rest will follow.

MEC OF LOCAL GOVERNMENT COMMENTS

The MEC comments were well received by the mayor. The MEC is satisfied with the IDP of the Bitou Municipality. Here is an extract from the MEC letter addressed to Bitou Municipality dated 08 July 2024

“The Municipality is requested to ensure that in future, all the IDP-related documentation is submitted within the prescribed period stipulated in section 32(1)(b) of the MSA. The adopted, amended IDP as submitted complies with the process referred to in section 29 of the MSA, provisions of the MSA, and process required in terms of regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations (2001). Furthermore, I extend my appreciation to the Municipality for continuing to comply with the legal prescripts as required by sections 11(4) and 12 of the National Environmental Management: Waste Act (Act No. 59 of 2008).

In his comments, the MEC highlighted the importance of revising some of the Sector Plans, including the Water Services Development Plan, Local Transport Plan, and Disaster Management Plan. The municipality can safely say that these plans will be approved with the final IDP in May 2025.

CHANGING CIRCUMSTANCES OR PAST PERFORMANCE

There are no major events that led to the amendment of the IDP except for the normal issues like energy crises, changing climate patterns, and never-ending demands from communities. The municipality is refocusing its resources to build better roads and stormwater systems to mitigate against floods. It is also investigating alternative energy sources and cost-effective services to mitigate load shedding and enhance revenue.

The municipality is in the process of investigating alternative energy sources and cost-effective services to mitigate loadshedding and revenue enhancement.

PAST PERFORMANCE

To assess the municipality's performance, we need to look at the strategic intent, the constituents' needs, the financial allocations, the staff capacity, and legislative compliance. Performance can only be optimally assessed after a five-year cycle. However, in-year reporting and annual reporting are key to ensuring that monitoring, reviewing, and oversight are in place.

Strategic performance is measured regularly by Key Performance Indicators (KPIs) related to specific objectives. The are as follows:

1. Provide excellent and sustainable services to all residents.
2. Facilitate growth and expand economic opportunities to empower communities.
3. Achieve long-term financial sustainability.
4. Build a capable, developmental, transformed, and productive workforce.
5. Adhere to and implement effective and efficient governance processes.

The purpose of strategic performance reporting is to track the implementation and achievement of the Integrated Development Plan (IDP) outcomes. This section provides an overview of the municipality's performance regarding its strategic objectives and deliverables outlined in the IDP. The Top Layer Service Delivery and Budget Implementation Plan (SDBIP) serves as the strategic plan, showing the alignment between the IDP, budget, and performance agreements.

In the following paragraphs, performance will be illustrated against the Top Layer SDBIP according to the IDP's strategic objectives. The figure below explains how actual performance is assessed against the targets set for the key performance indicators (KPIs) of the SDBIP.

STRATEGIC AND MUNICIPAL PERFORMANCE FOR THE 2023/2024 FINANCIAL YEAR

The primary goal of strategic performance reporting is to provide a detailed account of the implementation and achievement of IDP outcomes. This section offers a comprehensive overview of the municipality's strategic accomplishments, focusing on the strategic intent and deliverables outlined in the IDP. The Top Layer SDBIP serves as the Municipality’s strategic blueprint, demonstrating the strategic alignment between the IDP, budget, and performance agreements. The subsequent paragraphs illustrate the performance achieved against the Top Layer SDBIP, aligned with the IDP's strategic objectives. The following figure elucidates the methodology used to assess actual performance against the targets set for the key performance indicators (KPIs) of the SDBIP.

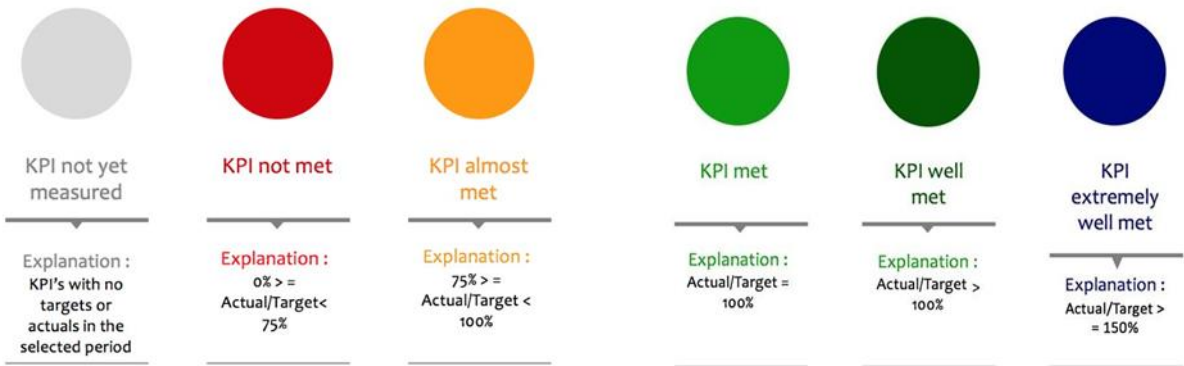


Figure 2: SDBIP Measurement categories!

OVERALL PERFORMANCE IN 2023/2024

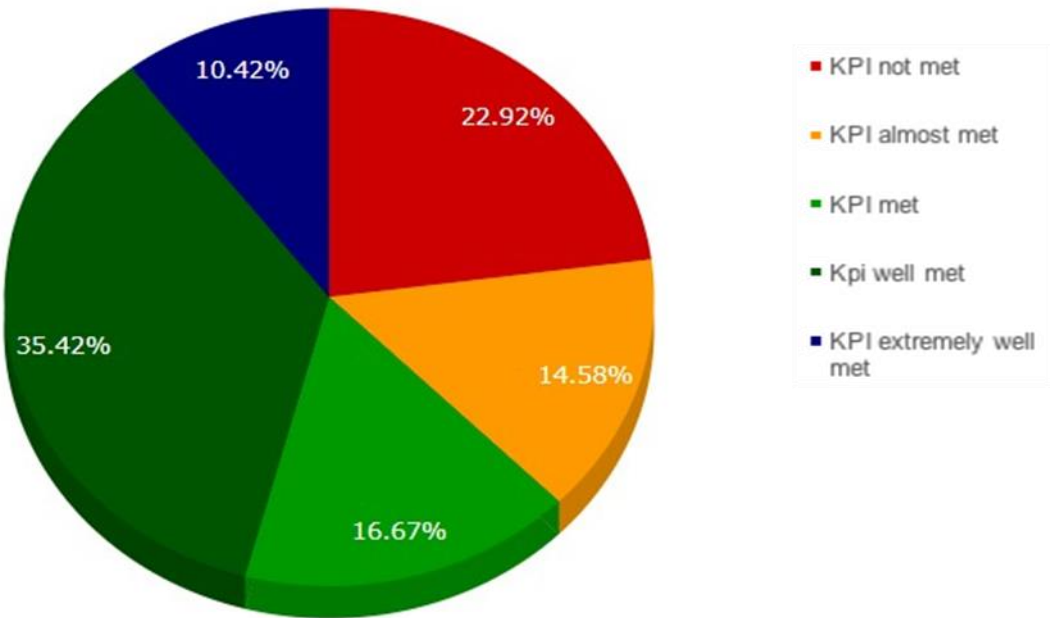


Figure 3: Overall performance. Source: Annual Report 2023/2024

OVERALL PERFORMANCE PER OBJECTIVE

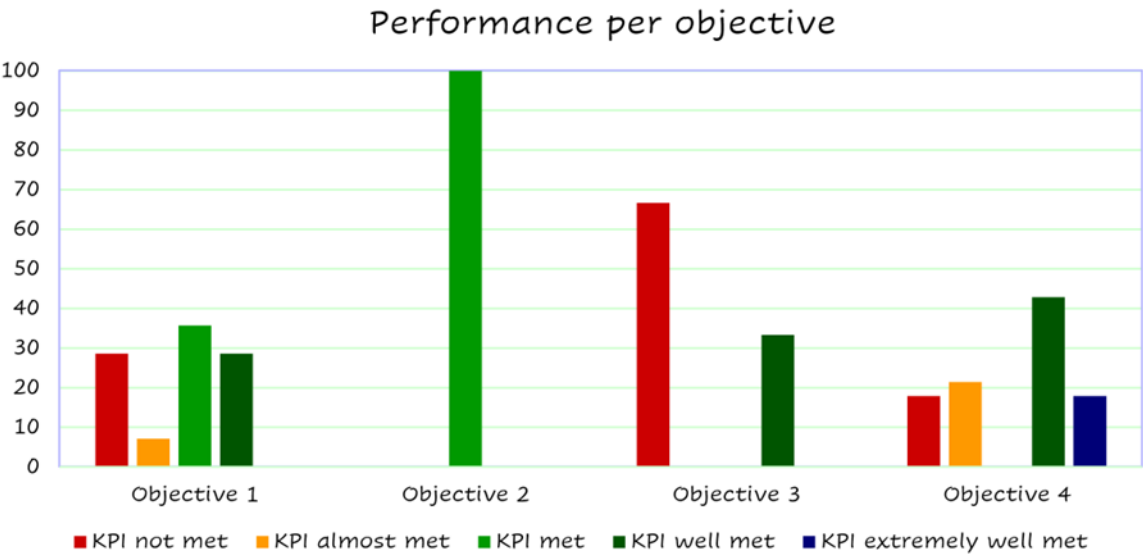


Figure 4: Strategic performance results for four strategic objectives. Source Annual Report 2023/2024

The results have several implications for the municipality's strategic performance. Overall, the mixed results highlight areas of success and areas needing improvement. The municipality should focus on addressing the gaps in Objective 1 while maintaining and building on the successes in Objectives 2 and 3. Continuous monitoring and strategic adjustments will be crucial for achieving all IDP outcomes effectively.

INDIVIDUAL PERFORMANCE:

SENIOR MANAGEMENT

The Municipal Systems Act (MSA) mandates that municipalities establish performance-based agreements with all Section 57 employees, specifying that these agreements are to be reviewed annually. This process, along with the necessary format, is explicitly detailed in the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (Regulation 805, August 2006).

For the 2023/24 budget year, the performance agreements for the Municipal Manager and the relevant directors have been successfully signed on these dates:

- Municipal Manager: 19 June 2023
- Director of Engineering Services: 15 June 2023
- Director of Community Services: 15 June 2023
- Director of Financial Services: 31 January 2024

It is important to note that agreements for the following positions were not concluded due to vacancies during the review period:

- Director of Corporate Services

- Director of Economic Development and Planning

MANAGERS AND OTHER STAFF

The Municipal Staff Regulations (Regulation 890) and Guidelines (Regulation 891), established on 20 September 2021, dictate that the Performance Management and Development System (PMDS) applies to all municipal staff with specific exclusions. Due to concerns from municipalities, the Department of Cooperative Governance and Traditional Affairs (CoGTA) issued Circular 12 on 17 June 2024, extending the implementation of Chapters 2 and 4 until 1 July 2023.

To ensure effective implementation, the municipality conducted awareness sessions detailing Chapter 4, which focuses on individual performance and compliant performance agreements. One-on-one sessions were followed to assist in drafting key performance indicators (KPIs) and targets aligned with job key performance areas (KPAs). Staff collaborated with managers to refine 5-7 KPAs, determine performance standards, and identify sources of evidence for measuring performance. Training was also provided to help users draft their performance agreements for the 2023/24 budget year.

WAY FORWARD

During the year under review, the municipality faced several challenges with the implementation of Individual Performance Management at all levels of staff. These challenges included capacity constraints, change management processes, lack of communication, budget limitations, and the participation and willingness of employees. Throughout the budget year, the municipality emphasised upskilling employees to foster a culture of performance management. This was achieved by providing awareness sessions and offering internal assistance through the HR Department to those officials in need.

From May 20 to May 28, awareness sessions on the Individual Performance Management and Development System (IPMDS) were held across all departments as refresher training to finalise agreements for the 2024/25 budget year.

The municipality is committed to further consultation processes with staff and will ensure that assistance is provided to departments as needed to achieve full implementation of the IPMDS during the 2025/26 budget year. The municipality has developed the following process to ensure successful implementation:

AWARENESS

During the awareness session, personnel were provided with an overview of the Regulation, specifically focusing on Chapter 4, which addresses Individual Performance and the requirements for a compliant performance agreement. Following this, one-on-one sessions were held with key personnel to guide the drafting of key performance indicators (KPIs) by the Regulations. This process involved developing KPIs and targets aligned with job key performance areas (KPAs), establishing performance standards, and identifying potential portfolios of evidence.

The relevant job descriptions (JDs) were used to extract 5-7 KPAs, with staff members collaborating with their managers to identify appropriate KPIs, targets, performance standards, and sources of evidence to effectively measure KPA performance. Additionally, users received system training to assist in drafting their performance agreements as part of the implementation process for the 2023/24 budget year.

TRAINING

The system training sessions were conducted in two phases. The first phase, held from 10 to 14 July 2023, focused on "How to create/compile a Performance Agreement." The second phase, which took place from 14 to 18 August 2023, concentrated on updating indicators, capturing actual performance, and monitoring performance, ensuring users were equipped with the necessary skills for effective performance management.

MID-YEAR EVALUATION

Mid-year evaluation training took place from 8 to 12 January 2024, focusing on "How to conduct a self and manager assessment." In accordance with Regulation 890, an amendment period followed the midyear review process, allowing for adjustments to performance agreements. The Final Annual Reviews, set to begin on 1 July 2024, will be based on these revised and approved plans.

WAY FORWARD

During the year under review, the Municipality encountered challenges in implementing Individual Performance Management Systems (IPMS) for all staff levels. Issues included capacity constraints, communication gaps, budget limitations, and varying employee engagement.

To overcome these challenges, the Municipality embraced the opportunity to upskill employees and cultivate a vibrant culture of performance management through awareness sessions and support from the HR Department.

From May 20 to May 28, invigorating refresher training sessions were held across all departments, paving the way for the 2024/25 budget year agreements.

The Municipality remains dedicated to engaging with staff and providing necessary assistance, committed to achieving the full implementation of IPMS by the 2025/26 budget year.

FINANCIAL PERFORMANCE

In the 2023/2024 budget year, Bitou Municipality faced a series of significant challenges. In compliance with the legislative mandate to revise the Integrated Development Plan (IDP), the municipality must critically evaluate its past performance, particularly in terms of financial outcomes. Unfortunately, the municipality experienced a regression from a clean audit finding in the 2022/2023 budget year to an unqualified audit with findings in 2023/2024. This decline is primarily due to deficiencies in managing unauthorized, irregular, fruitless, and wasteful expenditures despite previous interventions aimed at addressing these issues. This situation highlights the urgent need for management to intensify efforts to enhance governance practices and economic management.

On a positive note, it is essential to recognize the favourable financial development reflected in the municipal operating surplus, which increased to R85,865,193 in 2023/2024 compared to R79,751,608 in the preceding budget year. This increase demonstrates management's commitment to improving revenue generation and effectively managing costs, indicating progress in the municipality's financial health despite ongoing challenges. This upward trend positions the municipality to address critical issues, such as the urgent replacement of aging municipal vehicles and the infrastructural development necessary to support the growing population.

While the improved operating surplus provides a solid foundation for stability, it is imperative that the municipality reaffirms its commitment to good governance, effective economic management, and the successful implementation of performance management systems. By adopting this approach, the municipality can effectively meet the needs of the community and restore confidence in its operations.

This renewed focus on governance and economic management will not only address current deficiencies but also pave the way for sustainable development and enhanced service delivery, benefiting the entire community.

Key Challenges:

Key challenges are obstacles that the Municipality faces that need to be overcome to achieve the municipal objectives. The key challenges being faced by Bitou Municipality presently consist of the following:

1. **Ineffective strategy – No outcomes-based scorecard:** Without a clear outcomes-based scorecard, it is challenging to measure the success or failure of strategic initiatives. This can lead to a lack of direction and focus, making it difficult to achieve desired results.
2. **Lack of communication in terms of strategy/expectation:** Poor communication about the strategy and expectations can result in misunderstandings and misalignment among team members. This can hinder collaboration and the effective implementation of plans.
3. **Vacant positions:** Unfilled roles can lead to increased workloads for existing staff, reduced productivity, and potential delays in project completion. It can also affect team morale and overall organizational efficiency.
4. **Lack of accountability:** When there is no clear accountability, it becomes difficult to hold individuals or teams responsible for their actions. This can lead to a lack of ownership, decreased motivation, and subpar performance.
5. **Underspending of grant allocation:** Not fully utilizing allocated grants can result in missed opportunities for growth and development. It may also lead to the return of unspent funds, which could have been used to address critical service delivery needs.
6. **Capital expenditure not as expected:** When capital expenditure falls short of expectations, it can impact the organization's ability to invest in necessary infrastructure, technology, or other resources. This can hinder long-term growth and sustainability.
7. **Demand management:** Effective demand management involves forecasting and planning to meet customer needs. Poor demand management can lead to either excess inventory or stockouts, both of which can negatively impact service delivery and financial performance.
8. **Service delivery challenges:** Challenges in delivering services can result in customer dissatisfaction, reduced trust, and potential loss of business. Addressing these challenges is crucial for maintaining a positive reputation and ensuring customer loyalty.
9. **Aging infrastructure:** Older infrastructure may require more frequent maintenance and repairs, leading to increased costs and potential disruptions. Upgrading infrastructure is essential to ensure reliability and efficiency.
10. **Aging community facilities:** Like aging infrastructure, older community facilities may not meet current standards or needs. This can affect the quality of services provided to the community and may require significant investment to modernize.

11. **Fleet shortage and ageing:** A shortage of vehicles and an ageing fleet can impact the organisation's ability to deliver services efficiently. It may lead to increased downtime, higher maintenance costs, and reduced operational capacity.
12. **Legislative compliance:** Ensuring compliance with relevant laws and regulations is critical to avoid legal issues and potential penalties. Non-compliance can damage the organisation's reputation and result in financial losses.
13. **Limit unaccounted water losses – outside of the norm:** Unaccounted water losses can indicate issues such as leaks, theft, or inaccurate metering. Addressing these losses is important to improve water management, reduce costs, and ensure a sustainable water supply.
14. **Water Services – Kurland project/New Clear Water Pumpstation:** These projects aim to improve water infrastructure and services in specific areas. Successful implementation can enhance water quality, reliability, and access for the community.
15. **Electrification – Bossiesgif, Qolweni & Kurland:** Electrification projects in these areas aim to provide reliable electricity access, which can improve living standards, support economic development, and enhance the overall quality of life for residents.

The following actions have been outlined to address the above-mentioned key challenges:

- Develop an outcomes-based, 5-year scorecard.
- Aligning the budget and the strategy
- Change management implementation.
- Strategy to fill vacant positions.
- Review staff establishment.
- Implement individual performance.
- Develop business plans to achieve objectives and challenges.
- Processes formulation/ SOP's
- Consequence management
- Monitoring performance more effectively and accurately
- Reporting on service delivery continuously / accurately

INTEGRATED PLANNING ANALYSIS

The Bitou municipal area is experiencing moderate population growth, creating several challenges, notably an ageing population that may impact revenue streams and lead to skill shortages in key sectors. This demographic shift could result in decreased demand for goods and services and less need for housing, prompting policymakers to develop a comprehensive strategy to foster sustainable socio-economic development.

The municipality has 11 schools, with 81.8 per cent being no-fee institutions, addressing financial barriers that led to 24 per cent of students discontinuing their education in 2021. Maternal health is strong, with a zero maternal mortality ratio and lower teenage pregnancies compared to district averages.

However, an increasing number of households relying on free basic services indicates financial strain, potentially leading to more "indigent" households and highlighting the need for targeted support. Economic projections suggest modest growth of 0.8 per cent in 2025, with stagnation expected in 2026, due to load shedding affecting manufacturing and declines in construction and agriculture. Furthermore, rising vulnerability to drought increases wildfire risks.

In summary, while the economic outlook for Bitou is complex, strategic planning and risk mitigation are essential to tackle forthcoming challenges.

PROCESS FOLLOWED

According to section 27 of the MSA, each district municipality must adopt an integrated development planning (IDP) framework within a prescribed period after its elected term begins, following consultations with local municipalities. This framework binds both the district and local municipalities. Section 28 requires municipalities to create a written IDP Process Plan to guide the planning, drafting, adoption, and review of their IDP, including community consultation and notification.

The district IDP framework ensures alignment of IDPs within the district and with national and provincial plans, while facilitating proper consultation between the district and local municipalities. The process plan builds on this foundation to manage the development and review of municipal IDPs in a structured manner, allowing for community input.

IDP AND BUDGET TIME-SCHEDULE

The accompanying timetable meticulously outlines the process for drafting the Integrated Development Plan (IDP), which works in harmony with the municipal process plan. In preparing this IDP document, the municipality has diligently adhered to the provisions set forth in section 29 of the Municipal Systems Act, Act 32 of 2000.

The Time Schedule received formal approval in collaboration with the district framers, ensuring that the district council was consulted and kept informed regarding the amendments made to the IDP. By the principles of community engagement outlined in Chapter 4 of the Municipal Systems Act, the public was actively engaged throughout the process. Furthermore, the budget was formulated in alignment with the Municipal Finance Management Act (MFMA), which emphasises that the IDP should serve as the foundational framework for any budgetary planning.

In a subsequent step, the Council adopted a draft budget, and public notices were disseminated through local newspapers and published on the municipal website, inviting feedback and comments from the community. This inclusive process ensures that the voices of residents are heard and considered in the decision-making that shapes the future of the municipality.

The table below is the time schedule that was adopted by the council to outline the process to be followed in drafting the 2025/2026 amended Integrated Development Plan.

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUDGET	PMS	MM	EM		
PREPARATION	Preparation of the IDP, Budget, and Time Schedule							x	Sections 21, 53, MFMA	Draft time schedule
	District Framework Alignment Meeting	July 24	Aug 24	x	x	x			Section 27, MSA	District Framework
	Steering Committee Meeting to Review the previous year's IDP process.	July 24	Aug 24						Best Practice	Minutes and attendance registers
	Extended Steering Committee Meeting to track IDP progress, engage with external stakeholders quarterly	Aug 24	Aug 24						Best Practice	Minutes and attendance registers
	Review participation mechanisms and processes	July 24	Aug 24							Process report presented to the steering committee
	Receive comments from the MEC	July 23	Aug 24					x	Section 32 MFMA	The MEC report was presented to the Steering Committee
	Review past performance	Aug 24	Sep 24	x		x			Section 34, 46 MSA	PMS presentation and discussion by the steering committee
	Set-up budget committees	Oct 24	Oct 24							Resolution and acceptance letters
	Submission of annual report	Aug 24	Aug 24			x				Confirmation of receipt by the AG's office
	Rollover of unspent funds	25 Aug 24	25 Aug 24						MFMA Section 28 (2) (e)	Council Resolution
	MMF and DCF Meeting	Aug 2024	Aug 2024							

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUD GET	PMS	MM	EM		
										GRDM programme
SITUATION ANALYSIS	Extended steering committee meeting	Sep 24	Sep 24							
	IDP Indaba 1	Sep 24	Oct 24	x	x					JPI Requirement
	Public Participation (Ward Committee Meetings)	Sep 23	Oct 24							
	Analysis of socio-economic data	Sep 24	Oct 24							Analysis Report
	JDMA Cluster Steering Committee Meetings	Oct 24	Oct 24	x			x		District Management Model	Best Practice
	Analysis of service provision									Service Gaps Report
	Analysis of municipal infrastructure services {Water, Roads, Electricity, Sewer, Wastewater treatment, Housing Demand, financial Services (revenue and expenditure), and Institutional Capacity, etc.}	Sep 24	Oct 24							Departments to submit analysis reports to the IDP office for consolidation.
	Comparison study of existing Data Sets	Sep 24	Sep 24							
	Review of Municipal sector plans	Sep 24	Oct 24							Report on Status of Sector Plans
STRATEGY	Procure strategic session facilitation services	Sep 24	Nov 24							Appointment certificate
	Strategic planning workshop	Nov 24	Nov 24							Revised strategic objectives, indicators, and targets
	Strategic priorities and budget recommendations	Dec 24	Dec 24							Strategic outcomes and reports
	MMF and DCF Meeting	Nov 24	Nov 24				x			GRDM Programme
	Get feedback on progress on current priority catalytic projects	Nov 24	Dec 24							
	District IDP Managers Forum	Oct 24	Oct 24							GRDM Programme
	IDP Budget & PMS Representative Forum	Nov 24	Nov 24	x					Municipal Performance Regulations, Section 15	GRDM Programme
	Provincial IDP Managers Forum	Nov 24	Nov 24	x						Provincial Programme
PROJECTS	Design project template	Oct 24	Oct 24							
	Distribute community priorities to departments.	Nov 24	Nov 24							
	Appointment of departmental mSCOA champions	Nov 24	Dec 24	x	x					
	Identification of Priority Projects	Jan 25	Feb 25	x	x				Section 127 MFMA	Draft capex and OPEX budgets
	MMF and DCF Meeting	Feb 25	Feb 25				x			GRDM Programme
	Loading of projects to the mSCOA portal	Jan 25	Jan 25	x	x					mSCOA report
INTEGRATIO	TIME Engagement	Feb 25	Feb 25							JPI Report and Attendance Register

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUD GET	PMS	MM	EM		
	IDP Indaba 2	Mar 24	Mar 23							JPI Report and Attendance Register
	Receive summaries of Sector Plans from departments	Jan 25	April 25	x					Best Practice	Sector Plans Section in the IDP
	Integrate the District JPI, PGDP, and NDP	Jan 25	Feb 25							
	Add capex and OPEX MTREF budgets to the IDP	Dec 24	Dec 24	x	x				Best Practice	Budget Section in the IDP
	District IDP Managers Forum	Feb 25	Feb 25							GRDM Programme
APPROVALS	Preliminary Meeting to discuss IDP and Budget Time Schedule	July 24	Aug 24	x	x		x			
	Portfolio Committee to discuss IDP/Budget Time Schedule	Aug 24	Aug 24	x	x					
	MAYCO to recommends IDP/Budget time schedule to Council	Aug 24	Aug 24	x	x			x		
	Council Approves the IDP/Budget Time Schedule	Aug 24	Aug 24	x	x			x	Section 34 MSA, Section 21, 23 & 24 MFMA	Council Resolution and Minutes
	IDP Process Plan Time and Schedule is advertise.	Sep 24	Sep 24	x	x				MFMA Guidance	
	Approval of the Adjustment Budget	Feb 25	Feb 25		x					
	Council Approves Annual Report	Jan 25	Jan 25			x			Section 121 MFMA	Council Resolution
	Council adopts amendments to the revised IDP and Draft Budget	Mar 25	Mar 25	x	x				Section 34	Council Resolution
	SIME Engagements	May 25	May 25	x	x		x		Section 23 MFMA	IDP and Budget assessment report
	Notice is placed in the local newspaper for 21 days	April 25	April 25	x	x				Municipal Performance Regulations, Section 4 (ii) performance regulations.	Newspaper Advert
	IDP and Budget Road Shows	April 25	April 25	x	x				Chapter 4 MSA	Minutes and attendance Registers
	Extended IDP Steering Committee Meeting	April 25	May 25	x					Section 23 MFMA, chapter 4, MSA	Third Quart MS Report, IDP Presentation, attendance, and minutes of meeting
	Preparing responses to respond to written submissions	April 25	May 25	x	x				Section 23 MFMA	
	IDP Budget & PMS Representative Forum	April 25	May 25						Municipal Performance Regulations, Section 15	GRDM Programme
	Amending IDP and Budget to incorporate provincial assessments	May 25	May 25	x	x				Section 23 MFMA	Revised Documents

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUDGET	PMS	MM	EM		
	Council Approves IDP and Budget	31 May 25	31 May 25							
	Send copies of IDP and Budget to the MEC for Local Government	June 25	June 25	x	x		x	x	Section 32, MSA, Section 24 MFMA	Confirmation of receipt
	Publish annual budget and IDP	June 25	June 25	x	x				Section 23, MFMA	Advert and web key
	Approval of SDBIP	June 25	June 25							
	MMF and DCF Meeting	June 25	June 25				x			GRDM programme
	District IDP Managers Forum	June 25	June 25							GRDM Programme
	Provincial IDP Managers Forum	June 25	June 25	x						Provincial Programme
IMPLEMENTATION	Rollout of SDBIP (2024/25)	July 24	July 24						Section 69	Performance Agreements
	Submission of SDBIP to the MEC for Local Government	July 24	July 24						Section 69 MFMA	Council Resolution
	Submit annual Performance Agreements to Mayor	June 24	July 24				x		Section 69, MFMA	Signed Performance Contracts
	Tabling of MID Term Report	Jan 24	Jan 24			x	x	x	Sections 36, 72 MFMA	Mid –year report, council resolution and council minutes
	Submission of annual report to AG	Jan 24	Jan 24			x	x		Section 72 MFMA	Confirmation Receipt
	Preparation of Oversight Report	Jan 24	Jan 24			x				Council Resolution
	Council adopts oversight report	Feb 24	Feb 24			x	x	x		Council Resolution

Table 2: Approved time schedule

PUBLIC PARTICIPATION OUTCOMES

During September and October 2024, the municipality had a round of public meetings in the following communities:

Ward 1: Kurland Community Hall: The meeting included community members from Kurland, Craggs, Nature's Valley, and Keurbooms. However, the community of Covie, which is primarily rural and lacks basic services, has been neglected in that ward. The ongoing issues remain the same, but the need for housing has become more urgent.

Ward 2: Piesang Valley Hall: This meeting accommodated the residents of Plett South. Plett South is the greater Plettenberg Bay, it is the administrative and economic hub of Bitou. This ward was mostly concerned about the shifting of the roads, upgrading the budget and general maintenance.

Ward 3: Bicycle Shed: This meeting accommodated the communities of Qolweni, Bossiesgif, and Pinetrees. This area is underdeveloped with no social amenities like schools, libraries, health care facilities, police stations, play parks, etc. 80 per cent of its residents reside in informal dwellings that are prone to fire disasters.

Ward 4: New Horizons Community Hall: This meeting accommodates the community of New Horizons, and a portion called Compone. New Horizon could not host its public meeting because the community demanded a postponement in the absence of the Mayor and Municipal Manager.

Ward 5: Kwanokuthula Community Hall: This meeting accommodated phases 1, 2 and a portion of Phase 5. The meeting was fairly attended, and the main issue in this Ward is the blocked drains and the water channel that the municipality failed to fix. In addition, housing is a huge challenge and backyard dwelling is the only option to alleviate the housing challenge. Some backyards are encroaching on municipal land.

Ward 6: Kwanokuthula Community Hall: This meeting accommodated the communities of Phases 3 and 5. Ward 6, just like Ward 5 are ward in the same community. The issues of these wards cut across. Stormwater drainage is the major service delivery challenge, other than normal unemployment and lack of economic activities.

Ward 7: Kranshoek and Harkeville primary school halls: the meetings in this ward were held in two venues due to the diverse demands of the areas and the distance between them. Kranshoek is fairly developed but has a huge unemployment problem. Harkeville is having the same problem, but the most glaring challenge of Harkeville is a lack of basic services. The community of Harmony Park still uses communal services and lives in informal dwellings. The most urgent issue that was emphasised at the budget meetings was the upgrading of gravel roads, graveyards, and general housing.

The following issues were reiterated during the public meetings:

COMMUNITY PRIORITIES	ISSUES
Housing Development	<ul style="list-style-type: none"> - The slow pace of housing delivery can be resolved with site and service. - The old areas of Kurland and New Horizons still have toilets outside the main dwelling. - There is a need for additional ablution facilities in some informal areas like Zawa-Zawa and Ezihagwini in Kurland.
Sewer and Sanitation	<ul style="list-style-type: none"> - There are areas with constant sewer problems because of the size of the sewer pipes. The sewer network must be upgraded from the current 110-diameter pipe to a 160-diameter pipeline. - The municipality must monitor and close open manholes
Roads and Stormwater	<ul style="list-style-type: none"> - Road safety program: Road markings, street names and speed humps in main and taxi routes - Sidewalks, especially in Green Valley, for the kids who walk to school.

COMMUNITY PRIORITIES	ISSUES
	<ul style="list-style-type: none"> – Regularly cut grass next to the road – Some roads and streets were built with no stormwater system; as a result, some areas experience floods when it rains.
Job Creation	<ul style="list-style-type: none"> – Jobs are reserved for the age group 18 – 35 years. What about the economically active citizens aged 36 – 59 years? – There is a general decline in employment opportunities, and there is a rise in unemployment. – CWP and EPWP programs benefit the same people.
Sport and Recreation	<p>There is a lack of:</p> <ul style="list-style-type: none"> – Play parks for kids. – Indoor sports facilities – Maintenance and upgrading plans for existing sports fields. – Upgrading of Municipal Halls – Upgrading and fencing of cemeteries
Economic transformation	<p>There is no support for emerging businesses. SMME need access to:</p> <ul style="list-style-type: none"> – Training and skilling of youth and people with special needs – Employing local people – Creating second-layer leadership or implementing succession policies to empower local youth. – Land for agriculture. – Business incubation – Venture capital – Tourism development – SMME Support – Water for livestock – Combating seasonality by diversifying the economy and increasing government spending by: <ul style="list-style-type: none"> a. Bringing additional government services b. Construction of Correctional Facility c. Exploring and exploiting the oceans economy d. Negotiate with the Department of Defence to utilize the airport for specialized training exercises (combination of air and sea) e. Establishing call centres, etc.
Education, Health, Safety, and Security	<p>There has been an outstanding outcry from communities for:</p> <ul style="list-style-type: none"> – The construction of an additional high school, especially in Kwanokuthula, due to overcrowding at Murray High School. – The construction of a primary school in the Qolweni Area – A 24-hour public health facility or a public hospital. There are rumours of upgrading Kwanokuthula Community Centre to a 24-hour hospital. – Provision of satellite police services in New Horizon, Wittedrift, Kranshoek, and Kurland. – Construction of Kwanokuthula Police Station – Revaluating the existing SAPS sectors and amending them according to the proximity in real time rather than using a linear line.

Table 3: Consolidated community priorities

IDP COMPLIANCE

Section 26 of the MSA refers to the core components of an IDP and states that an IDP must reflect:

- The municipal council's vision for the long-term development of the Municipality.
- An assessment of the existing level of development in the Municipality.
- The council's development priorities and objectives for its elected term.
- The council's development strategies, which must be aligned with any national or provincial sectoral Plans and planning requirements binding on the Municipality in terms of legislation.
- a Spatial Development Framework.
- The council's operational strategies.
- Applicable disaster management plans.
- a financial plan; and the
- Key performance indicators and performance targets are determined in terms of section 41 of the MSA.

The municipal IDP is complying with section 26 of the MSA.

ALIGNMENT

Chapter 2 of the IDP provides an overview of international, national, and provincial development plans such as the Sustainable Development Goals (SDGs), the National Development Plan (NDP), Western Cape Provincial Strategic Plan (PSP) 2014-2019, and the Joint District and Metropolitan Approach (JDMA) priorities.

The IDP includes a table indicating the status of all the Municipality's policies and sector plans, which aim to guide the workforce in delivering on the strategic objectives and promote institutional viability and cohesion.

In drafting the IDP for the 2022 – 2027 IDP and revision, Bitou Municipality has been in constant consultation with Garden Route District Municipality and the provincial government. the aim of these consultations was to ensure that the IDP is compliant and meets the minimum requirements.

SITUATION OVERVIEW

An Integrated Development Plan (IDP) is a strategic framework that outlines the developmental goals and priorities for a municipality over five years, as mandated by the Municipal Systems Act, Act 32 of 2000. It serves as the core planning document, guiding all municipal decision-making, and ensuring alignment with national and provincial strategies.

The implementation of the IDP is supported by strategic policies and departmental business plans aimed at achieving the municipality's vision and key projects. Once approved by the Council, municipal departments must execute programs by the IDP directives.

To ensure progress, regular assessments are conducted to evaluate the municipality's performance against targets and to address any challenges that arise. At year's end, achievements are summarised in the Integrated Annual Report, which informs the review and enhancement of the IDP for the next planning cycle, ensuring it meets the community's evolving needs.

The IDP cycle can be illustrated as follows:

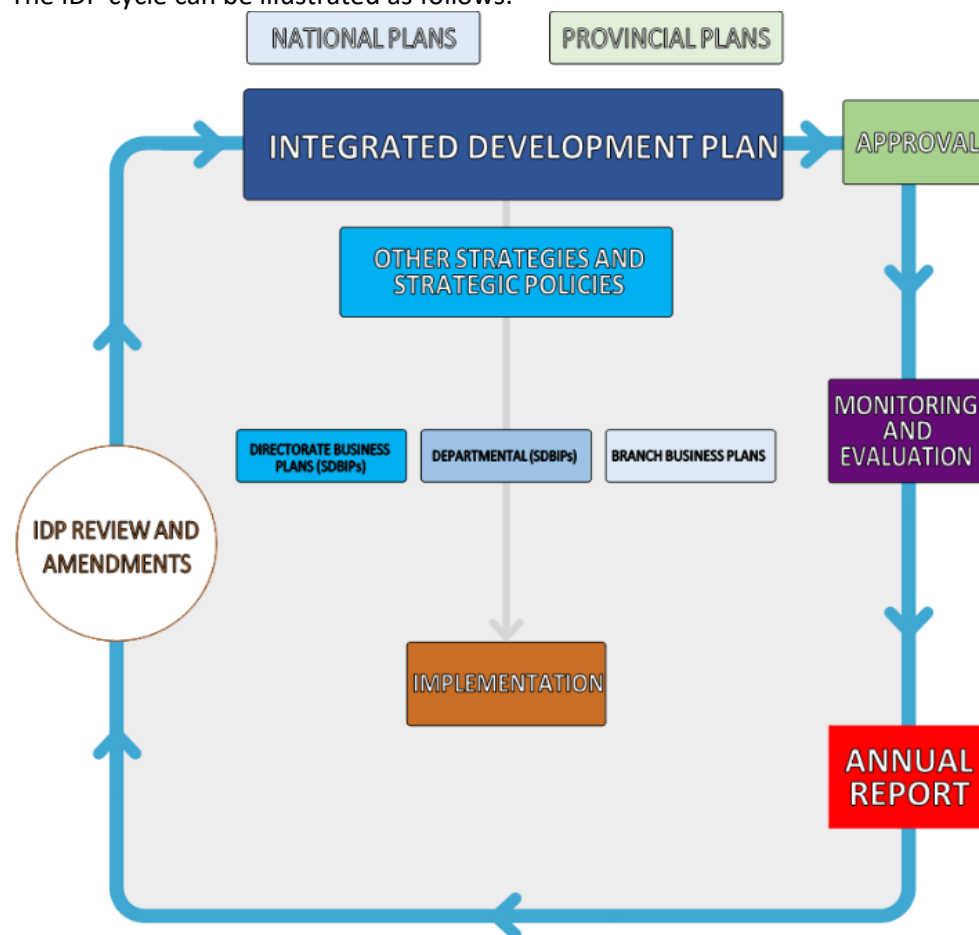


Figure 5: IDP cycle.

The municipal Integrated Development Plan is revised annually based on the municipality's past performance and changing circumstances.

LEGISLATIVE AND POLICY FRAMEWORK

Municipalities are no longer merely responsible for infrastructure, administration, and regulations. They have a developmental role and are described as a sphere of government whose task it is to improve the quality of life in communities living within their boundaries. In other words, municipalities are much more responsible for people. As with all spheres of government, local government must also promote the Bill of Rights, which reflects the nation's values about human dignity, equality, and freedom, and uphold the principles enshrined in the Constitution.

It is important to note that this responsibility was given to local government with the understanding that all three spheres of government will jointly strive to improve the well-being of communities.

The intention of all the legislative outputs is to shape and influence the nature of local government. Below is a summary of Local Government Legislation.

Legislation	Key issues relevant to the IDP process
Municipal Systems Act (MSA 32 of 2000)	<p>Sets out the principles, mechanisms, and processes required for municipalities to shift into a new position within the landscape of development. Included in these mechanisms are the Integrated Development Planning process and Performance management systems.</p> <p>It also describes the legal nature of municipalities and the implications for the way that municipalities interact with communities, stakeholders, and other spheres of government. Chapters 4 & 5 of the Act are discussed in detail in Learning Unit 3: Integrated Development Planning.</p>
Municipal Demarcation Act 27 of 1998	<p>The Municipal Demarcation Act of 1998 gives effect to Section 155 (3) (b) of the Constitution, which determines three categories of municipalities (see the section explaining the issues guided by the Municipal Structures Act below).</p> <p>The demarcation process dramatically reduced the number of municipalities in the country from 843 to 283 (made up of 6 metro municipalities, 46 district municipalities, and 231 local municipalities).</p>
<p>The Municipal Structures Act (117 of 1998), together with</p> <p>The Municipal Structures Amendment Act (33 of 2000)</p>	<p>These two Acts guide the establishment of municipalities as provided for in the Constitution.</p> <ul style="list-style-type: none"> • <u>Category A municipality</u>: A municipality that has exclusive municipal executive and legislative authority in its area. (This is called a metro municipality.) • <u>Category C municipality</u>: A municipality that has municipal executive and legislative authority in an area that includes more than one municipality. (Garden Route District Municipality.) • <u>Category B municipality</u>: A municipality that shares municipal executive and legislative authority in its area with a Category (C) municipality within whose area it falls. (Bitou Municipality.) <p>These Acts offer criteria and procedures for the various categories and outline the powers and functions of municipalities as provided for in the Constitution. The allocated powers and functions influence the content of the IDP and identify key issues that would require alignment of strategies and actions.</p>

Legislation	Key issues relevant to the IDP process
Municipal Finance Management Act, No 56 of 2003	The Act clarifies the requirements of transparent and accountable practices in government and specifically in local government. The Act reiterates the requirements for public participation and the commitment to effective utilisation of resources. The Act determines the way municipalities can dispose of capital assets. It is particularly the financial cycle (schedule requirements) that influences the development and review cycle of the IDP to ensure a process of mutual influence.
Disaster Management Act 57 of 2002	The Act provides for an integrated, co-ordinated disaster management policy in line with the MSA (2000) requirement for IDP's to include a disaster management plan to identify and deal with risks.
Intergovernmental Relations Framework Act 13 of 2005(IGR)	<p>The Act is a response to the limited successes in the alignment efforts among the three spheres of government. The act creates a framework to support intergovernmental cooperation and coordination as required by the "cooperative governance" defined by the Constitution.</p> <p>The implementation framework of the IDP depends on the ability to influence the investment and spending of other spheres of government, The Act also referred to IGR (2005) represents an important support mechanism to the IDP process. It provides for the obligation of all spheres to participate in the planning processes of the municipality and in turn, allow their own planning processes to be influenced by municipal IDP's. Topic 3: Cooperative Governance offers a detailed description of the Act.</p>
Local Government Property Rates Act 6 of 2004	The purpose of this Act is to regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair systems of exemptions, reductions and rebates through their rating policies; to make provision for fair and equitable valuations methods of properties; to make provision for an objections and appeals process; to amend the Local Government Municipal Systems Act, 2000, to make further provision for serving of documents by municipalities; to amend or repeal certain legislation; and to provide for matters connected therewith.

Table 4: Local Government Developmental Legislation

SITUATION ANALYSIS

To address the town's development needs, the municipality and all stakeholders must conduct rigorous situation analysis. The aim of this exercise is to contextualize the municipal development priorities. There are various approaches and methods to conduct such a study, and chief amongst them is to use administrative and non-administrative data to identify communities without basic services, plugging economic gaps, and maintaining available infrastructure.

The contextual analysis in this section is informed by the local, regional, and national trends that form the backdrop of the development challenges that threaten life and livelihood. In response to the development challenges, the municipality developed strategies that respond to the challenges and emergent opportunities. The aim is to direct government investor spending to the identified strategies and opportunities.

To contextualize the development of Bitou, it is important that the location of the municipality is outlined. Bitou Municipality is the first municipal area in the Western Cape from the Eastern Cape. A sizeable number of Bitou residents have moved from the Eastern Cape to seek greener pastures in the Western Cape.

The map below illustrates Bitou's location in the context of the Western Cape.

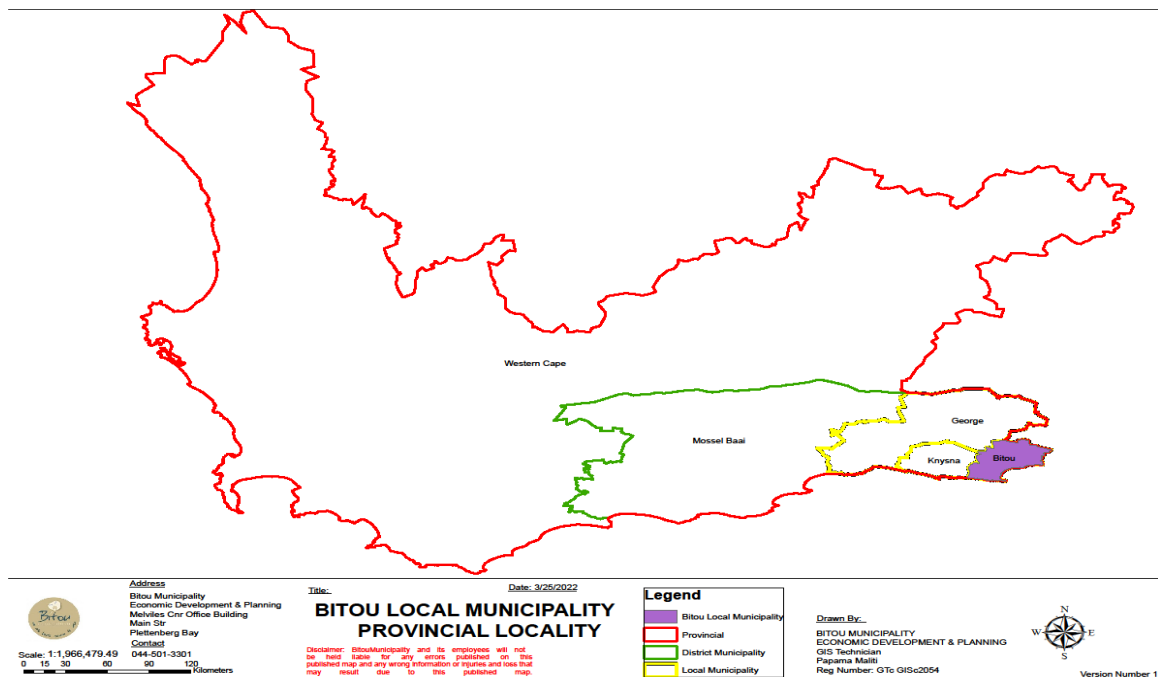


Figure 6: Bitou locality map in the Western Cape

Introduction

The Provincial Treasury annually produces socio-economic profiles for each municipality in the Western Cape, providing them with valuable data for planning, budgeting, and prioritizing municipal services.

These profiles cover a range of topics, including GDP and labour market trends, demographics, education, health outcomes, income, inequality, poverty, access to housing and basic services, and crime levels. The indicators included in the profiles reflect the socio-economic reality of each municipality, allowing for a deeper understanding of the developmental challenges faced by communities within a specific geographical area.

While some of these challenges are outside the scope of a municipality's mandate to address, the profiles provide spatial information for other government entities to improve the quality of life of people in each municipal area. The data used in the profiles is primarily sourced from Statistics South Africa, sector departments' administrative data, the Municipal Review and Outlook (MERO), Global Insight Regional Explorer, and Quantec.

The format of the profile ensures easy readability, utilizing infographics to display the data, followed by relevant trend analyses. The information contained in the profile is particularly relevant to the Bitou Municipality and offers valuable insights into the broader Garden Route.

Bitou: At a Glance

Demographics

Population Estimates, 2024; Projected households, 2025



Population
78 845

(Source: MYPE 2024)



Households
27 360

(Source: MYPE 2021 projections)

Education

2023



Matric Pass Rate **85.5%**
Learner Retention Rate **66.0%**
Learner-Teacher Ratio **30.6**

Poverty

2023



Gini Coefficient **0.64**
Poverty Head Count Ratio (UBPL) **73.3%**

Health

2023/24



Primary Health
Care Facilities
5
(excl. mobile/satellite
clinics)

Immunisation
Rate
49.7%

Maternal Mortality Ratio
(per 100 000 live births)
0.00

Teenage Pregnancies –
Delivery rate to women
U/18
0.00

Safety and Security

Actual number of reported cases in 2023/24



Residential
Burglaries
371

DUI
136

Drug-related
Crimes
470

Murder
12

Sexual Offences
83

Access to Basic Service Delivery

Percentage of households with access to basic services, 2023

Water

99.2%



Refuse Removal

89.4%



Electricity

98.7%



Sanitation

97.2%



Housing

84.1%



Labour

2022

Unemployment Rate
(narrow definition)

19.5%



Socio-economic Risks

Risk 1 High Inequality
Risk 2 High poverty head count
Risk 3 High maternal mortality

Largest 3 Sectors

Contribution to GDP, 2021

Finance, insurance, real estate
and business services

34%



Wholesale & retail trade,
catering and accommodation

15%



Manufacturing

14%



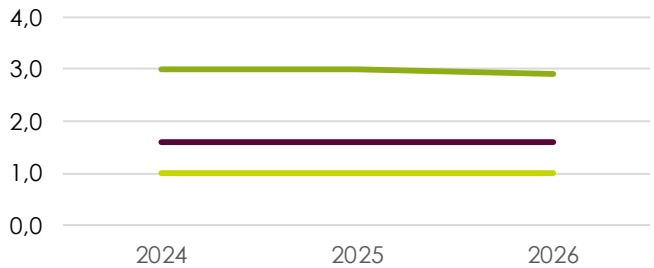
DEMOGRAPHICS

Current Population
78 845 2024

Estimated Population
91 126 2029

Estimated Average Annual Population Growth Rate 2023 - 2029
2.4%

Estimated Population Growth



Gender and Age Dynamics

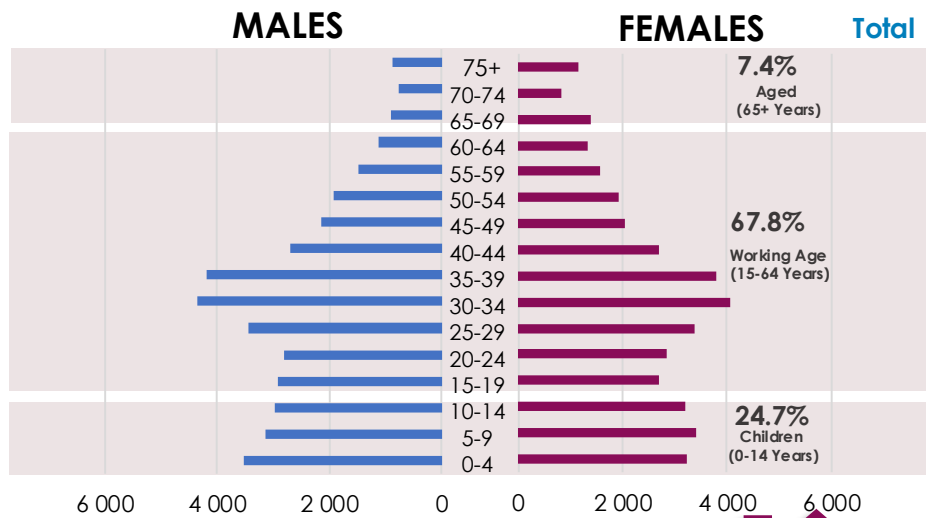


Female 50.2% | **Male** 49.8%

47.5
Dependency Ratio

116.6
Ageing Index

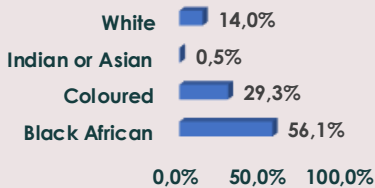
Population by Age 2024



Population and Household Growth 2024



Racial Split



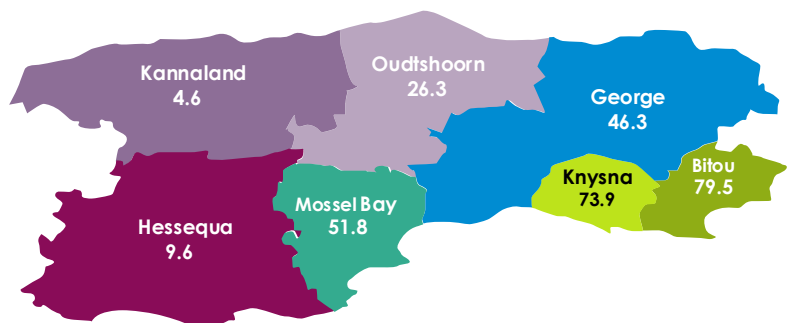
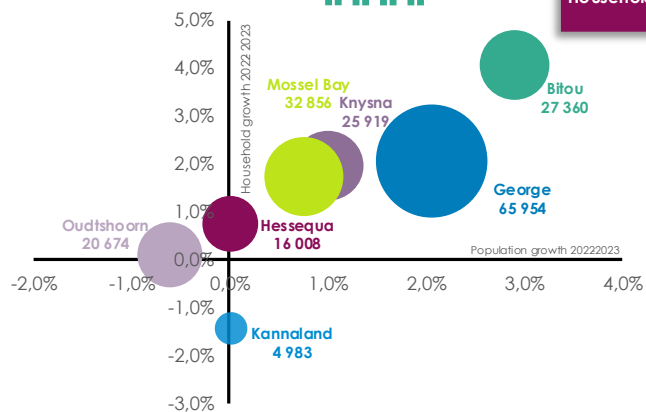
Population Density Bitou 2024



79.5
people/km² 2024

81.9
people/km² 2025

84.4
people/km² 2026



DEMOGRAPHICS

POPULATION GROWTH

According to the 2024 Mid-Year Population Estimates (MYPE), the Bitou Municipality recorded a population of 78 845, ranking as the third smallest municipality in the Garden Route District, ahead of Hessequa, which has 55 104 residents. Population projections indicate a steady increase, with Bitou's population expected to reach 91 126 by 2029, reflecting an average annual growth rate of 2.4 per cent. This notable growth rate suggests a dynamic and expanding community, often driven by a youthful demographic and potentially influenced by factors such as migration, economic opportunities, and natural population growth. Such trends carry significant socio-economic implications, including increased demand for housing, infrastructure, education, healthcare, and employment opportunities. Strategic planning and investment will be critical to ensuring that this growth is managed sustainably, fostering economic resilience and improving the quality of life for residents.

GENDER, AGE, AND RACE DYNAMICS

In economic terms, the sex ratio (SR) provides a measure of the proportion of males to females in each population. The available data suggests that in the Bitou municipal area, there is a lower representation of males compared to females, with a distribution of 49.8 per cent for males and 50.2 per cent for females. The sex ratio in Bitou has exhibited a gradual downward trend in the years leading up to 2023, according to MYPE, 2024 results. This phenomenon may be attributed to diverse factors, including demographic changes, health, and environmental factors, etc.

In terms of age representation, the largest share of the population consists of the working age population (15 - 64 years) at 67.8 per cent, followed by the young children (0 - 14 years) aged cohort at 24.7 per cent, and the elderly at 7.4 per cent. The significant working-age population can contribute to higher economic productivity are more engaged in the labour force, leading to increased output and economic growth. The lower dependency ratio (sum of children and the elderly relative to the working-age population) is favourable to economic development. Bitou's age distribution suggests that the working-age population may have a major influence on consumption patterns and market demand. Businesses may need to adapt to cater to the preferences of this demographic. Intergovernmental policy should allocate resources to strategically address the needs of both the younger and older age cohorts, balancing investments in education, healthcare, and social services.

POPULATION DENSITY

Within the framework of the persistent urbanisation trend in the Western Cape, the utilisation of population density data emerges as a critical instrument for public sector policymakers. This data proves instrumental in tackling environmental considerations, individual health metrics, and streamlining service provision. Notably, as of 2024, the Bitou municipal area exhibited a population density of 79.5 individuals per square kilometre, denoting a notable degree of population concentration. This statistical insight is pivotal for comprehending the socio-economic terrain and facilitating judicious resource allocation within the locality. To enhance decision-making processes, policymakers are advised to integrate population density metrics with other socio-economic indicators, ensuring a comprehensive understanding of the region.

■ Garden Route	27 people/km ²
■ Hessequa	9.6 people/km ²

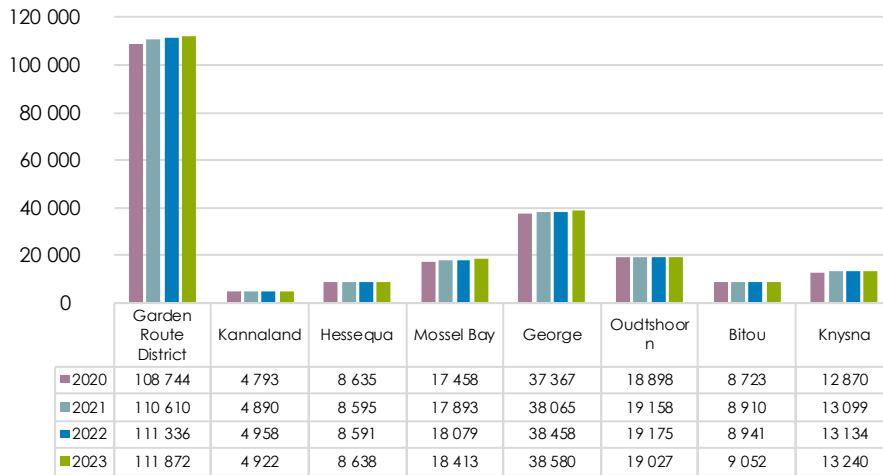
■ Knysna	73.9 people/km ²
■ Mossel Bay	51.8 people/km ²
■ George	46.3 people/km ²
■ Oudtshoorn	26.3 people/km ²
■ Kannaland	4.6 people/km ²
■ Bitou	79.5 people/ km²

Source: 2024 Socio-Economic Profile: Bitou Municipality

EDUCATION



Learner enrolment 2020 - 2023



Educational facilities 2023

11

Number of
schools

81.8%

Proportion
of no-fee
schools

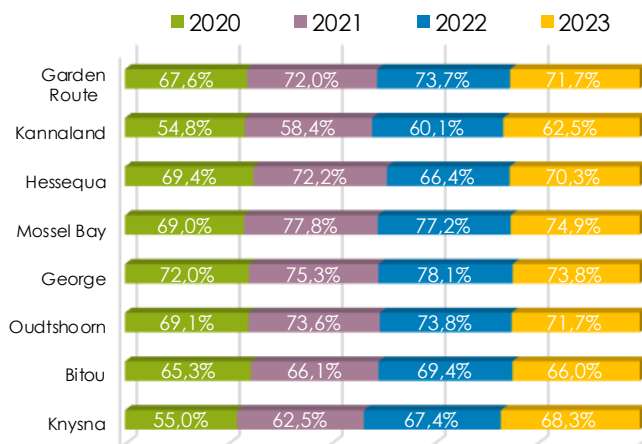


Number of
schools with
libraries

6



Learner retention 2020 - 2023

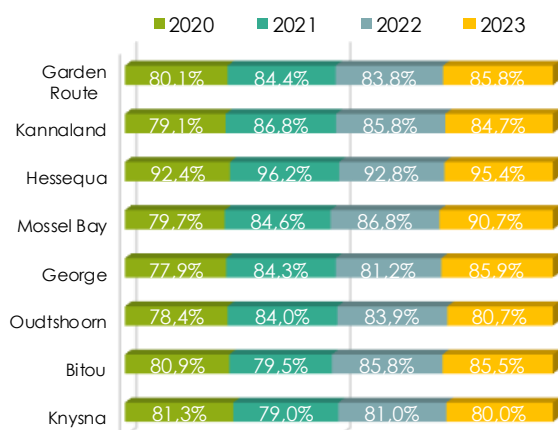


Learner-teacher ratio 2020 - 2023

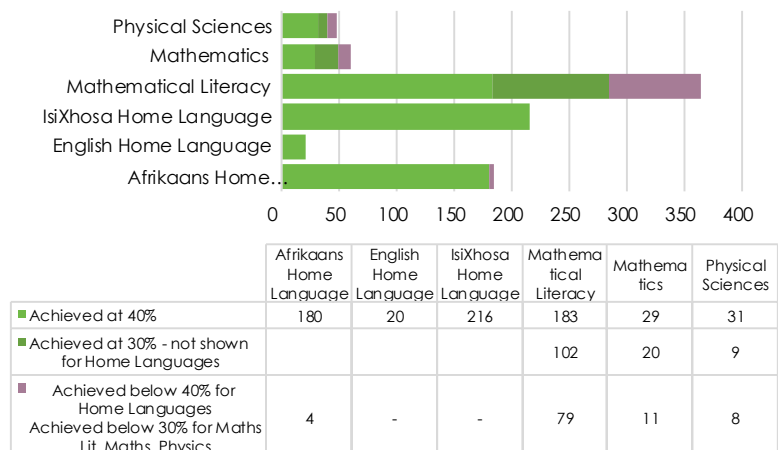
	2020	2021	2022	2023
Garden Route District	30.1	30.9	29.8	29.1
Kannaland	30.9	31.7	31.2	31.4
Hessequa	29.1	28.9	28.7	27.7
Mossel Bay	30.2	30.9	30.1	29.4
George	30.0	29.7	29.7	28.9
Oudtshoorn	29.6	29.7	29.7	29.2
Bitou	32.3	32.4	31.8	30.6
Knysna	30.1	30.3	29.0	27.9



Matric outcomes 2020 - 2023



Matric subject outcomes Bitou 2023



EDUCATION

INTRODUCTION

Education is one of the primary resources of change, a powerful driver of development, and one of the strongest instruments for reducing poverty and improving health, gender equality, peace, and stability. Its role is to help people acquire knowledge and skills, which can, in turn, be used to acquire jobs, start businesses, and produce goods and services.

LEARNER ENROLMENT

From 2020 to 2023, Bitou witnessed a steady increase in student enrolment, with the pupil count rising from 8,723 to 9,052, representing an annual average increase of 0.62 per cent. While increased enrolment is positive, it may also pose challenges related to increased demand for schools as well as teacher recruitment and training. A growing student population signals a youthful demographic that can contribute to future economic activity, enhancing long-term economic sustainability, the capacity of schools, teacher-student ratios, and the quality of education. A surge in learner enrolment results in increased demand for educational services, leading to economic opportunities in the education sector. Growing enrolment often necessitates the expansion and construction of educational infrastructure, including classrooms, laboratories, and other facilities. This can contribute to economic development through construction activities and related industries. This can stimulate job creation for teachers, administrative staff, and other professionals in the education industry. The implication for the job market is a well-educated workforce that can positively impact the economy by enhancing the overall skill level of the labour force.

EDUCATION INFRASTRUCTURE AND FACILITIES

Within the Bitou municipal area, there are a total of 11 schools, of which 81.8 per cent operate as no-fee schools. This noteworthy statistic holds significant socio-economic implications, particularly because 24 per cent of students in 2021 cited financial constraints as the reason for discontinuing their education, as per the General Household Survey of 2021.

Furthermore, out of the 11 schools in the area, 6 have been furnished with libraries. The provision of library resources within these schools plays a vital role in ameliorating the socio-economic disparity in academic achievements, as it affords students access to valuable information. This access, in turn, is directly correlated with enhanced educational outcomes.

LEARNER RETENTION RATE

The report on Learner Retention in the South African Schooling system defined learner retention as “the continued participation of a learner in the formal schooling system until the completion of the compulsory schooling phase. Learner retention is the complement of dropout. It indicates the efficiency or quality of the schooling education system” (Department of Education, 2008).

In South African schools, it is estimated that about 60 per cent of learners between Grades 9 and 12 are retained. The learner retention rate within the Bitou area gradually improved above 60 per cent between 2020 and 2023, which indicates a decline in learners leaving school without completion and the quality of the education system.

LEARNER-TEACHER RATIO

In the context of South African schools, the prescribed learner-to-teacher ratio typically falls within the range of 35:1 to 40:1; nonetheless, this standard is not consistently adhered to in most Western Cape schools. It is worth noting that in the Bitou area, the learner-to-teacher ratio remained slightly above 30 between 2020 and 2023, indicating manageable teaching conditions allowing for efficient use of teaching resources without overburdening teachers. This positive shift has set in motion a ripple effect, encompassing reduced dropout rates, heightened academic performance, and other favourable outcomes.

EDUCATION OUTCOMES

Education continues to serve as a pivotal channel through which the government participates in the economy. The policymaking and strategic determinations made in the realm of education carry significant weight in shaping the extent to which forthcoming economic objectives and poverty alleviation initiatives can be actualised. Notably, Bitou's matriculation pass rate consistently improved from 80.9 per cent in 2020 to 85.5 per cent in 2023.

This improvement underscores the potential socio-economic benefits of a well-performing education system.

HEALTH



Healthcare Facilities



5 Fixed PHC Facilities
2 Mobile Clinics



7 ART Clinics/
Treatment Sites
6 TB Clinics/
Treatment Sites



Zero Hospitals



Emergency Medical Services

EMS per 10 000 people

GRD	0.4
Kannaland	1.8
Hessequa	0.7
Mossel Bay	0.3
George	0.4
Oudtshoorn	0.5
Bitou	0.1
Knysna	0.2

Number of ambulances: 1



Maternal Health

BITOU 2023: Maternal Health Indicators

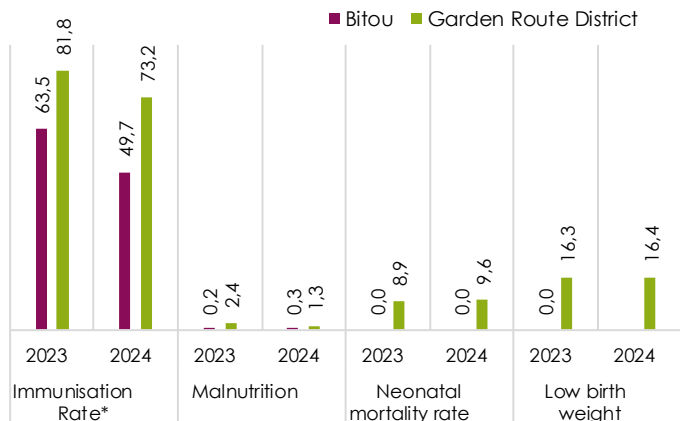
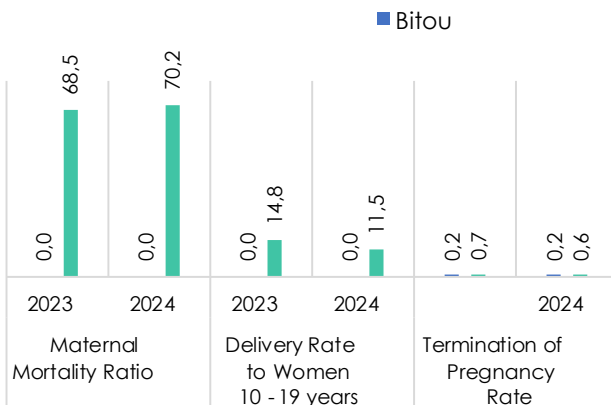
- Maternal deaths in facility : 0
- Deliveries in facility u 19 years : 0
- Termination of pregnancy : 40



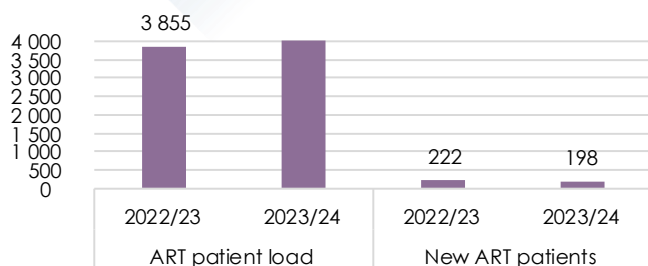
Child Health

BITOU 2023: Child Health Indicators

- Live births under 2500g (low birth weight): 0
- Inpatient deaths 6-28 day : 0
- Immunisation u1 year : 697
- Severe acute malnutrition u5 years : 2



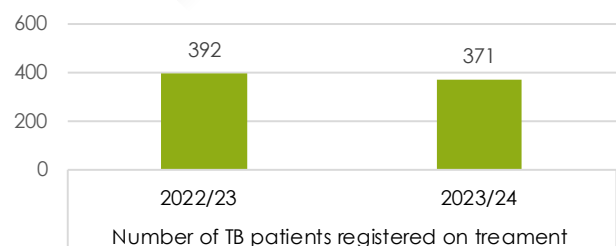
HIV/AIDS



■ Bitou Municipality



Tuberculosis



■ Bitou

HEALTH

HEALTHCARE FACILITIES

In 2023, the Bitou municipal area was endowed with a total of five fixed primary healthcare facilities. Additionally, the region featured two mobile/satellite clinics, with seven dedicated Antiretroviral Treatment (ART) sites, and six clinics exclusively designated for tuberculosis (TB) treatment. Noteworthy is the absence of regional or district hospitals serving the area.

It is crucial to underscore that Bitou constitutes approximately 5 per cent of the healthcare infrastructure across the broader Garden Route region. This distribution bears socio-economic ramifications for healthcare accessibility and services within the municipality. The concentration of healthcare facilities in Bitou implies a small proportion of the region's medical resources.

EMERGENCY MEDICAL SERVICES

Increasing the availability of operational ambulances can expand the scope of emergency medical service coverage. In 2023, the Bitou municipal area had 0.1 ambulances, while the Garden Route District had 0.4 ambulances per 10 000 people during the same period. It is essential to note that this calculation exclusively pertains to provincial ambulances and does not encompass the presence of private service providers. This difference in ambulance provision has implications for emergency healthcare accessibility in the respective regions.

MATERNAL HEALTH

Maternal health has significant socio-economic implications for an area, influencing the well-being of both mothers and their communities. Maternal health, furthermore, has implications for healthcare expenditure, employment, childcare development, poverty alleviation, etc. The maternal mortality ratio for Bitou remained at 0.0 between 2023 and 2024 and is well below the Garden Route's average of 68.5 in 2023 and 70.2 in 2024. On the other hand, the percentage of babies born to mothers between the ages of 10 - 19 years (0.0) in Bitou is also well below the district average of 11.5 in 2024. The termination of pregnancy rate for Bitou is slightly lower at 0.2, whereas the district average is 0.6. Addressing maternal health issues involves a comprehensive approach, including improving healthcare access, promoting education, and addressing social determinants of health. Such efforts contribute not only to the health of mothers but also to the overall socio-economic development and resilience of communities.

CHILD HEALTH

The immunisation rate slightly declined from 63.5 in 2023 to 49.7 in 2024, however, performing lower than the Garden Route average immunisation rates of 81.8 in 2023 and 73.2 in 2024. The number of malnourished children under five years per 100,000 people remained extremely low at 0.2 in 2023 and 0.3 in 2024, lower than the Garden Route District, 2.4 and 1.3 during the same period.

The neonatal mortality rate, measuring deaths per 1,000 live births within 28 days, remained at 0.0 between 2023 and 2024, lower than the Garden Route district average. Furthermore, the rate of low-birth-weight infants, those born under 2,500 grams, within Bitou also remained 0.00 between 2023 and 2024. The Garden Route district followed the same trend with a slight increase from 16.3 in 2023 to 16.4 in 2024. This indicates an improvement in food insecurity, public health, and social welfare.

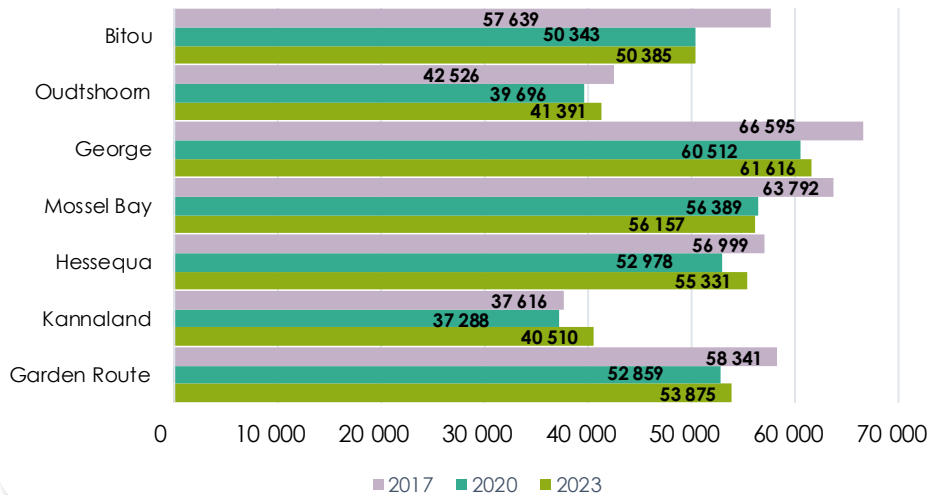
HIV/AIDS & TUBERCULOSIS

The Bitou municipal area recorded a slight increase in the number of registered individuals receiving antiretroviral treatment (ART), with patient numbers rising by 157 between 2022/23 and 2023/24. In contrast, the same period saw a decline of 24 newly enrolled ART patients, which could stem from factors such as reduced new HIV infections, improved early diagnosis, or a decrease in testing rates. In contrast, the region experienced an average annual decline of 5.6 per cent in the number of registered tuberculosis (TB) patients, dropping from 392 in 2022/23 to 371 in 2023/24. These trends highlight evolving public health dynamics, reflecting changes in disease prevalence and healthcare priorities in the Bitou area.

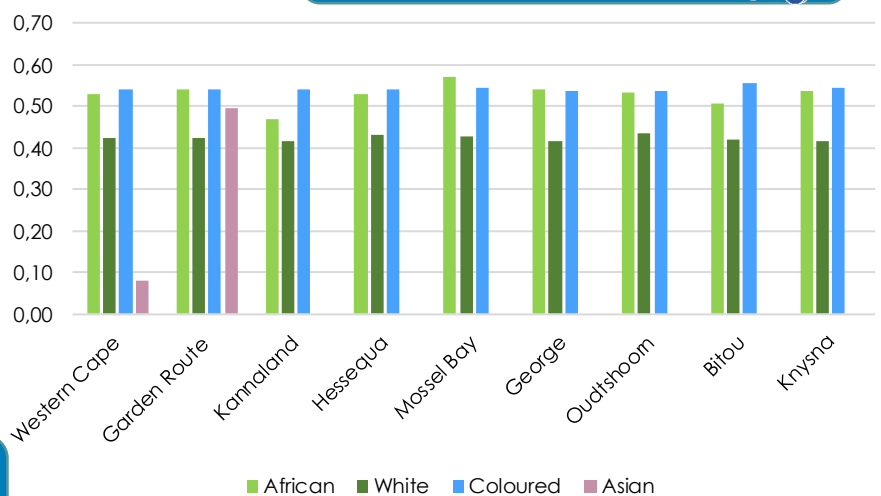
POVERTY



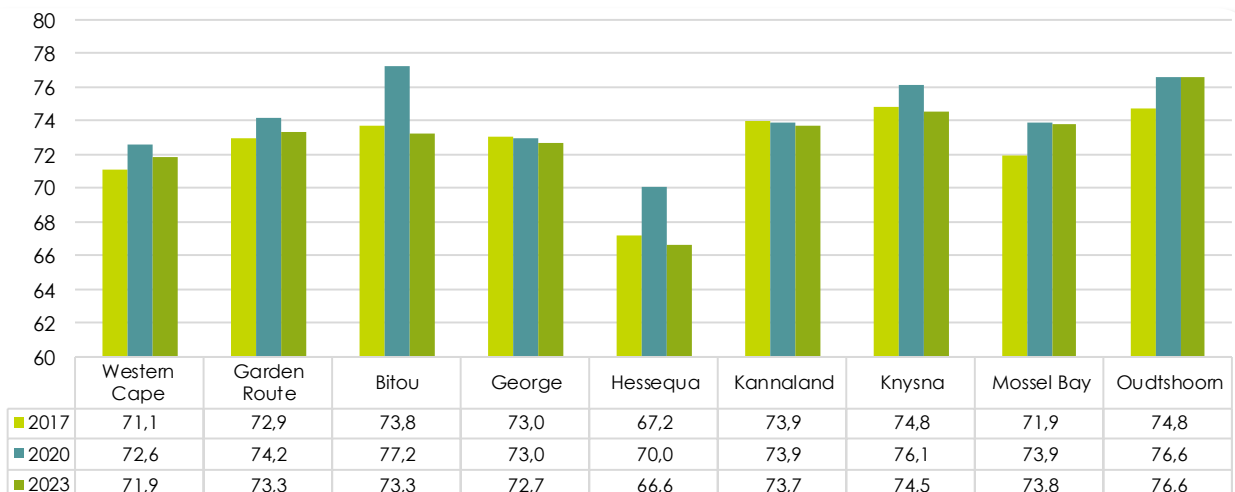
GDP per capita



Income Inequality

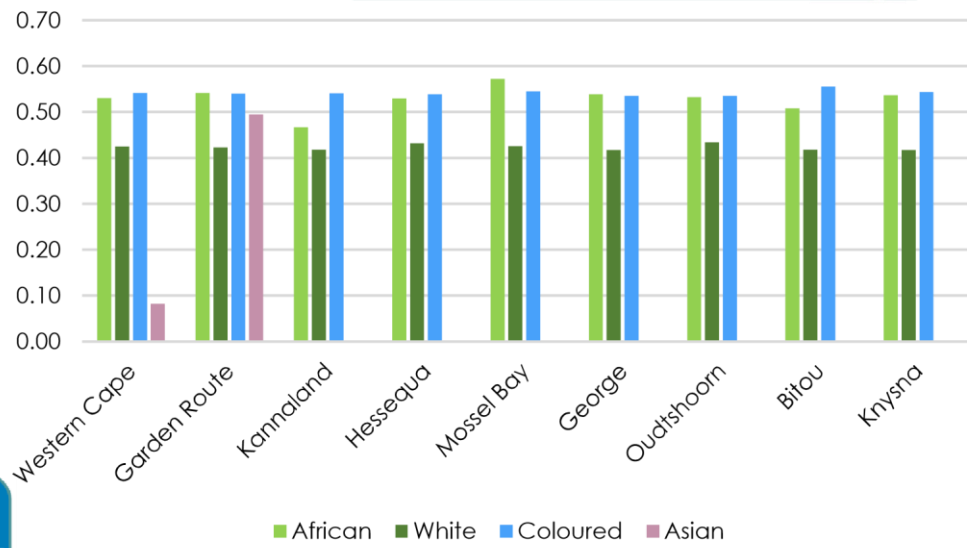


Poverty Line

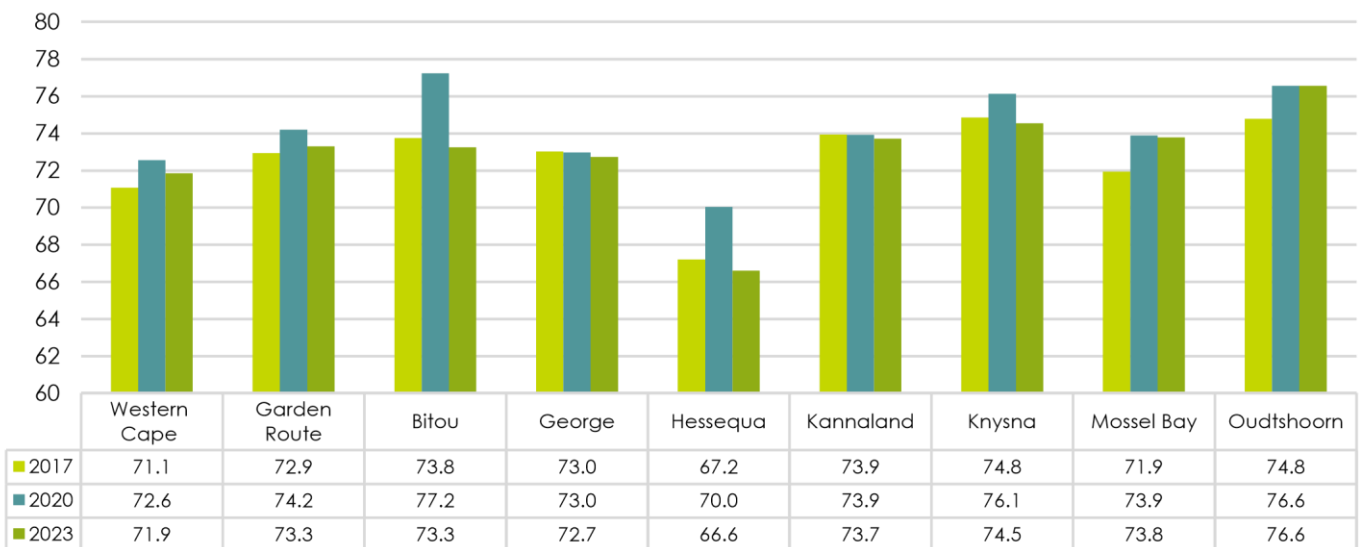


2017 2020 2023

Income Inequality



Poverty Line



POVERTY

GDPR PER CAPITA

The per capita Gross Domestic Regional Product (GDPR) experiences growth only when the rate of economic expansion exceeds the rate of population growth. In 2023, the Bitou Municipality exhibited a real GDPR per capita of R50,385, below the Garden Route District's figure of R53,875. The decline in Bitou's GDPR per capita from R57,639 in 2017 to R50,385 in 2023 reflects declining living standards for residents of Bitou, particularly for lower-income households. However, it is important to note that the GDPR per capita metric does not unveil the distribution of income among the population, highlighting the need for a more comprehensive assessment of economic equity in the region. This economic trajectory holds socio-economic implications, reflecting the municipality's evolving economic landscape and potential disparities in wealth distribution.

INCOME INEQUALITY

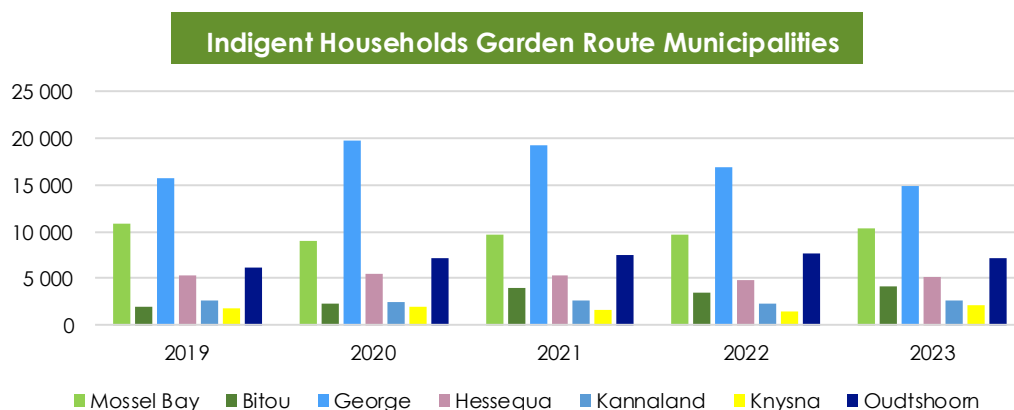
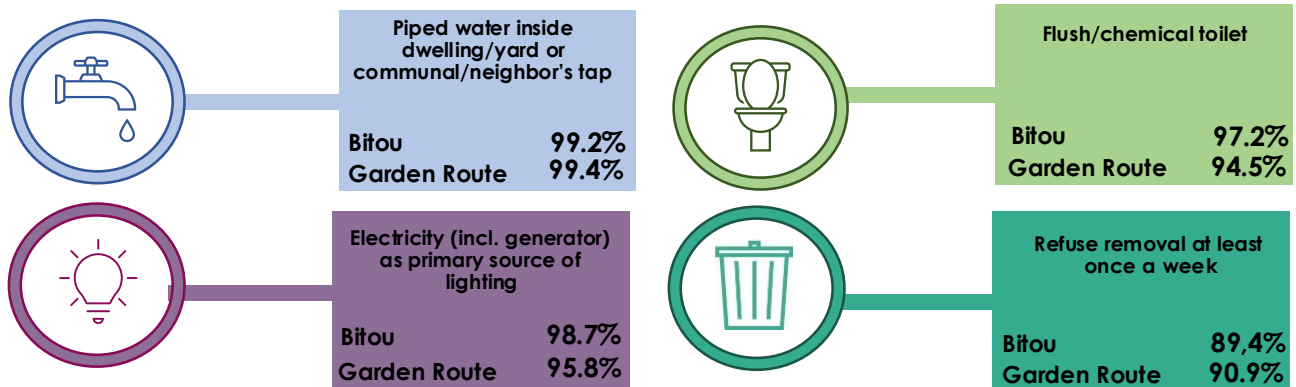
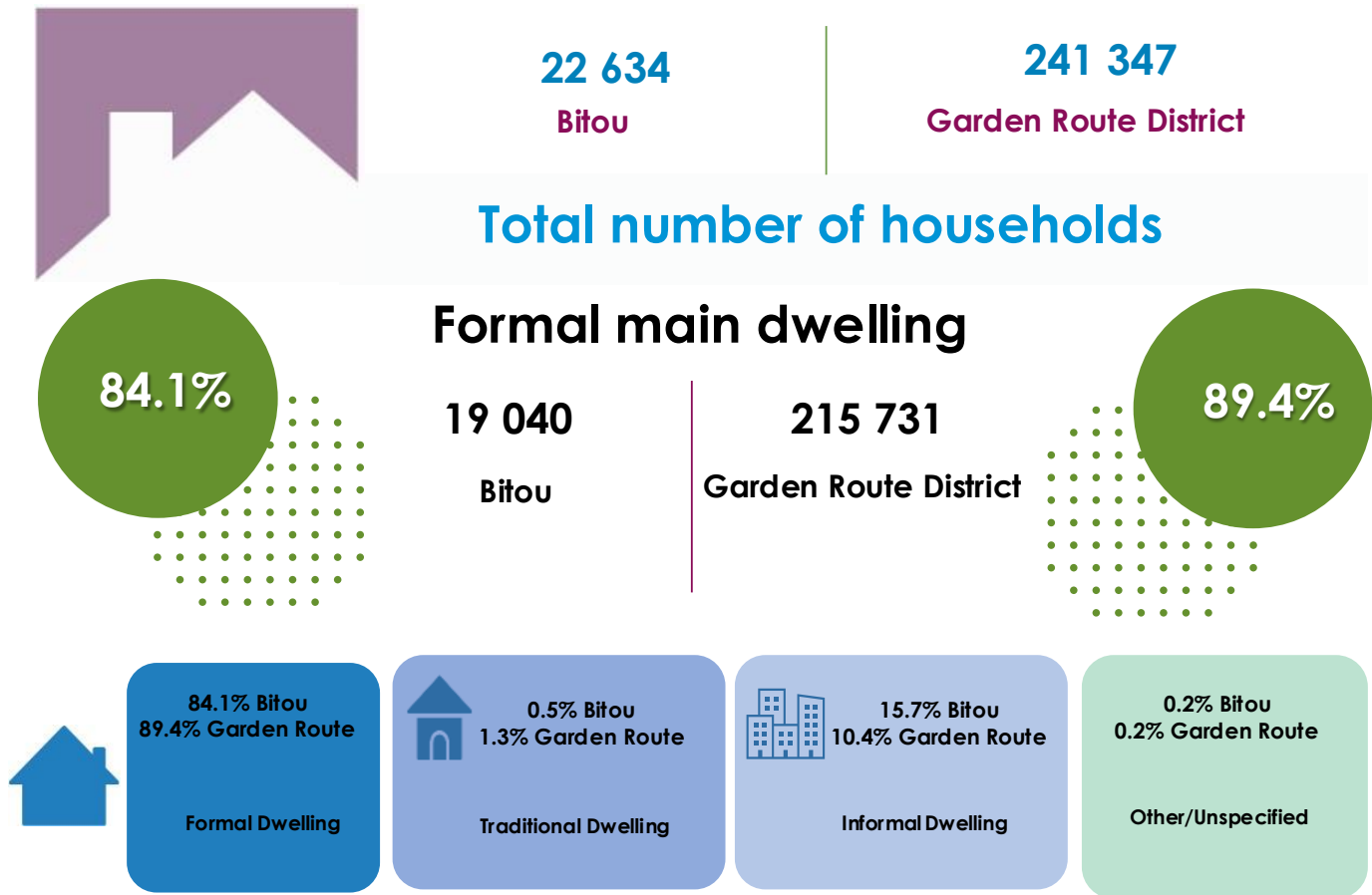
South Africa contends with some of the most pronounced income disparities globally, as evidenced by the widely adopted Gini coefficient index. This inequality manifests through a skewed distribution of income, disparities in access to opportunities, and regional economic discrepancies. In pursuit of mitigating this issue, the National Development Plan (NDP) has set a target to reduce income inequality in South Africa, aiming to decrease the Gini coefficient from 0.7 in 2010 to 0.6 by 2030. In the Garden Route District, income inequality is slightly below the national target, registering at 0.54 in 2023.

Specifically, Bitou Municipality mirrors this inequality, holding a Gini coefficient of 0.64 in the same year. Notably, within Bitou, conspicuous income disparities are evident among different racial communities. Coloured communities in Bitou face the highest level of inequality, with a Gini coefficient of 0.56, followed by African communities at 0.51. In contrast, the lowest level of income inequality is observed among white communities at 0.42. These variations in income distribution carry significant socioeconomic ramifications, reflecting the broader impact of unequal economic conditions within the region.

POVERTY LINE

The Upper Bound Poverty Line (UBPL) headcount ratio reflects the percentage of the population unable to afford a minimum standard of living, which includes both essential food and non-food items. In South Africa, the UBPL is set at R1,227 per person per month (April 2019 prices). Poverty exerts profound socio-economic impacts on communities, including reduced life expectancy, malnutrition, food insecurity, increased susceptibility to crime and substance abuse, lower educational attainment, and inadequate living conditions. Aligned with the National Development Plan's (NDP) goal to eradicate poverty by 2030, addressing these challenges remains a critical priority. However, in Bitou, poverty levels have worsened, with 73.3 per cent of the population living below the UBPL in 2023, increasing from 77.2 per cent in 2020 and 73.8 per cent in 2017. This places Bitou among the municipalities in the Garden Route with extreme poverty prevalence.

BASIC SERVICE DELIVERY



BASIC SERVICE DELIVERY

The Constitution stipulates that every citizen has the right to access to adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to services such as potable water, basic sanitation, safe energy sources, and refuse removal services, to ensure that households enjoy a decent standard of living.

This section considers to what extent this has been achieved by reflecting on the latest available information from Quantec Research for 2021. The latest official statistics were collected by Statistics South Africa for the 2022 Census. The information on indigent households is obtained from the Western Cape Department of Local Government statistics.

HOUSING AND HOUSEHOLD SERVICES

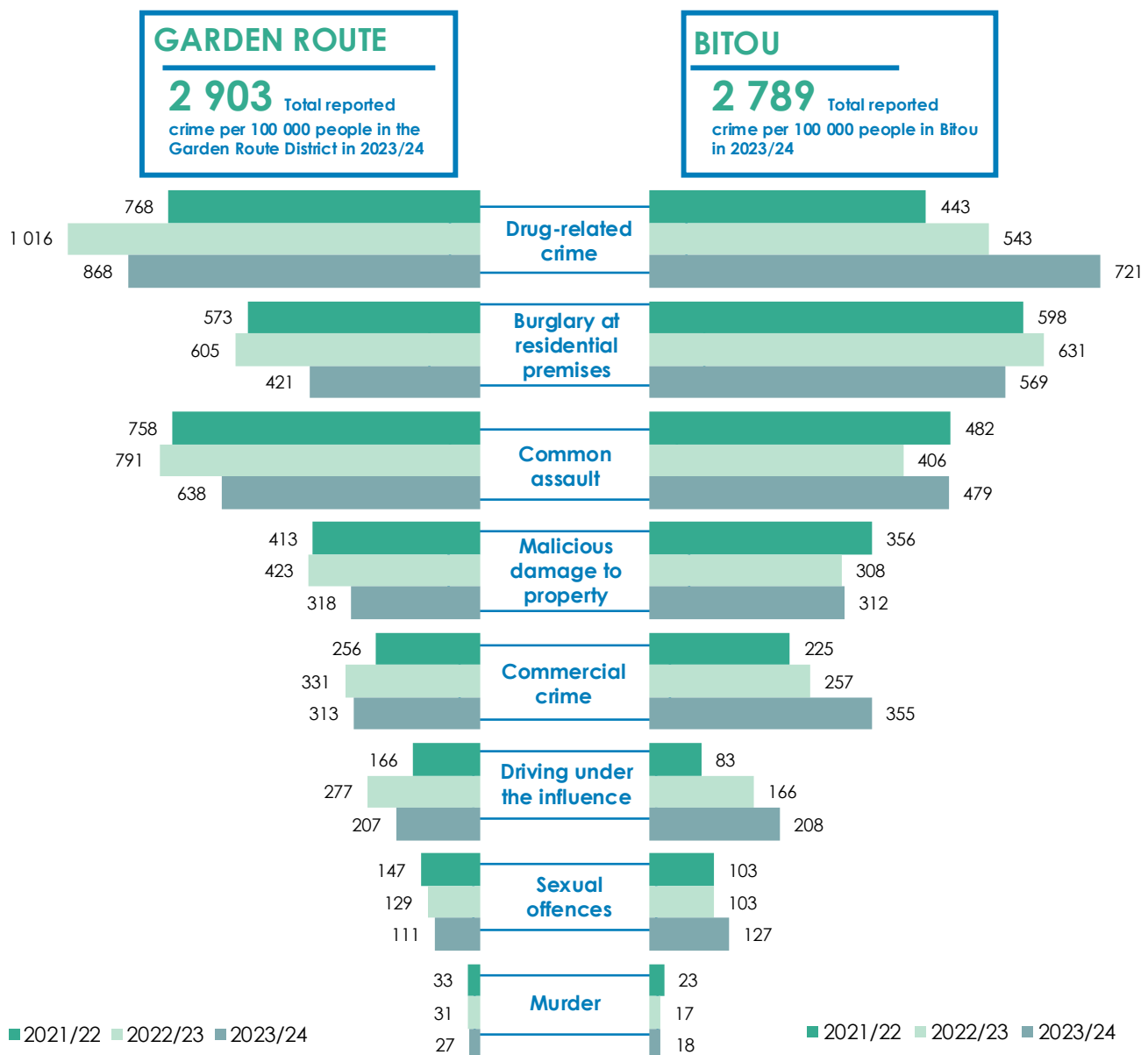
Within the Bitou municipal area encompassing 22,634 households, 84.1 percent had access to formal housing, below the Garden Route District's mean of 89.4 percent. Bitou exhibited a diminished share of informal dwellings, constituting 15.7 percent, in contrast to the district-wide average of 10.4 percent for informal housing. This discrepancy in housing types implies distinct socio-economic dynamics within Bitou, potentially influencing various economic and social indicators in comparison to the broader Garden Route District.

Service access levels within the Bitou municipal area exceeded the access to formal housing in certain cases. Approximately 99.2 per cent of households had access to piped water either inside the dwelling/yard or through communal/neighbour's taps. An impressive 97.2 per cent had access to flush toilets or chemical toilets, and 98.7 per cent had access to electricity (including generators) for lighting. Additionally, local authorities removed refuse at least weekly for 89.4 per cent of households in the area. These disparities in housing and service access have socio-economic implications, impacting the living conditions and quality of life for the local population.

FREE BASIC SERVICES

Municipalities extend a suite of essential services without charge to households grappling with financial adversity and struggling to meet service-related expenses. In the Bitou municipal area, the number of households availing themselves of free basic services has been growing from 1,891 in 2019 to 4,132 in 2023. Given the challenging economic milieu, it is envisaged that these circumstances will exert added pressure on household incomes, resulting in an upswing in the demand for free basic services and, consequently, an increase in the number of households categorised as "indigent." It is imperative to underscore that this trend is context-specific and contingent upon the application of eligibility criteria in the region.

SAFETY AND SECURITY



SAFETY AND SECURITY

MURDER

Murder is defined as the unlawful and intentional killing of another person.

In the Bitou municipal area, there has been a decline in the actual count of murders, from 17 cases in 2022/23 to 12 cases in 2023/24. However, despite this decline in raw numbers, the murder rate in Bitou, calculated per 100,000 people, similarly exhibited a downward trend from 23 in 2021/22 to 18 in 2023/24. It is pertinent to highlight that this rate is below the murder rate of 27 per 100,000 people recorded in 2023/24 for the Garden Route District. Notably, when juxtaposed against the global murder rate of 6.1 per 100,000 people reported by the United Nations Office on Drugs and Crime in 2017, both the District and the Municipality's rates appear elevated, indicating socio-economic implications tied to public safety and crime management within the region.

SEXUAL OFFENCES

Sexual offences include rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency, and human trafficking.

In 2023/24, there were 83 sexual offences reported in the Bitou area, up from 76 reported in 2022/23. The incidence of sexual offenses per 100,000 people in the Bitou municipal area (127) was higher than that of the district (111) in 2023. It is noteworthy that South Africa is among the top 5 countries globally in terms of reported rape cases, underscoring the magnitude of this issue, which necessitates addressing. In response, a National Strategic Plan on gender-based violence and femicide has been developed.

DRUG-RELATED OFFENCES

Drug-related crimes refer to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs.

In the Bitou area, drug-related crimes increased from 325 cases in 2022/23 to 470 cases in 2023/24. When considering the rate per 100 000 people, Bitou had 721 drug-related offenses per 100 000 people in 2023/24, which is slightly lower than the Garden Route District's rate of 868 per 100 000 population.

DRIVING UNDER THE INFLUENCE (DUI)

A situation where the driver of a vehicle is found to be over the legal blood alcohol limit.

The number of DUI cases in the Bitou area increased from 61 in 2022/23 to 136 in 2023/24. This translates to a rate of 208 cases per 100,000 people in 2023/24, which is slightly higher than the Garden Route District's rate of 207 cases per 100,000 people.

RESIDENTIAL BURGLARIES

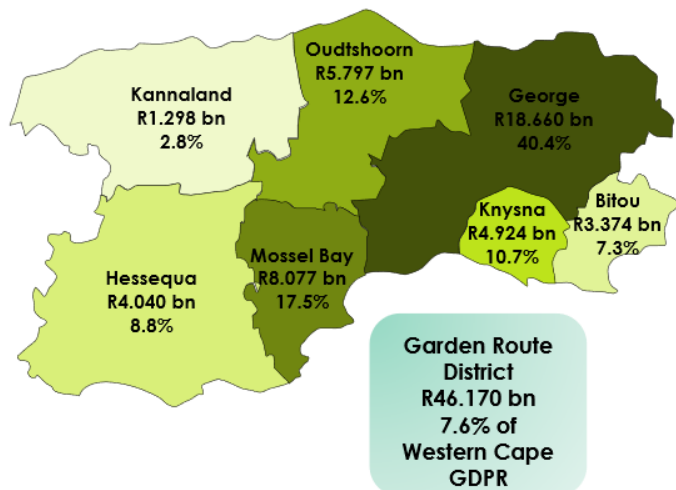
The unlawful entry of a residential structure with the intent to commit a crime, usually theft.

The number of residential burglaries in the Bitou area declined from 439 in 2022/23 to 371 in 2023/24. The Bitou municipal area's rate of 569 residential burglaries per 100,000 population exceeded the district's rate of 421 in 2023/24. These crime trends have significant socio-economic implications for the community's safety and well-being.

GDPR PERFORMANCE



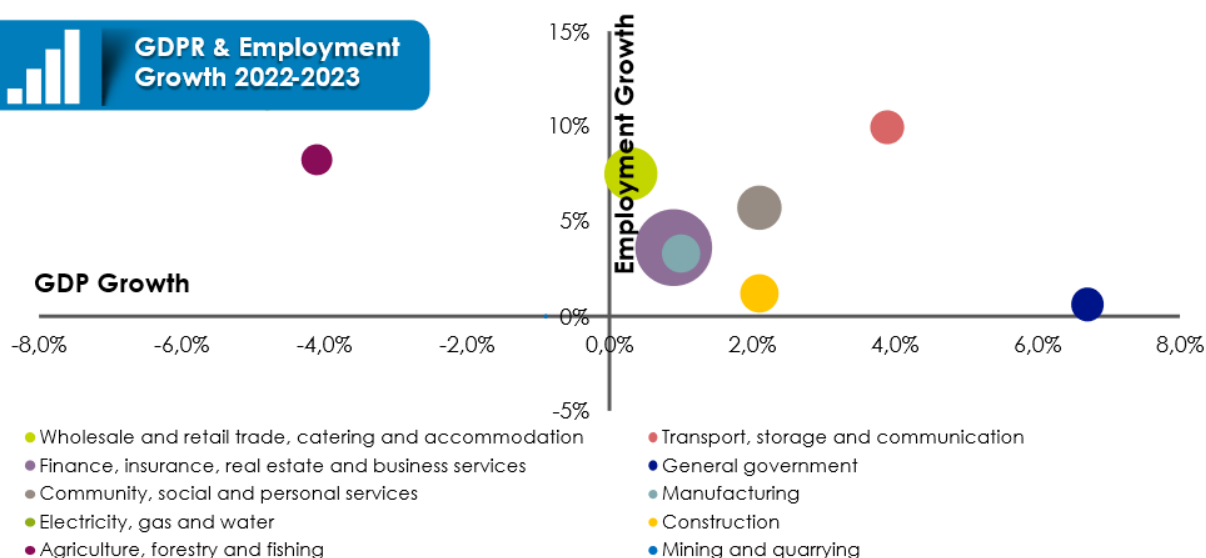
GDPR Contribution 2023



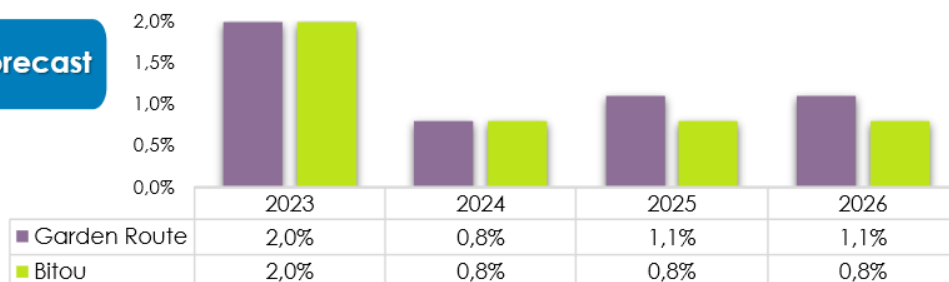
Sectoral contribution to GDPR 2023



GDPR & Employment Growth 2022-2023



GDPR forecast



International Trade, 2023

Imports
R1.1 billion

Exports
R3.4 billion

Top exported products

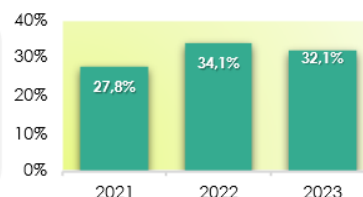
Other fruit, fresh
Citrus fruit, fresh or dried
Apples, pears and quinces, fresh

Top imported products

Automatic data processing machines and units thereof
Other aircraft; spacecraft
New pneumatic tyres, of rubber



Tourism spend % of GDP



GDPR PERFORMANCE

In 2023, the Gross Domestic Regional Product (GDPR) of the Bitou municipal area amounted to R3.374 billion, which is 7.3 per cent of the Garden Route GDPR and is estimated to have grown by 1.3 per cent in 2023. Key sectors driving this GDP included finance (35.1 per cent), trade (16.3 per cent), and transport, storage, and communication (6.8 per cent). The town of Bitou has a diverse economy, providing legal, accounting, financial, and real estate services for individuals and businesses alike. The finance sector was particularly diverse, encompassing activities such as accounting, research and development, property leasing, and insurance.

The substantial contribution of the trade sector in 2023 highlights the significance of tourism to the local economy. Accommodation services and restaurants played a pivotal role in employment within the municipal area. However, it is important to note that the tourism sector is highly seasonal, with peak periods occurring during school holidays. The primary driver of growth in the area is the finance sector, which is anticipated to grow by 4.9 per cent in 2023.

GDPR FORECAST

The analysis of the GDPR (Gross Domestic Product at the regional level) and employment performance in Bitou presents a complex but optimistic outlook for the area. High-value sectors, particularly finance, insurance, real estate, and business services, remain the primary drivers of GDPR growth, contributing a significant 35.1 percent to the region's economic output in 2023. Despite this substantial contribution, these sectors have not been major job creators, with employment growth in finance and business services only reaching 3.6 percent.

In contrast, the wholesale and retail trade, catering, and accommodation sectors accounted for 16.3 percent of GDPR and experienced a solid 7.5 percent increase in employment. Additionally, sectors such as transport, storage, and communication, while contributing a smaller share to GDPR at 6.8 percent, showed impressive employment growth of 9.9 percent. This highlights the vital role of infrastructure and logistical services that support both tourism and trade in the region.

LABOUR MARKET PERFORMANCE

Employment profile



Labour force participation rate

2022 | 2023
63.2% | 60.5%



Labour absorption rate (employment-to-population ratio)

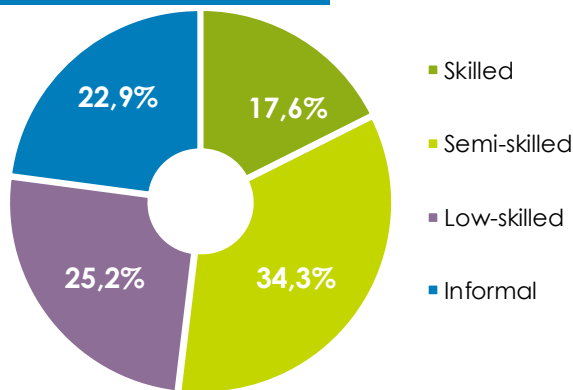
2022 | 2023
40.1% | 40.9%



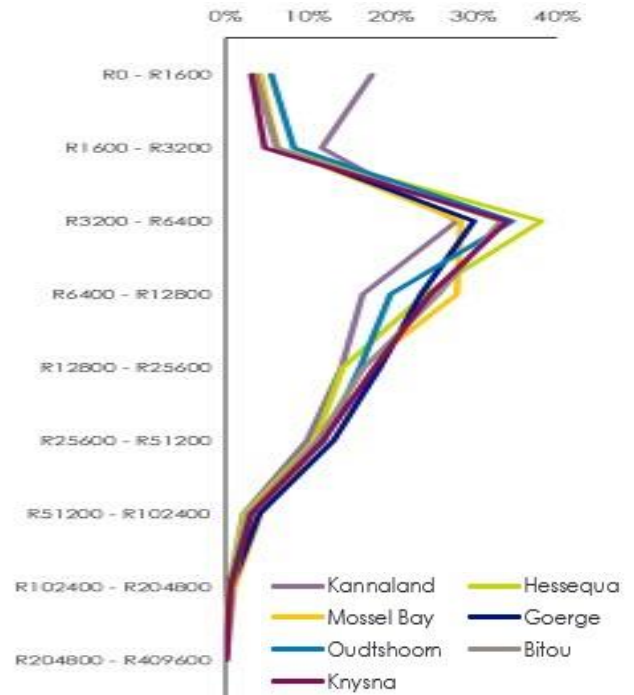
Not economically active proportion of working-age population

2022 | 2023
33.0% | 35.3%

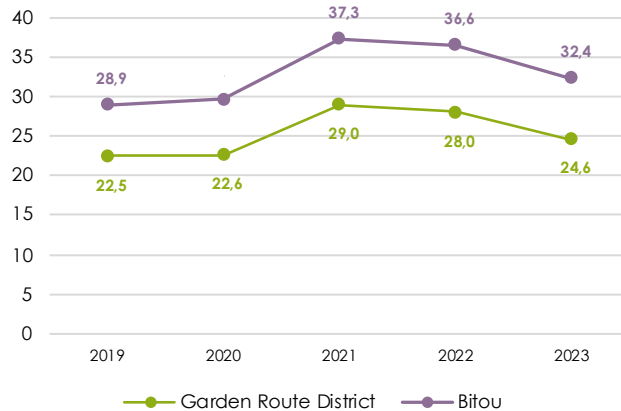
Skill Level % Contribution, 2023



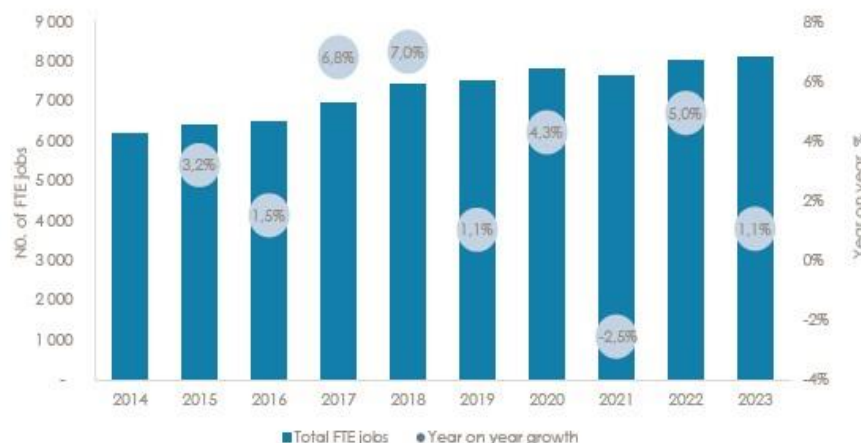
Wage Distribution per municipal area, 2023



Unemployment rate (%) 2019 - 2023



Top 5 Sectors for job gains and job losses (FTE) 2022 - 2023



Top 5 Sectors

Sector	No. of FTE Jobs
General public administration at Local Government level	905
Other restaurant and mobile food service activities	429
Short term accommodation activities of hotels and motels	412
Construction of buildings	397
Retail sale in non-specialized stores with food, beverages or tobacco predominating	238

LABOUR MARKET PERFORMANCE

KEY INSIGHTS:

EMPLOYMENT PROFILE

- The labour force participation rate declined from 63.2 per cent in 2022 to 60.5 per cent in 2023.
- The labour absorption rate remained stable (40.1 per cent in 2022 vs. 40.9 per cent in 2023).
- The percentage of the working-age population that is not economically active increased to 35.3 per cent.

SKILL LEVELS (2023)

- Semi-skilled workers constitute the largest portion (34.3 per cent), followed by low-skilled (25.2 per cent) and skilled (17.6 per cent).
- Informal employment remains significant at 22.9 per cent.

UNEMPLOYMENT RATE (2019-2023)

- The unemployment rate in Bitou increased to 32.4 per cent in 2023 after peaking at 37.3 per cent in 2021.
- The Garden Route District maintained a lower unemployment rate, improving from 28.0 per cent in 2022 to 24.6 per cent in 2023.

WAGE DISTRIBUTION (2023)

- A substantial proportion of workers earn between **R3 200 – R6 400** and **R6 400 – R12 800**, indicating wage concentration in lower income brackets.
- Higher-income brackets have minimal representation across municipalities.

SECTORAL JOB GAINS & LOSSES (2022-2023)

TOP JOB-CREATING SECTORS:

- Construction of buildings (+70 jobs)
- Food service activities (+20 jobs)
- Computer consultancy & IT services (+16 jobs)

TOP JOB-LOSING SECTORS:

- General public administration (-147 jobs)
- Sports club activities (-26 jobs)
- Manufacturing (wood, furniture, ceramics) (-16 to -12 jobs)

OVERALL EMPLOYMENT TRENDS (2014-2023)

- Total Full-Time Equivalent (FTE) jobs have fluctuated, with a 5.0% growth in 2022 but only 1.1% in 2023, indicating slowing job creation.
- The peak job growth years were 2016-2018, with declines during economic downturns.

CONCLUSION & RECOMMENDATIONS:

- Skills Development: There is a growing demand for semi-skilled and skilled workers, necessitating targeted training programs.
- Sectoral Focus: While construction, hospitality, and IT services are expanding, public administration and manufacturing face job losses. Diversifying employment opportunities is crucial.
- Income Disparities: Most workers earn low to mid-range wages, highlighting the need for policies that promote wage growth and economic inclusivity.
- Labour Market Resilience: Strengthening informal employment support mechanisms can help buffer economic downturns.

RISK AND VULNERABILITY FACTORS



VULNERABILITY*

Local municipalities are ranked according to their vulnerability relative to all 25 municipalities in the province (Rank). A higher ranking (out of 25) indicates the municipality is comparatively worse off.

An additional score (out of 10) is provided for vulnerability factors relative to all 213 municipalities in the country (Score).

Municipality	Socio-Economic		Economic		Physical		Environmental	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Bitou	19	2.32	25	6.50	24	7.17	21	6.84
George	9	1.60	16	3.38	22	6.03	8	4.36
Hessequa	10	1.60	13	2.96	11	5.28	16	5.12
Kannaland	24	2.90	4	1.24	6	4.66	11	4.72
Knysna	14	1.92	24	5.66	19	5.93	23	8.13
Bitou	5	1.26	11	2.82	13	5.40	19	6.10
Oudtshoorn	21	2.68	9	2.63	5	4.57	13	5.00



HAZARDS*

Bitou Overall Population Growth Pressure:

Continuous Medium growth pressure in most settlements *

Six of the Top 10 Risks in the Garden Route are environmental in nature (Provincial Disaster Risk Register)

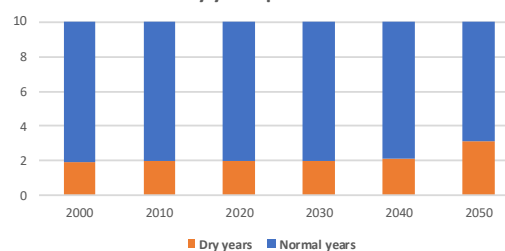
Bitou's identified Hydro-meteorological Hazards to settlements in as observed by the CSIR (The Greenbook *)

1. Human Diseases (Covid-19)	
2. Hazmat Incidents: Roads / Rail / Sea	
3. Alien Invasive Plants	An overall increased drought tendency.
4. Wildfires	Subject to possible wildfires occurring in wildland-urban interface with settlements, with low potential increase in exposure of settlements to wildfires.
5. Coastal Erosion	High increase in short-term coastal erosion exposure in Bitou.
6. Sanitation/Waste Disruption	
7. Drought	Low potential increase in exposure to heat extremes, whilst having an overall increased drought tendency, with high potential increase in exposure of settlements to drought.
8. Electricity Disruption	
9. Floods (Stormwater/Riverine/Coastal)	Low to moderate increase in short-term coastal flooding exposure. Moderate increase in extreme rainfall days in central areas of Bitou, with very low to low increase in exposure to flooding in settlements.
10. Severe Wind	

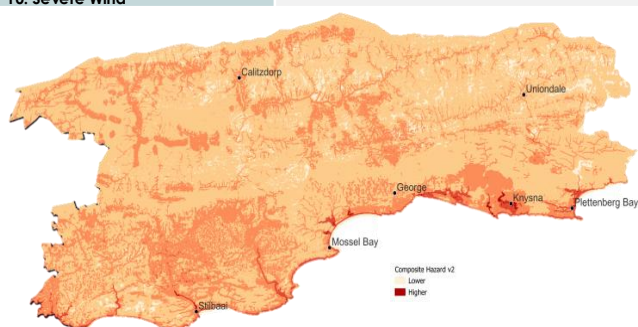
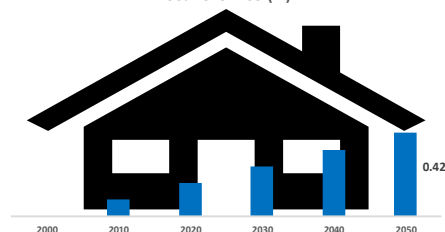
Garden Route no. of dry years per decade						
	2000	2010	2020	2030	2040	2050
Dry years	1.9	2	2	2	2.1	3.1
Wet years	8.1	8	8	8	7.9	6.9

Temperature change (2050 compared to historic) [†]	
Mean temperature increase (District)	1.2 °C higher
Additional days per year with daily maximum temperature above 30 °C (Bitou)	20 days

Dry years per decade



Sea Level Rise (m)



* Le Roux, A., van Niekerk, W., Arnold, K., Pieterse, A., Ludick, C., Forsyth, G., Le Maitre, D., Lötter, D., du Plessis, P. & Mans, G. 2019. Green Book Risk Profile Tool. Pretoria: CSR. Available at: riskprofiles.greenbook.co.za

[†] Jack, C., Van Aardenne, L., Wolski, P., Pinto, I., Quagrainie, K. & Kloppers, P. 2022. SmartAgri: Updated Climate Change Trends and Projections for the Western Cape. Cape Town: University of Cape Town. Available at: <https://www.elsenburg.com/wp-content/uploads/2022/08/SmartAgri-Climate-Change.pdf>

RISK AND VULNERABILITY FACTORS

SEA-LEVEL RISE AND STORM SURGES

Although we expect fewer storm systems to reach the Western Cape in the future, increased sea temperatures could mean increased storm activity and slightly stronger winds. At the same time, the thermal expansion of the oceans will result in 0.25m – 0.75m of sea level rise by 2050, with the associated swash run-up of 3.0m – 3.5m above the mean sea level (excluding tidal influence). Sandy shores are most affected – some areas in the Garden Route have seen beaches retreat landward at a rate of 0.6 m per year. This directly affects infrastructure and detracts from the amenity value of the coastline. Bitou faces a moderate increase in short-term coastal flooding exposure, as well as an incredibly low to low potential increase in exposure to flooding in settlements.

DROUGHT

According to the CSIR Green Book, Bitou has a High potential exposure to an increase in drought. Currently, 1.9 years per decade are at risk of drought, and this will increase to 3.1 out of every 10 years by 2050. Water and related sanitation services are key ingredients for socioeconomic development, food security, and healthy ecosystems, and are vital for reducing the burden of disease and improving the health, welfare, and productivity of populations. A deteriorating water catchment system, through ecosystem loss (transformation or land use change) and alien infestation, or watercourse and wetland modification, will lead to lower inputs into the water supply systems, and a lower overall water security due to lower natural retention and lower quality of water. During extended drought periods, even end users far from major source areas are likely to experience shortages as the overall system runs low.

VEGETATION FIRES

Although critical for a healthy ecosystem, fire is a significant threat to human lives, food security, socioeconomic activities, and livelihoods, as well as infrastructure and other assets. Furthermore, in many areas, land has been converted from natural vegetation to other land-cover types - some of which significantly modify the fuel loads (e.g., the establishment of forest plantations and the spread of several introduced tree species such as pines, hakea, wattles, and eucalypts). Fires in vegetation with high fuel loads increase soil erosion and run-off, which negatively affects ecosystem services and increases the impact of floods, among other factors. Where severe fires have occurred due to high fuel loads, resulting soil erosion leads to the sedimentation of rivers and dams, and therefore declining water quality (and increased water treatment costs). Bitou is subject to wildfires occurring in the wildland-urban interface with settlements, with a low to moderate potential increase in exposure to wildfires.

FLOODS

Floods result in millions or billions of Rands' damage to build structures or lost productivity, the loss of livelihoods, and in some cases, the loss of lives. A 2016 report calculated that four severe weather events between 2011 and 2014 caused more than R1.6 billion worth of damage in the Western Cape, and in the recent September 2023 severe weather event, flood-related infrastructure damage alone amounted to R2 billion. Flooding is also one of the main disaster risks affected by climate change. Changes in rainfall volume, intensity, and timing will alter flood risk profiles and necessitate a constant reconsideration of risks and risk reduction measures.

COMMUNITY DEVELOPMENT PRIORITIES

A municipality must cultivate a culture of governance that complements formal representative government with a system of participatory governance. According to Chapter 4 of the Municipal Systems Act, municipalities must encourage and create conditions for the local community to actively participate in municipal affairs, including the preparation, implementation, and review of the integrated development plan (IDP), as defined in Chapter 5.

The primary goal of public participation is to engage citizens in the decision-making process in meaningful ways. Effective public engagement facilitates communication between decision-making agencies and the general population. This communication serves as an early warning system for public concerns, a means of disseminating accurate and timely information, and a tool for informed, long-term decision-making.

The Bitou municipal area comprises seven wards, each represented by a Ward Councillor, along with eight proportional representative councillors. Ward Councillors chair ward committees, which function as a vital communication link between the council and the community. The municipality regularly holds ward meetings and conducts IDP and Budget consultative meetings twice a year. Ward priorities are included as an annexure to the amended IDP document to ensure the strategic nature of the IDP is maintained and to avoid the inclusion of a wish list.

Summary of Issues from All Wards

Instead of listing individual issues, here is a summary of common concerns across all wards:

HOUSING

Section 26 of the Constitution of South Africa states that everyone has the right to adequate housing and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

There has been a general outcry for housing development from all wards except for Ward 2. The communities requested that the municipality investigate and implement the following housing options:

- RDP subsidised housing

Many housing beneficiaries are paying rent as backyard dwellers to landlords who are, in most cases, indigent and like them. When the municipality cut the electricity to the main dwelling due to non-payment, the paying backyarders also suffered.

Some houses have back yard dwellings; these backyards are there as a result of growing families and a growing population.

- Gap housing

The economic design of Bitou is discriminatory to the forgotten middle class when it comes to housing delivery. The qualifying criteria for an RPD house disqualify individuals who earn R1.00 more than the qualifying R3500.00 threshold, and the property market in Bitou is so expensive that those qualifying for FLISP housing cannot afford a house.

There have been talks of GAP housing between Shell Garage and Santini Village. This project has been in the pipeline for more than a decade, and nothing is forthcoming. The municipality must speed up the construction of gap housing.

- Site and service

The negative impact of bureaucracy in issuing housing opportunities for housing beneficiaries prompted the community to ask the municipality to look for suitable land that can be serviced and distributed as service sites to eligible beneficiaries.

WATER RESERVOIR

Nature's Valley is a unique area located approximately 30 km from Plettenberg Bay. This part of Bitou attracts many holidaymakers during the

peak season, putting significant pressure on the town's water supply. It is reported that the water pressure at the entrance to the Valley often drops below 1 bar.

The municipality has budgeted for the construction of a reservoir in Nature's Valley, but the project has been repeatedly postponed for unspecified reasons. As a result, the community is urging the municipality to address this issue urgently before it leads to a crisis.

In addition to the water supply challenges in Nature's Valley, the aging water reticulation infrastructure also needs attention. The municipality must consider replacing the existing water reticulation system to prevent future water losses.

ROADS AND STORMWATER

Some township designs lack proper stormwater drainage systems, leading to significant losses for residents during storms. Areas most affected include Green Valley Phase Three, Kwanokuthula, Kurland, and New Horizons. Wittedrift is particularly impacted, as flooding from Green Valley runs down the hill into homes situated at the bottom of the hill.

While the municipal roads are in good condition, some access roads urgently require attention. For instance, the intersection at Beacon Way and the N2 needs upgrading since it serves as the northern entrance to the economic hub of Bitou (Plettenberg Bay). Additionally, Long Street in Green Valley, which is the main road of that area, also lacks a stormwater drainage system and requires immediate repair.

Children in Wittedrift face safety risks while walking over 4 km alongside a provincial road that has no sidewalks, shoulders, pedestrian crossings, or speed humps.

The municipality regularly addresses potholes, but some minor roads still have potholes that need attention. Furthermore, several streets either lack visible names or have names that are not clearly marked, which could delay emergency services.

Residents of Kurland and Kwanokuthula Phase Three along Ngqamlana Street are concerned about speeding cars and have requested that the council consider constructing speed humps. There is also a pressing need for sidewalks along Piesang Road, the N2 from Qolweni to Market, the N2 to Kurland Village, and along all main roads in the townships.

ELECTRICITY

There are three significant issues related to electricity in our town:

1. Streetlight Maintenance and Installation: There is a pressing need to maintain existing streetlights and install new ones in townships, particularly in Kwanokuthula, Qolweni, New Horizons, Green Valley, and Kranshoek. Additionally, high mast lighting is required in these areas to improve visibility and safety.

2. Pre-Paid Meters: Another challenge is the provision of pre-paid meters in Qolweni and Kurland. This service is essential for residents to manage their electricity usage effectively.

3. Underserved ESKOM Areas: The final challenge pertains to areas supplied by ESKOM that are currently underserved. There is an unfinished electrification project in Green Valley that requires urgent attention to ensure that all residents have access to electricity.

Addressing these issues is crucial for improving the quality of life in our communities.

WASTE REMOVAL

The municipality is currently transporting waste to Mossel Bay, which is costing taxpayers a significant amount of money. This practice will continue because Bitou lacks a designated landfill site. The municipality should explore alternative waste management strategies, such as recycling recyclable materials, while arranging for the transport of non-recyclable waste.

Communities are using every available space as dump sites, leading to a rise in illegal dumping throughout the Bitou area. In some cases, contractors are improperly disposing of building rubble in unauthorized locations instead of transporting their waste to designated waste sites.

There is a need for community education on the consequences of illegal dumping, and the municipality should increase the number of waste skips available.

Law enforcement officials should act by arresting, repossessing, and fining individuals who misuse wheelie bins for transporting items other than waste. Additionally, the municipality should consider converting some existing illegal dump sites into green spaces, playgrounds, jungle gyms, or community gardens.

DISASTER MANAGEMENT

Informal settlements such as Qolweni and Zawazawa are at substantial risk of fires, which can often destroy five to fifteen shacks or more. The municipality needs to remove all obstacles near fire hydrants and position fire trucks closer to these informal settlements.

SKILLS DEVELOPMENT

Young people often find themselves in conflict with the law due to a range of socio-economic challenges, including unemployment, dropping out of school, and family issues. Many young individuals struggle to secure employment because they lack essential skills. Therefore, the municipality, in partnership with SETAs and other government agencies, must create a diverse set of skills programs to empower the youth in Bitou.

Last year, the municipality announced a driver's license initiative aimed at empowering the youth of Bitou. This project received mixed reactions; some community members were unhappy with the exclusive qualifying criteria, which excluded economically active individuals over the age of 35 years.

SMME SUPPORT

The formal economy cannot employ everyone, and not everyone seeks traditional employment; some individuals aspire to become entrepreneurs and suppliers of labour. There are many small business owners and prospective entrepreneurs who want to engage in various sectors of Bitou's economy but face challenges due to a lack of resources and skills.

The small business community requests the following types of support:

- Venture capital
- Skills development programs
- Guidance on tender procedures
- Innovative approaches to accommodate local suppliers in municipal tenders.
- Provision of land for farming and water access for livestock in municipal areas
- Business incubation support
- Recycling initiatives
- Fishing permits and boat launching facilities for fishermen.
- Support for local arts and culture programs
- Promotion of township tourism and tourism-related businesses
- Monitoring of the implementation of relevant economic charters for Bitou's economy
- Identification of land for farming and small business development
- Renovation of old and dilapidated municipal buildings, such as the N2 Drop-off and New Horizons Taxi Rank, for small business use

By addressing these requests, the municipality can help strengthen the local economy and support the growth of small businesses in the area.

YOUTH AND GENDER

Young people often find themselves on the outskirts of development, feeling overlooked and excluded from activities that shape their community. For instance, there is currently no succession planning policy at the municipality, and youth living in the outskirts of Plettenberg Bay face excessive costs simply to have their documents certified.

Many young individuals are expressing their frustrations about the lack of recreational facilities. They deserve accessible and well-maintained spaces to gather, play, and thrive. Sadly, in some areas, sports fields and other facilities are neglected, lacking essential features like bathrooms and adequate lighting.

The municipality must prioritize gender mainstreaming. Ensuring a balanced representation of all genders in municipal activities is not just fair; it enriches the entire community.

Furthermore, the municipality needs to dedicate a budget to upgrade recreational facilities across all wards. Supporting annual sports tournaments and cultural events would also go a long way in bringing the community together and celebrating our youth.

The youth have shared their heartfelt requests, which include:

- Business support to foster entrepreneurship and growth.
- Opportunities for skills development to enhance their prospects.
- Programs in arts and culture to express their creativity.
- Upgrading of sports facilities to encourage active lifestyles
- Establishing Thusong Centres for youth activities that promote engagement.
- Indoor sports facilities for year-round recreation
- Safe and fun jungle gyms for younger children
- Universal access to the internet for education and connection

- Facilities for printing, scanning, and emailing to support their needs.

It is time to listen to and support our youth, ensuring they feel valued and empowered within our community.

EDUCATION

Bitou is experiencing rapid population growth, which is putting a strain on existing services. As a result, there is a significant demand for additional services, particularly in education. Overcrowding in some schools poses a risk to learning outcomes.

The increased demand for classrooms in Bitou also affects private schools like Greenwood Bay College (GBC), one of three private schools in the area, which has temporary prefabricated classrooms like those at Murray Secondary School.

Currently, there are no government secondary schools in Plett South, Kranshoek, or Kurland. Students from these areas are transported by scholar transport to Kwanokuthula, Wittedrift, and New Horizons. Similarly, Qolweni and Bossiesgif lack primary schools, and children from these locations also rely on scholar transport.

Students from Green Valley must walk over four kilometres (4 km) to Stofpad Primary School. The department refuses to provide scholar transport because this distance is less than the required five kilometres (5 km). During adverse weather conditions, these children must endure freezing temperatures, heavy rain, and scorching sun to access their right to basic education.

Moreover, isiXhosa-speaking students at Kurland Primary are being denied the opportunity to gain experience in their native language due to the absence of a single isiXhosa teacher.

The community has requested the following services:

- Construction of additional schools
- Provision of scholar transport for Wittedrift Kids
- Employing isiXhosa teachers for the foundation phase (Grade 1 – 3) in Kurland
- Regularly inspect the roadworthiness of the scholar transport
- Construct bus shelters at Bossiegif, Qolweni, and Green Valley
- Construct libraries in all areas and or equip all schools with a library.

HEALTH

It is disheartening to see the struggles that Bitou patients are facing when it comes to healthcare. Many people feel that the government is not providing the necessary support for their needs. The lack of a public hospital in the municipal area is particularly concerning, and there is a sense of frustration that Bitou might be the only place without such vital resources. Despite repeated requests from the community for a public hospital, their voices have not been heard.

The delays with ambulances are also alarming. It is heartbreaking to think that in some cases, these delays can lead to tragic outcomes, especially during weekends and peak seasons when help is urgently needed.

Moreover, the current appointment system is causing additional distress for patients. It is incredibly frustrating to wake up early and prepare for an appointment, only to leave without the care they desperately need.

There is also a very real concern for those on chronic medication. The way their medications are being managed is leading to patients not following through with their treatments. The practice of segregating patients based on their illnesses is understandably upsetting, causing many to feel discriminated against and undervalued.

The community's needs and voices deserve to be acknowledged and addressed with compassion and urgency.

The following request is made:

- The Department of Health should scrap or improve the appointment system.
- Build a district hospital or convert the Kwanokuthula community centre into a 24-hour primary health care facility.
- Provide additional ambulances and emergency personnel.
- Medication must be dispensed from the same area for all patients to prevent discrimination against patients with chronic illnesses like HIV, etc.
- Provide shelter for outpatients at clinics.

COMMUNITY HALLS, CEMETERIES, AND PLAY PARKS

Community halls are vital assets for any community, and it is essential that they are properly maintained and cared for. These halls serve various purposes, including church sermons, funerals, weddings, entertainment, indoor sports, elections, and fundraisers. Unfortunately, the current state of community halls is unacceptable, and the municipality must prioritize their maintenance and upgrading.

Many areas, such as Qolweni, Pinetrees, Kurland, and Wittedrift, were designed without playparks, forcing children to play in the streets. This situation puts them at risk of accidents; for instance, a police vehicle once ran over a child.

The following actions are requested:

- Upgrading and renovating the community halls in Piesang, New Horizons, Kwanokuthula, Bicycleshed, and Kurland.
- The community of Harkerville has strongly rejected the construction of a community hall for this term of council. The funds that were allocated for this hall should be redirected.

- Developing playparks and jungle gyms in all areas.
- Fencing and regularly maintaining cemeteries.
- Accelerating the construction of the regional cemetery.
- Preserving the Wittedrift graveyard.

CRIME

There are many forms of crime that are committed by criminals; however, the most evident crime that affects the lives of ordinary people is drug related. Drug-related crimes are the causality of other crimes like burglary, theft, muggings, and in some instances murder. The disjuncture between the police and other spheres of government is the actual reason crime is spiralling out of control. Communities are harbouring drug lords who, in most cases, conceal their drug trade through Spaza, Barbershops, and saloons.

Lack of police visibility and the proximity of the community to the police station are also contributing factors to crime. Some areas in Bitou do not even have police contact point, like satellite police stations to report crime. Police vehicles must be dispatched from Kwanokuthula or Plett-south depending on the sector. The allocation of sectors is also a contributing factor; for example, Kranshoek is under Kwanokuthula, and New Horizons fall under Plettenberg Bay. A skewed linear approach was used to determine police sectors.

Poor lighting, damaged streetlights, loadshedding, and alien vegetation are other contributing factors to criminal activities around Bitou. Criminals use dark areas to ambush their victims or escape routes. They sometimes conceal their loot or escape through the Elian vegetation.

The following is requested:

- Clear all bushes in residential areas like the one between Bossiesgif and Pine Trees, the bushes down Piesang Road, etc.

- Construct police stations and satellite stations for outlying areas, including New Horizons
- Provide adequate vehicles for police visibility.
- Install additional high mast lights in Kwanokuthula, Bossiesgif, Kurland, Kranshoek, and Green Valley
- Upgrade streetlights in all areas and install new streetlights at Beacon Way and Longships Drive.

In conclusion, to address the community priorities is not the sole responsibility of Bitou municipality but the responsibility of the government collective, in the spirit of cooperative governance. The private sector and civil society have a crucial and particularly significant role to play in advocating, resource mobilisation, and implementation of developmental programmes to empower societies.

NB: A detailed list of Ward priorities raised during the public meetings is added as an annexure to this document.

INSTITUTIONAL ANALYSIS

FINANCIAL SERVICES

Bitou Municipality's Finance Department aims to manage financial resources efficiently and sustainably. Manage revenue collection, supply chain and expenditure, investments, and insurance. They are responsible for creating the annual budget, financial statements, accounting functions, and legally required reporting.

The department's vision is to ensure sound fiscal management through effective revenue collection, sustainable resource utilisation, and accurate financial transaction recording.

The country is currently facing multiple macroeconomic challenges, which include high inflation rates that exceed the South African Reserve Bank's target range. Additionally, interest rates are high, with the prime rate currently sitting at 10.75% and the repo rate at 8.25%. Unemployment is at an all-time high of 30.8%, and the current personal income tax rate is set at 45%. Furthermore, the population has increased to 62 million, which is 19.8% higher than it was in 2022. However, there are only 7.1 million taxpayers, and a considerable number of people, 27 million or 18,829,716 recipients, currently rely on grants. This number has dramatically increased from 3.8 million in the year 2000. Lastly, the past 11 years have only seen a little over 1% of economic growth per annum, totalling 11.87%.

The Bitou Municipality's financial data reveals the following:

- Employee costs rose from R127.5 million to R333 million in 11 years, with an average annual increase of 14.65%.
- Bulk purchases increased from R77.7 million to R206.2 million, with a total growth of 165.83% or an average of 15.08% per year.
- Electricity revenue witnessed an average annual increase of 12.37% over 11 years.
- Revenue rates saw an average annual increase of 8.98% over 11 years.
- Tariffs were raised by an average of 6% per year over 10 years.
- The cost of producing services, as measured by PPI, increased by an average of 8.85% per year over 10 years.
- Finance charges decreased on average by 0.27% per year over 11 years.
- Contracted services increased from R19.7 million to R95.8 million, marking a 385.9% surge or an average increase of 35.08% over 11 years.
- **The number of indigent people rose from 1930 to 4600, reflecting an increase of 2670 and counting, or 138.34% growth, averaging 12.58% per year over 11 years.**

Multiple factors have contributed to the municipality's financial decline, including excessive spending and a lack of budgetary restraint, as well as short-sighted budget decisions. Political appointments, patronage, and cadre deployment have also played a role. The lax attitudes of staff members, who struggle with follow-through and problem-solving, have compounded the problem. Furthermore, there is a lack of respect for authority, policies, and processes, and a dearth of strategic direction. Reactive budgeting practices, a failure to plan and execute plans, and self-interest have all contributed to the issue.

To determine the financial strategy for the future of the Municipality, several factors must be considered. These include political will, integrity, ethics, understanding, and commitment. The financial strategy should also be informed by the LTFP, CAPEX, funding, OPEX, affordability, and the current state of municipal service offerings.

It is important to take note of current institutional, financial, and operational situations, as well as municipal master planning and developments. The demand for services and revenue to match, as well as cost drivers, need to be evaluated.

Affordability, who demands vs. who pays, and revenue sources to support demand are also crucial factors. Additionally, socio-economic factors, economic reality, Eskom, economic climate, inflation, interest rates, and growth should be considered.

The following financial targets and benchmarks have been outlined:

- Capital funding of R60 million borrowing, R25 Million in CRR + grants.
- Operational Expenditure growth at 5%, except where cost drivers such as Eskom, fuel, and interest rates may dictate the cost.
- Salaries and collective agreement are estimated at 6%.

The Municipality is currently facing several challenges, including a lack of qualified staff with the right skills, experience, and knowledge, as well as financial and operational systems that are not up to par. Additionally, there are issues with the revenue base and tariff modelling that need to be addressed to ensure cost-effectiveness. Furthermore, past budget decisions have had a significant negative impact on the sustainability of the Municipality, leading to a backlog of processes that need to be addressed. It will take time to build momentum and close the gap between expectations and reality while also addressing data inadequacies and anomalies.

The department has identified various risks, including staff recruitment, economic downturns, the impact of load shedding, and the energy crisis on municipal revenue, SSEG, tariff appropriateness, management continuity, political stability, lack of restraint, the mSCOA Integrated system, and ERP support.

To address these challenges, the financial department is investing in appropriate operational systems, as well as training and empowerment programs. They are focusing on data cleansing, revenue enhancement, credit control, debt collection, automated processes, workflow between departments, and customer focus. The department is also focused on achieving financial recovery and a clean audit by 2025.

To succeed in future budgeting, the Municipality should consider using strategic documents, such as LTFP, MTREF, SEP, MERO, PERO, and the council strategy, to inform budget decisions. They should focus on their core mandate, allocate resources where they are needed most, and prioritize strategic projects. Effective communication with stakeholders is also essential, as is providing value for money to ratepayers.

COMMUNITY SERVICES

The Community Services Department strives to enhance the quality of life of the residents of Bitou by providing a comfortable environment. This department comprises several sections, including Human Settlements, Parks and Recreation, Fire and Rescue Services, Library Services, Waste Management, Traffic Services, Beaches, Law Enforcement, and Multi-Purpose Centres.

The Community Services directorate faces several challenges, including governance challenges, finance challenges, community facilities and beaches challenges, human resources challenges, and service delivery challenges.

Governance challenges include the lack of standard operating procedures, non-compliance with policies, approved Section 79 del, and monthly reports to the Council. Additionally, the directorate fails to execute Council resolutions promptly and update SDBIP and KPI's in divisions.

Finance challenges are a result of the lack of standard operating procedures for tariffs, ineffective management of procurement processes, and a lack of standard operating procedures for leases.

Community facilities and beaches face challenges such as a lack of maintenance and upkeep, an increase in shark activity, and limited cemetery space.

Human resources challenges include low staff morale and capacity constraints due to non-compliance with policies and procedures.

Service delivery challenges include an ailing waste management fleet, poor maintenance of facilities, and slow response time to fire and other emergencies.

The Community Services Directorate has accomplished several achievements and initiatives, which include the following:

1. **Governance:**

The following are some important procedures and plans that have been implemented:

- Adoption of standard operating procedures.
- Development of a standard routing form.
- Creation of templates for Occupational Health and Safety (OHS) compliance, such as a fire extinguisher register.
- Development of log sheets for all fleets.
- Creation of a Standard Operating Procedure (SOP) for fleet usage.
- Submission of monthly reports by all divisions to the portfolio committee.
- Inclusion of the Service Delivery and Budget Implementation Plan (SDBIP) and Key Performance Indicator (KPI) as standing items in all management meetings.
- Inclusion of the Collaborator as a standing item in management meetings.
- Introduction of weekly schedules for parks and recreation.
- Review and amendment of the council rental of immovable property policy.

2. **Parks and recreation:**

- Land Audit to identify alternate sites for play parks in Ward 4

- Source external funding from Provincial and National Government
- Outside Gym – vacant land on Sishuba Street
- Longships Park
- “Adopt a park” – encourage communities and private entities to adopt a park and partner with BM to manage and maintain parks.

3. Beaches and Amenities:

- Beaches Plett Ocean Smart Campaign – to enhance interaction between wildlife and humans.
- In addition to the land audit
- Develop Asset Maintenance Plan- immediately.
- Risk Control Plan- immediate.
- Lease register- immediate.
- Review of current lease agreements
- Analysis of the rental building of new office accommodation for staff
- Contract Management SOP in line with Section 116 of MFMA
- Market valuations for all Council residential properties to be obtained.
- Review of Staff Housing policy to rent municipal property to private individuals and staff at market-related rental.

4. Cemeteries:

- Finalise establishment of Cemetery – Planning phases, including any procurement plans, to be completed by June 2023
- Campaign to promote cremation.
- Erect a wall of remembrance at all cemeteries.
- Implement a monthly clean-up schedule for cemeteries.

5. Maintenance:

- Certificate of Completion to be signed by all contractors and the property officer.
- EOI tender – develop small contractors.
- Price estimations to be obtained.
- Rotational mechanism to be built to guard against nepotism, collusion, and cronyism in the award of RFQ's.

6. Finance:

- Developed and implemented SOP to ensure correct tariffs are applied for services rendered.
- Progress on Capital items and tenders, standing items at management meetings.
- 90% of capital expenditure achieved at year-end.
- Completion of the lease register
- Compilation of bid specifications for expired commercial leases
- Commenced with market valuations for all council properties (residential and commercial) to ensure market-related rentals are achieved.

7. Human Resources:

- Approval of new org structure
- Appointed staff in positions where they have been acting for many years through a proper recruitment and selection process.
- Funding of critical Law Enforcement, Waste Management, and Traffic vacancies
- Improve the current lease register.
- Improve capacity and capability within the section.

8. Community Facilitates:

- Developed and commenced with the roll-out of the maintenance plan for all community facilities.
- Completed maintenance of Piesang Valley Hall
- Developed and commenced with the rollout of the maintenance plan for all beaches and public viewing sites.
- Replaced broken cement precast benches on Central Beach with recycled plastic benches.
- Coordinated the implementation of the Plett Shark Spotters program and other bather safety programs, i.e., Plett Ocean Smart
- Council approved the adopt-a-park program – roll out commenced at Jument Park, Longships
- Playpark equipment was submitted as part of the RSEP projects.

9. Service Delivery:

- R15 million budgeted for the new fleet in the 2023/2024 budget year.
- Procurement process finalised for all new waste management fleet.
- Awaiting delivery of new compactors, hook-lift, and trailer, as well as a new front-end loader
- Expected delivery for 1 new compactor in the 1st week of October.
- Expected delivery of the new front-end loader: 3 October 2023
- EOI specification for a panel of small contractors to expedite minor repairs and maintenance submitted to BSC.
- Materials procured for in-house maintenance projects.
- 12-hour shifts for 24-hour operations for both LE and Fire were introduced
- Rehabilitation of illegal dumpsites program developed.
- Projects from this program are submitted as part of Bitou RSEP applications.
- A new recycling tender has been advertised and is at the technical evaluation stage; this forms part of our waste minimisation project.
- The planning and initiation phase for the Kurland Waste drop-off facility is in an advanced stage. This drop-off facility will be completed by 2025.
- Site identified in Green Valley for Green Waste drop-off.
- Site identified in Ebenezer for Ward 4 Waste Drop-off facility.
- Site identified in Kranshoek for Ward 7 Waste drop-off facility.
- Council approved SLA and processes commenced for the construction of the GRDM regional waste facility, spearheaded by GRDM.

The Key Strategic Focus Areas for Integrated Waste Management:

1. Waste Minimisation

- Investigate and increase collection at the source through commercial contracts, business initiatives, entrepreneurs, waste pickers, and SMMEs.
- Unrestricted but regulated access to certain waste streams.
- Recycling reusable building materials and making the same available to the community in consultation with Ward Cllrs.
- Decentralised and Centralised waste drop-off facilities.
- Bring drop-off facilities closer to the people – objective to reduce fuel costs, maintenance of fleet due to kilometres travelled – current wet fuel budget R3,7 million
 - Current project: Kurland Drop off facility, which will be completed.
 - Site identified in Ebenezer for Wards 4 & 3
 - Investigate sites in Ward 7
 - Investigate green waste sites in Ward 1 (Wittedrift Green Valley)

2. Improve infrastructure and asset management.

- Fleet management – Log sheets, Daily inspections, maintenance schedules, driver education.
- Fencing is required for the demarcation of specific waste areas.
- Develop an agile workforce for a wider range of business processes- multi-disciplinary training to optimise the workforce.
- Ensure spare capacity for times of disruption in the delivery of services due to industrial action or infrastructure challenges.
- Plant hire tender.
- Introduction of curbside collection of green waste for the reduction of illegal dumping.
- Proposed outsourcing based on cost analysis.

The Key Strategic Focus Areas for Community Facilities:

1. Community Facilities – Sports Fields:

- Appointment of a consultant to develop a sports master plan.
- Submission of a grant funding application for the establishment of a multi-purpose sporting facility
- Development and training of ground staff in collaboration with private stakeholders to bring the playing field up to international standards.
- Effective roll-out of planned maintenance
- Refurbishment of sports field equipment

The Key Strategic Focus Areas for a Safer Town:

1. Public Safety
2. Fighting crime through technology:
 - Drones – “The Bitou Eye”

- 360 surveillance cameras on Main Street, CCTV cameras on all major entrance and exit roads in all wards.
- Reduce the use of warm bodies and cover more areas with “surveillance patrols” than vehicle patrols.

The Key Strategic Focus Areas for IHS:

1. Affordable Housing Projects – First Home Financed (Top Structure Opportunity and Serviced Sites – FLISP):
 - The program can be accessed by households that are earning between R3,501.00 – R22,000.00 per month, the size of the house is 50 m2 with two bedrooms.
 - The Beneficiary has not previously benefited from government assistance.
 - Have not owned a fixed residential property, except where the beneficiary has acquired a vacant serviced site from their own resources and needs assistance to construct/complete a house that will comply with National Norms and Standards introduced by the Minister of Human Settlement on 1 April 1999
 - For this strategy to be affordable to the intended beneficiaries, the Council is advised to exclude the Input cost, which might cost about R61,271.00 per erf as per the Human Settlements Quantum rates (A Grade Services)
 - It is therefore proposed that the property be sold only at land value.
2. Site and Service
3. Sell serviced sites with approved building plans.
4. Council to carry the input cost and land to be sold for a vacant stand only.
5. Aim to sell serviced sites between R60 000 and R80 000 per vacant stand in the new housing developments.
6. Affordable Housing Projects
7. Social Housing
8. The program can be accessed by households that are earning between R1,850.00 and R22,000.00 per month.
9. The Beneficiary has not previously benefited from government assistance.
10. The Social Housing projects are only earmarked in “Restructuring Zones,” which is aimed at developing affordable rental in areas where bulk infrastructure may be under-utilised.
11. Social Housing opportunities also provide poor households with access to employment opportunities and urban amenities such as schools, public transport, places of worship, etc.

CORPORATE SERVICES

The department is entrusted with the responsibility of overseeing the council and committees, legal affairs, general administration, human resources management, and communication. The department's objective is to ensure that the administrative affairs of the council and administration are of an exceptional standard.

In the past year, the department has achieved several noteworthy milestones, including a clean audit in the ICT department, reduction in legal expenses for contracted services, approval of a revised organizational structure, approval of new HR policies, reduction of the vacancy rate, establishment of a proactive employee wellness program, implementation of functional Ward Committees, and introduction of an upgraded citizen app for customer feedback.

However, the department has been facing several challenges, such as ICT not being recognised as a strategic enabler and cybersecurity concerns, and there seems to be a lack of widespread acceptance and use of technology in our organisation. There is inadequate technological literacy among users and poor project planning and implementation. Other challenges include issues with staff placement processes, non-adherence to legal compliance regulations, and poor corporate culture.

The department's strategic risks include cybersecurity, inadequate budget, increased litigation, non-compliance with legal and safety regulations, leaking of confidential information, ineffective leave administration, and non-compliance with employment equity regulations.

To address these challenges, the department has several key projects on its approved plans, including primary and disaster recovery storage, digital transformation, corporate wellness facilitation, OHS compliance, centralisation of records management, enhanced telephony system, digital time, and attendance, and cascading individual performance management.

The department needs acknowledgement of ICT as a strategic enabler, a budget for enhancing resilience against potential threat actors, promotion of the strategic directive for digital transformation, enhancement of the proficiency of officials in fundamental computer skills, adequate budget provision for contingent liabilities, adequate funding towards institutional compliance, better tools of trade to facilitate remote meetings and events, and improved communication systems.

Overall, the department is committed to providing high-quality administrative support to the council and administration while addressing the challenges it faces to ensure the smooth and effective functioning of the department.

ENGINEERING SERVICES

The Engineering Services Department, which was formerly known as Public Works, is divided into five sections: Water Quality Control, Project Management, Electrical and Mechanical Engineering, Roads and Stormwater, and Fleet Management. The department's goal is to provide a safe, efficient, uninterrupted, and cost-effective electrical and mechanical engineering service to the community within the municipal supply area.

Here is a list of accomplishments that the Department of Engineering Services has achieved:

- Successfully finished the Bossiegif/Qolweni sports field project.
- Completed the construction of a brand-new pump station for Ebenezer.
- Upgraded pump stations in all areas to improve efficiency.
- Adjudicated long-term tenders for professional service providers to ensure quality work.
- Implemented the Saringa Link Road between New Horizon and Ebenezer to improve transportation.
- Started installation of security fencing at Gaansevallei WWTW to ensure safety.
- Extended Plettenberg Bay Water Treatment Works to provide more access to clean water.
- Approved electrical capacity for Zawa by Eskom to ensure reliable electricity.
- Completed a new substation for Ebenezer development to improve infrastructure.
- Ongoing electrification of informal areas to provide electricity to everyone.
- Extended the street-lighting network to improve safety at night.
- Completed Kwanokuthula Sports field lighting to allow for night games.
- Completed preparation for the second transformer in Kwanokuthula to improve the electricity supply.
- Reduced electricity losses to promote efficiency and save money.
- Erected a high mast in New Horizon to improve lighting in the area.
- Completed Cost of Supply study and received outside funding to plan.
- Received R5.6 million in provincial funding for generators to ensure backup power.
- Replaced pipes at Signal Hill, Odlands, and Otto du Plessis bridge to improve infrastructure.
- Installed new screens at the inlet works to Gaansevallei WWTW to improve water treatment.

The department is proud of its accomplishments and will continue to work hard to improve its efforts to serve the community.

IDP Focus Areas:

Economic Growth:

- Collaborate with stakeholders to create an inclusive and participatory partnership climate that attracts investment.
- Incentivize businesses with restructuring augmentation costs, service fees, and tariffs that send a clear signal about your favourable business environment.
- Ensure sustainable provision of essential bulk services and appropriately zone and position land to make investment decisions easy.

Infrastructure Funding:

- Keep Service Master Plans, business plans, feasibility studies, and preliminary designs current for internal and external capital fund motivations.

- Create and maintain active partnerships with sector departments and donor-funding entities to keep your infrastructure up-to-date and world-class.
- Solicit assistance and funding from provincial/national governments for roads under their jurisdiction to ensure smooth transportation.
- Prepare for Fiscal dumping by National and Provincial in February and start with tender document preparation for gazetted external funding in November for the next budget year and internal funding once the Council approves the budget in May.

Augmentation of Electricity Supply:

- Formalize housing requirements to reduce electricity theft.
- Identify alternative energy sources (solar for municipal buildings, street/traffic lights, biogas from sewerage/landfill facilities), Eskom/INEP funding.
- Ensure your city has a robust electricity infrastructure to support the growing needs of your citizens.

Community Education:

- Prioritize skills transfer and development to empower your community to participate in the local economy.

Sustainability/Environment:

- Reduce surface road maintenance through sustainable road-building methods (paving).
- Implement waste-to-energy programmes to reduce waste and generate energy.
- Show your commitment to environmental sustainability and make your city a role model for others.

Project Management:

- Ensure timely and efficient delivery of housing projects to enhance the quality of life for your citizens.
- Implement IDMS to keep track of all your projects and make sure they are on schedule.

Work Opportunities:

- Utilize EME's, EPWP implementation, and community-based programmes to create jobs and reduce unemployment.
- Support community road-building construction methods, which can create jobs and stimulate the local economy.
- Provide improved support to local enterprises, SMME cooperatives, and BBEEE partnerships to boost entrepreneurship and grow businesses.

Assurance of Water Supply:

- Review the water tariff to include capital replacement cost.
- Implement WC/DM programmes to ensure a reliable water supply.
- Use boreholes, rainwater harvesting, and treated wastewater to save water resources.
- Reduce water leakage and non-revenue water to make sure that your citizens have enough water to meet their needs.

Service Delivery

- Provide households with access to basic services to ensure a superior quality of life for your citizens.
- Eradicate the use of buckets through the provision of acceptable sanitation systems to formal households.
- Ensure service delivery and accountability through monitoring and evaluation to keep your citizens satisfied.
- Ensure full expenditure of intended capital and operating budgets to make sure your projects are completed on time and within budget.
- Ensure grant funding is spent for intended purposes to maximize the impact of your projects.

Personnel:

- Facilitate skills transfer and development for contract workers and employees to enhance their skills and productivity.
- Ensure proper leadership and management by filtering performance monitoring systems to lower staff levels.
- Ensure qualified and experienced staff are appointed to critical positions to ensure effective decision-making.
- Motivate and influence staff to accept the council's vision, objectives, and goals to keep them aligned with the city's mission.
- Ensure objective performance oversight through audit and monitoring tools to keep your staff accountable.
- Make managerial staff accountable for performance through performance agreements.
- Develop mentoring and skills transfer programmes to foster a culture of learning and development.

Note: Prioritizing these focus areas will ensure that Bitou is successful in achieving its goals and delivering high-quality services to its citizens.

The Engineering Services department has outlined several challenges across its different sections:

Water and Sewer:

- Delay in filling long-standing, critically vacant funded positions within the water and sanitation reticulation sections.
- No resolute water section teams to focus on and deal with water meter-related complaints and repairs (Revenue Enhancement and reduce Non-Revenue Water).
- Aging fleet and construction plant and equipment, e.g., TLB, Trucks.
- Vandalism of infrastructure, especially during periods of prolonged loadshedding.
- Sewerage blockages, ingress of foreign objects into manholes and pipelines.
- Increase in demand for bulk services due to rapid growth and development in the area.
- Three-day turnaround service commitment for procurement of goods and services not met.
- Loss-Control Superintendent position vacant for an extended time.
- Essential positions unfunded.
- Vandalism of infrastructure.
- Availability and integrity of fleet.
- Stores' stock levels of certain items are depleted.

Roads and Stormwater:

- Aging road infrastructure.
- Lack of stormwater infrastructure.
- Non-existence of kerbs and channels on road edges.
- Absence of sidewalks.
- Non-existence of non-motorized roads.
- Budget Constraints.

Fleet:

- Ageing fleet and construction equipment, e.g., TLB, Trucks, and vehicles (costly to maintain)
- Shortage of trained and qualified artisans
- Absence of an electronic Fleet management and maintenance system.
- Procurement of parts and services kits. SCM procurement
- Lack of sufficient Tools and equipment.
- Workshop facility to accommodate large vehicles.
- Licensing and Registration procedures are time-consuming.
- Fuel cards- challenge with card limit and fuel increases.

Project Management Unit:

- The unit lost critical/experienced staff at the beginning of the year.
- Historic knowledge of projects is lost.
- Inexperienced staff, who required training, filled positions.
- Unit operated with two project technicians.
- Delayed SCM processes caused slow expenditure on grant funding.

Strategic Risks to Address:**1. Economic Growth:**

- Foster a welcoming and cooperative environment for investment through inclusive partnerships.
- Provide incentives to businesses, including restructuring of costs, fees, and tariffs
- Ensure the sustainable delivery of essential services and plan land usage accordingly.

2. Infrastructure Funding:

- Keep Service Master Plans, business plans, feasibility studies, and designs up to date for both internal and external funding.
- Build and maintain strong partnerships with sector departments and funding entities.
- Seek assistance and funding from provincial/national authorities for roads under their jurisdiction.
- Prepare for potential funding changes in February and begin tender document preparation for external funding in November and internal funding after budget approval in May.

3. SSEG Projects Completed:

- Standby plants installed in main pump stations and office buildings.
- Encouraged SSEG adoption among customers.

- Enhanced security systems at critical infrastructure sites and urged communities to report crime.

4. SSEG Projects in Progress:

- A feasibility study on a solar plant is underway, contracted by a service provider.
- The appointment of a service provider to conduct a feasibility study on a Waste to Energy Project is in process.
- A call for proposals for additional renewable projects is imminent.

The Engineering Services Department has identified several key needs that require attention.

These include the need to streamline recruitment processes to quickly fill critical vacancies, as well as the need to meet with the Supply Chain Management (SCM) team to address procurement challenges. Additionally, the department requires administration staff to manage compliance issues, thereby freeing up technical staff to work on-site. This will contribute to increased efficiency and productivity.

Furthermore, it is essential to address concerns of staff morale to maintain a positive and productive work environment. To this end, it is necessary to promptly address disciplinary and grievance concerns as they arise.

Improving communication with the public is also a priority for the department, as it is important to foster positive relationships with stakeholders. This requires an increased understanding of public participation in the municipal environment, including the needs and expectations of the public.

Overall, the Engineering Services Department recognizes the importance of addressing these needs to ensure the continued success of the department and the organization.

ECONOMIC DEVELOPMENT AND PLANNING

The Economic Development and Planning Department plays a crucial role in shaping the future of the town, both in terms of its physical and economic development. In terms of the town's physical development, the department oversees Integrated Development Planning, which provides a framework to improve the quality of life for residents, considering existing conditions and available resources for development. This includes town planning functions, spatial development, building control, and the management of municipal property.

The department also houses the local development office, which is responsible for fostering and facilitating business opportunities in both the formal and informal economy in the Bitou area. Additionally, it oversees service delivery and performance management within the municipality to ensure compliance with a range of performance standards.

The recently approved Spatial Development Framework (SDF) for Bitou Municipality has led to strategic implications and projects of a regulatory and legislative nature, as well as in the sphere of practicality. Progress has been made in delving into strategic municipal land portions and identifying their potential uses. However, Bitou Municipality still faces challenges, and the way forward is to develop more strategic projects to combat them.

Achievements:

The achievements during 2022 and 2023 relating to the **Regulatory** function are as follows:

- The Zoning Scheme By-law was approved and implemented. Notable changes of such are:
 - Second dwelling <60m² – primary right (densification)
 - Clarity has been provided on BnB's/ Guest Houses, Home Businesses, etc.
 - There are less restrictive building lines: carports, garages, etc., are now allowed. This means that there has been a reduction in red tape, i.e., fewer applications regarding building.
- The Bitou SDF has had its final approval, after the necessary adjustment was made.
- The Ladywood Local SDF's final draft has been completed and is to undergo public participation.

The achievements during 2022 and 2023 relating to **Projects** are as follows:

- Plett Market off Main: the tender and lease have been concluded, and the market is operational (Erf 4131).
- It took under 18 months from project initiation to the market being operational (tender, land use application, lease agreement, construction).
- Shell Ultra housing development: the tender has been advertised for middle-income units (Erf 4367).
- Plett (next to Weldon Kaya): the application for 170 social housing units/ flats was approved by the Planning Tribunal on 23 Oct 2023 (Erf 8725).
- Plett Municipal Depot: preliminary subdivision layout for existing Municipal houses completed (Erf 2096).
- Various Municipal residential/ vacant properties (town, New Horizons) have been advertised for alienation.
- Eden Views (previously Clairisons): has 173 units under construction.
- The Jetty: 350 units have been approved.
- The Local Tourism Office advertised a tender, and it was awarded.

The **building plans** for 2023 to 2024 can be summarised as follows:

- Plans approved: 513.
- Estimated construction value: R633 million
- Plan fees/ income to Council: R3,8 million

Bitou Municipality's Municipal Spatial Development Framework (SDF):

The purpose of the SDF is to provide a spatial component to the Integrated Development Plan (IDP), as well as guide development in the public and private sectors and associated projects. This includes the land use, specifically, environmental constraints, engineering services, and the Road Master Plans. Council agreed to the 'request for adjustment' from the Provincial Minister, the Member of Executive Council of Local Government, and the Department of Environmental Affairs and Development Planning. The adjustment requested was that the words 'Excessively wide' before urban edge in Gansevallei were retracted, to avoid unforeseen environmental and services-related costs.

The way forward for the Municipality concerning the SDF can be summarised as follows:

- To improve on Capital Expenditure Framework by estimating costs, timeframes, and responsibilities for development and projects.
- To conduct projects identified in the SDF by developing more detailed local plans, implementing Municipal housing projects on a continuous basis, aligning the Zoning Scheme with the SDF, refining the definition of "home business," and creating an alien invasive management plan.
- Ensuring that projects are identified in the SDF and are carried through to the IDP and budgeted for.
- Reviewing and amending the SDF.

An Overview of Strategic Municipal Land:

The municipality currently owns approximately 2,500 properties, which include road reserves, water reservoirs, cemeteries, pump stations, substations, public open spaces, and RDP units that are yet to be transferred. The focus is on the most strategic properties based on their location, size, zoning, development potential, environmental and natural constraints, financial and social value, proximity to infrastructure, as well as existing leases and land use.

Several projects are currently in progress, including:

- The Kranshoek project, which is a potential business or shopping centre. The tender for this project will be advertised soon.
- The airport management tender, which was recently advertised and closed. This tender will lead to opportunities for supporting uses such as commercial, storage, logistics, and more hangars.
- The Kwanokuthula Strategic Projects include the following:
 - Boxer: Construction is complete (Erf 7210); the Boxer is operational
 - Murray High School expansion: Land has been granted, and construction is complete.

- Phase 5: 25 industrial erven (1400sqm each) can be made available to the community, 5 businesses, 3 creches, 4 church sites, a Secondary School site, a taxi rank incorporated at the circle, and street naming.
- Phase 6 (Buffer Strip): 1 business site, 1 creche, 2 churches, and housing. The possibilities under this project are commercial/big box retail, a sports complex/stadium, a Municipal Depot relocation project, a cultural village site (3ha), and SAPS (1ha granted by Council).
- The Ebenezer project consists of the following:
 - Multiple church and crèche sites
 - Multiple business and mixed-use sites.
 - School site (primary and secondary school)
 - FLISP and 'site and service'
 - Proposed mixed-use/ commercial node (3,5ha): the tender process is underway and is to be advertised shortly.
- The Ladywood project (Erf 12624) consists of the following:
 - The possible relocation of depot (fleet, fire station): This will enable the development of Erf 2096 Marine Way, which is where the current Depot is located.
 - The relocation of Municipal offices to Ladywood: This is questionable in the sense of cost, limited space, and the location is centralised at Melville's Corner.
- Projects in Plettenberg Bay consist of the following:
 - Shell Ultra (Erf 4367): The tender/ call for proposal has been advertised.
 - Market off Main (Erf 4131): The tender process and the land use application have been finalised, the lease has been concluded, and the construction has been completed in under 18 months.
 - Depot, Marine Way (Erf 2096): The draft subdivision plan for Municipal houses has been compiled; the application is to follow, then the tender for alienation.
- The Kurland project consists of the following:
 - Erf 117: Tender is to be advertised.

School Sites:

Some of the projects relating to school sites have been approved, and some are still in the planning phase. The projects that have been approved are Kwanokuthula Phase 5, Ebenezer, Hew Horizons/ Pinetree, and the Murray High extension (extension is complete). Green Valley/ Wittedrift and Kurland (Erf 562) are still in the planning phase. More sites are still being considered, including those available for crèches and churches; namely, Kranshoek (Erf 151), which is privately owned by the Griqua Community Trust.

Crèche and Church Sites:

The Kranshoek project consists of 4 undeveloped/ vacant church sites and 1 undeveloped/ vacant crèche site. Zoning is in place for all 5 sites.

The Kwanokuthula project has 2 undeveloped/ vacant crèche sites, and in Phases 5 and 6, there are 4 crèche sites and 4 church sites that are still to be created.

The Ebenezer project has 5 crèche sites and 9 church sites that have been approved. The outcome for the Green Valley and Kurland projects is like the Ebenezer project.

Business Sites:

The projects relating to business sites that have been approved are Kwanokuthula phases 5 and 6, Ebenezer, the Kranshoek tender, and the Kurland (Erf 562) tender. The projects that are still currently in the planning phase are Green Valley/ Wittedrift and Kurland (Erf 562). It is important to make these projects available to the public timeously and fairly.

Sports and Recreation Facilities:

There is untapped potential for existing grounds that could be used for sports and recreational facilities, such as Kranshoek, New Horizons, Plett Rugby Field, Qolweni, Green Valley, and Kurland. These grounds should be considered for upgrading/improving the existing facilities.

There needs to be a focus on improving the usability in open spaces and parks, such as the upgrading of benches, play equipment, and tree planting.

Environmental Management:

Environmental management consists of several different points. Guidance needs to be provided to Municipal Officials and members of the public regarding applicable Environmental Legislation and best practices. Additionally, inputs into the Environmental Impact Assessment process need to be provided. Processing of the Outeniqua Coastal Sensitive Areas Regulations applications needs to be adhered to. It also includes planning, developing, and controlling environmental management and conservation of the natural environment of the Municipality by the applicable legislation and the Municipal By-Laws. Environmental Management includes consulting with relevant role players/ stakeholders/ local environment forums, about the management of sensitive and protected areas. Environmental Management systems, programs, and plans need to be initiated, and compliance should be monitored.

Municipal Environmental Functions centralise the Air Quality Management Act, the Biodiversity Management Act, the Protected Areas Act, the Waste Management Act, the Integrated Coastal Management Act, and the Environmental Impact Assessment (EIA).

When looking at the environmental spheres and the positions that would fall into each of those spheres, Bitou Municipality has outlined the following:

- Environmental Governance: An Environmental Management Officer is appointed.
- Integrated Waste Management: The Waste Department is active.
- Climate Change: Vacant position.
- Air Quality: Vacant position.
- Biodiversity and Conservation: There are some overlapping functions with Parks and Recreation.
- Coastal Management: There are some overlapping functions with Beaches.

Key Strategic Challenges/ Risks:

The Department of Economic Development and Planning has outlined the following challenges that should be addressed:

- **Enforcement:** There are unauthorised land uses, building works, signage, and environmental transgressions. The enforcement process is slow and tedious due to all the red tape. This benefits transgressors, but puts the Municipality on the back foot, and often results in litigation, which is costly and time-consuming.
- **Augmentation Fees/ Levies:** Bulk engineering services costs, such as water, sanitation, and electricity, have little spare capacity in most areas. Development is expensive in the current economic climate. To combat this, a review of the development contribution policy could lead to potential reductions and incentives in key focus areas.
- **Supply Chain Management (SCM)** processes are time-consuming.
- **Environmental Management:** The ongoing shark spotting and baboon monitoring support contribute to this challenge. As well as the alien invasive vegetation removal, it is a costly and slow process.

Key Projects/ Way Forward:

The key projects moving forward for the department consist of the following, to combat the challenges mentioned above:

Based on the SDF, the key projects moving forward are:

- Develop the Capital Expenditure Framework (CEF).
- The finalisation of the Ladywood Local SDF.
- Finalisation and implementation of the Municipal housing project.
- Disposing of other key Municipal properties is another way forward, by applying the “Market off Main” success to similar key properties, projects, and tenders. Opportunities for local investors should also be created, as well as generating rental and rate income.
- Additionally, affordable housing is a key project. Identifying and pursuing opportunities like Shell Ultra, as well as prioritising and facilitating relevant development applications, should be at the forefront moving forward.
- Enforcement of fines and criminal charges is being considered, enforcement of an organisational structure review, which will lead to more efficient service delivery, and better SOPs to deal with transgressions.
- Support of Community Services with provisions to upgrade community facilities, such as public halls, sports grounds, and nice-to-haves (skate parks).
- Support the Waste Management section with the identification of drop-off sites and environmental inputs.
- Support small-scale agriculture and farming, such as in Green Valley and Kwano livestock.

GLOBAL, NATIONAL, PROVINCIAL, AND DISTRICT IMPERATIVE

Highlighting alignment across global, continental, national, provincial, district, and local levels in the Integrated Development Plan (IDP) is crucial for several reasons:

1. Coherent and Unified Development Goals:

- **Global Alignment:** The Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs) provide a universal framework for addressing key global challenges such as poverty, health, education, and environmental sustainability. Aligning local plans with these goals ensures that local efforts contribute to global progress.
- **Continental Alignment:** Agenda 2063 is Africa's strategic framework for inclusive and sustainable development. It aims to transform Africa into a global powerhouse by addressing key areas such as economic growth, human capital development, and infrastructure. Aligning local plans with Agenda 2063 ensures that local initiatives support continental aspirations.

2. National and Provincial Priorities:

- **National Development Plan (NDP):** South Africa's NDP Vision 2030 outlines the country's long-term goals for reducing poverty and inequality and promoting economic growth. Aligning local plans with the NDP ensures that local actions contribute to national objectives.
- **Provincial Strategic Plans:** Each province has specific strategic plans that address regional priorities and challenges. Aligning local plans with provincial strategies ensures that local initiatives are supported by provincial resources and policies.

3. Effective Resource Allocation and Coordination:

- **District Development Models (JDMA in the WC):** These models promote integrated planning and service delivery at the district level, ensuring that resources are effectively allocated and coordinated. Aligning local plans with district models enhances efficiency and avoids duplication of efforts.

4. Enhanced Public Participation and Accountability:

- **Local Alignment:** Ensuring that local plans reflect the needs and priorities of the community fosters public participation and accountability. It allows for better communication between decision-makers and the public, ensuring that local development is responsive to community needs.

By aligning the IDP with global, continental, national, provincial, district, and local frameworks, municipalities can ensure coherent and integrated development that leverages resources effectively, addresses key challenges, and promotes sustainable growth. This alignment also enhances public participation, accountability, and the overall impact of development initiatives.

MORE ON THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

These 17 Goals linking to the Garden Route District Strategic Objectives (See table 33) build on the successes of the Millennium Development Goals, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace, and justice, among other priorities. The goals are interconnected – often, the key to success will involve tackling issues more commonly associated with another.

The SDGs work in the spirit of pragmatism to make the right choices now to improve life, in a sustainable way, for future generations. These goals provide clear targets for all countries to adopt in accordance with their own priorities and the environmental challenges of the world at large. The SDGs are an inclusive agenda. They tackle the root causes of poverty and unite municipalities to make a positive change for both people and the planet. The 17 SDGs are listed below:



Figure 7: Sustainable Development Goals

MORE ON THE NATIONAL DEVELOPMENT PLAN



Figure 8: National Development Plan

In 2012, the planning commission launched the National Development Plan (NDP). This plan aims to eliminate poverty and reduce inequality by 2030. Expressed in real values, the NDP seeks to:

- Eliminate income poverty by reducing the proportion of households with a monthly income of R419.00 (in 2009 prices) per person from 39 % to zero; and
- Reduce inequality by reducing the Gini coefficient from 0.70 to 0.60.

The National Development Plan (NDP) developed key targets that, with the help of communities, civil society, state, and business, will assist in the elimination of poverty and the reduction of inequality.

South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. To do this, several enabling milestones are listed below:

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40 per cent from 6 per cent to 10 per cent.
- Establish a competitive base of infrastructure, human resources, and regulatory frameworks.
- Ensure that skilled, technical, professional, and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.

- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and well-being.
- Establish effective, safe, and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable, and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration, and human rights.

MORE ON THE PROVINCIAL STRATEGIC PLAN 2025 – 2030

The Provincial Strategic Plan (PSP) outlines the Western Cape Government's (WCG) strategic goals and priorities for the period 2025 to 2030. Developed every five years following provincial elections, the PSP outlines the overarching strategic direction for the provincial government over the medium term.

FEATURES

- **Strategic:** The PSP outlines high-level priorities and goals for the provincial government to enhance residents' quality of life. PSP 2025-2030 focuses on shared, resident-centred outcomes which inform departmental and portfolio plans.
- **Transversal:** The PSP promotes integration and collaboration across provincial departments and a whole-of-society approach to address complex challenges through transversal responses.
- **Resident-centric:** The PSP focuses on achieving meaningful changes for residents, applying the life course approach and systems theory to define impact and theories of change to track progress.

PROVINCIAL STRATEGIC PLANNING

The PSP defines the overarching priorities and strategic direction for the WCG, providing a framework for integrated and coordinated action across departments. It establishes high-level outcomes and priorities to achieve shared, resident-centric development, guiding departmental and portfolio-level planning. Departments are responsible for operationalising the PSP by implementing projects and programmes within their respective mandates. Departmental Strategic Plans (SPs), set every five years, reflect institutional outcomes and targets.

The SPs inform Annual Performance Plans (APPs), which outline departmental outputs, targets, and budgets, reflecting strategic alignment and resource allocation. Portfolios consist of high-priority departmental projects and programmes that are collectively managed to ensure a cohesive approach to achieving shared outcomes. By translating PSP direction into actionable programmes, portfolios foster integration and promote collective impact across the province. Each focus area of the

PROVINCIAL VISION

"A Government that People Trust"

IMPACT AREAS

Integrated Impact Areas: These are the areas that shape the Western Cape Government's coordinated response to residents' evolving needs and opportunities at different life stages.

- ✓ Households and human development
- ✓ Cohesive communities
- ✓ Youth agency and preparedness
- ✓ Economic and growth opportunities

PROVINCIAL APEX PRIORITY

The provincial top priority is stated as follows: "Helping businesses grow and create jobs—equipping you to secure those jobs."

PROVINCIAL OBJECTIVES

Portfolios: The organisational structures that provide strategic direction and coordinate groups of departments to deliver programmes aligned with the Western Cape Government's key priorities in the economic, safety, social, and institutional policy domains.

- Growth for jobs: The Western Cape achieves breakout economic growth, generating confidence, hope, and opportunities to thrive.
- Safety: The Western Cape is a resilient and safe society
- Educated, Healthy and Caring Society: Every person has access to the opportunity to live a healthy, meaningful, and dignified life in an inclusive society.
- Innovation, Culture, and governance: The WCG is a people-centred institution that innovatively, efficiently, and collaboratively mobilises resources for service delivery.

A RESIDENT-CENTRIC PLAN

The Provincial Strategic Plan 2025-2030 is fundamentally resident-centric, focusing on enabling residents to access economic opportunities and live the lives they value. The strategic anchor of the PSP is a shared, resident-centric impact that cuts across department and portfolio plans. This shared impact defines our seamless response to the evolving needs and opportunities of individuals at distinct stages of their lives. It emphasises residents' agency to take advantage of opportunities and progress. For residents, this means responsive government services that are more relevant.

Helping businesses grow and create jobs and equipping residents to get those jobs is the apex priority of the WCGs strategy, recognising that a thriving economy is the foundation for individual well-being, stable households, and effective service delivery.

The four strategic portfolios—Growth for Jobs, Safety, Educated, Healthy and Caring Society, and Innovation, Culture and Governance—are aligned and interdependent, ensuring that the apex priority is realised and that the government delivers on its promise: *"We create hope and instil dignity because we build safer communities and drive economic growth and jobs. We do this so that people can live lives they value."* Each portfolio supports economic growth and job creation by either directly driving opportunities or removing barriers that limit participation in the economy effectively and aligning with their life circumstances over time.

A LIFE COURSE AND SYSTEMS APPROACH

The Provincial Strategic Plan 2025-2030 begins by asking: What do residents need to progress and thrive at each stage of their lives? This question is addressed through an examination of people's needs and responsibilities from childhood through to adolescence, adulthood, and old age. By taking this long-term perspective of an individual's life, the PSP 2025-2030 aims to reflect real-life vulnerabilities, challenges, and opportunities, ensuring it is grounded in residents lived experiences.

The resident's life course is the heart of the Integration Model that underpins the PSP 2025-2030.

The model maps all government services onto the life course of residents, creating a clear picture of how different departments and programmes interact to deliver positive outcomes for residents. Four key dimensions are identified that shape people's ability to thrive:

- Individual Dimension: The personal skills, motivation, and abilities of residents to take advantage of opportunities.
- Social/Exchange Dimension: The networks, families, and communities that provide safety, support, and opportunities for growth.
- Structural Dimension: Infrastructure and resources, such as housing, transport, and services, which enable access to opportunities.

- System Dimension: The broader policies, governance structures, natural resources, and economic conditions that create an enabling environment for success.

CONCLUSION

The WCG drives strategic impact through collaboration, data-driven decision-making, and strong governance. Departments align their plans with the PSP, embed human rights considerations, and use evidence to guide implementation. Initiative-taking risk management strengthens resilience against challenges that could disrupt service delivery. These efforts ensure that policies and programmes translate into tangible benefits for the people of the Western Cape.

MORE ON THE DISTRICT DEVELOPMENT MODEL (DDM) AND JOINT DISTRICT AND METRO APPROACH (JDMA)

This section provides an overview of the District Development Model (DDM), and the Joint District and Metro Approach (JDMA) as outlined in the relevant documentation from the Garden Route District Municipality. Notably, the Bitou Municipality actively participated in the discussions, preparation, and drafting of the JDMA document. A key requirement is that the District JDMA must be reflected within the local Integrated Development Plan (IDP).

The need for a new district-based coordination model was first highlighted in the 2019 Presidential budget speech, calling upon the Sixth Administration to develop and implement an integrated district-based approach to effectively address service delivery challenges. In response, the Cabinet approved the DDM as an “All of Government and Society Approach.” This model establishes a framework for collaboration among all three spheres of government and relevant state entities, emphasising higher performance and accountability in delivering coherent and effective services and developmental outcomes.

In alignment with the President's initiative, the Western Cape Government has adopted the JDMA as a component of the DDM. The JDMA aims to facilitate convergence among the three spheres of government through Intergovernmental Relations (IGR) engagements, allowing for the development of unified strategic, developmental, and planning priorities, along with aligned budgets to expedite service delivery.

OBJECTIVES OF DDM AND JDMA	
DDM	JDMA
<ul style="list-style-type: none"> • Address the silos at both horizontal and vertical levels. • Maximise impact and align plans and resources by developing “One District, One Plan, and One Budget.” • Reduce the gap between people and the government by enhancing coordination and capacity at the district level. • Ensure inclusivity through gender-responsive budgeting that reflects the needs and aspirations of our local communities. • Build government capacity to support municipalities. • Strengthen monitoring and evaluation processes at the district and local levels. • Implement a balanced approach to development that considers both urban and rural areas. • Promote sustainable development while accelerating initiatives aimed at poverty eradication, employment, and equality. • Exercise oversight over budgets and projects in a transparent and accountable manner. 	<ul style="list-style-type: none"> • It employs a geographical (district) and team-based approach that focuses on citizens. • It produces a single implementation plan that outlines planning and strategic priorities, developmental initiatives, service delivery, and capacity building. • The desired outcome is to improve the living conditions of citizens. • It features a horizontal interface among provincial departments and a vertical interface across national, provincial, and local government spheres. • It includes local municipalities in its framework. • It does not engage in debates over functions and powers. • It promotes collaboration through the District Coordinating Forum, which serves as the governance instrument for co-planning, co-budgeting, and co-implementation to enhance service delivery to communities.

Table 5: Objectives of the DDM and JDMA

KEY REGIONAL ISSUE 1 ECONOMIC, SOCIAL, ENVIRONMENTAL VITALITY AND RESILIENCE

The economic vitality of the region is inextricably linked to its natural resources, underpinned by the skill set of the region and conversely constrained by the mismatch between available and needed skills, ICT availability, and undermined by segregated, fragmented, and sprawling settlement form, mismanaged resources, and insufficient regional accessibility between settlements. There is a need to leverage and build upon existing economic assets in the region, such as the George Airport, the oil and gas sector (PetroSA), and the existing Mossel Bay Port and Harbours in the region.

The resilience of the region is closely tied to its overall risk profile, which is undermined by the poor management and quality of the natural environment, exposing urban environments to risks through development decisions (such as coastal ribbon development, riverine and flood prone development and development in fire risk areas) and exposing the environment to unsustainable farming practices thereby highlighting the need for disaster risk management, natural resource management and climate change adaptation. There is an undeniable pressure between infrastructure development and environmental asset protection, as well as the impact of such development on municipal financial sustainability and its ultimate resilience.

KEY REGIONAL ISSUE 2 - RURAL DEVELOPMENT AND DIVERSIFICATION

In terms of rural development and diversification, there is a clear tension between Agriculture and Biodiversity. There is a need to be more productive and resource efficient with the same amount of land and less water availability in the long term. There is a need to promote the beneficiation of agricultural goods to both diversify the economy and create better-paying jobs, as well as support expansion into the niche agricultural industry.

There is significant pressure for low-density, high-income housing in rural areas, which undermines landscape character, food security, and agricultural output. The economies of rural settlements and hamlets are struggling due to the decline of agricultural and forestry activities, and there is a strong need to re-conceptualise these settlements into sustainable economic centres.

KEY REGIONAL ISSUE 3 - PEOPLE-CENTRED QUALITY DEVELOPMENT, EQUITABLE ACCESS, SPATIAL JUSTICE, AND EFFICIENCY

For the urban and rural poor, the poor state of the environment undermines potential economic and social development in urban areas due to mediocre quality open space systems and in rural areas due to inadequate access to environmental resources to facilitate economic development and growth. There is a strong need to improve education outcomes and opportunities in low-income / poorly skilled areas to enable access to the growing sectors of the economy (tertiary sectors and semi-skilled to skilled sectors).

Access to natural resources, water, infrastructure, facilities, services, and mobility is inequitable and constrained by a lack of affordable transport options both within and between settlements and poor decision-making in the placement of services/facilities and the development form of each urban settlement in the region. Opportunities exist to provide public transport options to both communities and for tourism purposes.

There is a need to conceptualise the Southern Cape region within a broader movement, logistics, and freight Coastal Corridor stretching from Cape Town to Durban. Inefficient use of land resources, such as low-density urban development, is undermining the carrying capacity of the region, and there is a strong need to redress past spatial imbalances and injustices and increase the efficiency with which urban and regional development occurs.

Town centres are being economically undermined by commercial decentralization, whilst low-income areas are disconnected from opportunity, and there is a stronger need to identify well-located land for low-income development. There needs to be a clear understanding of the role of each settlement in the regional system and how each complements the other.

KEY REGIONAL ISSUE 4 ENHANCE AND CAPITALISE ON EXISTING ENVIRONMENTAL AND BUILT ASSETS AND PROMOTE GOOD GROWTH MANAGEMENT, DEVELOPMENT, AND MAINTENANCE PRACTICES

The lifestyle, character, heritage, and sense of place of the Garden Route and the Klein Karoo an enormous asset that are both neglected (in land development/infrastructure development terms), lacking a coherent brand, and lacking in consideration in development. There exist many undercapitalised assets and development opportunities in struggling small settlements, which limit rural development. The informal sector is not able to effectively access opportunities in the various sectors of the economy (tourism, agricultural production, and resources).

Growth management and compact regional development need to be strictly adhered to ensure municipal financial sustainability, balancing the need to invest in new infrastructure and proper maintenance programmes to keep existing regional assets in good condition. Waste and water pressures need innovative regional solutions, and the provision of new services and facilities needs a clustered approach. Informality needs to be planned for, and new housing provided in well-located areas.

KEY REGIONAL ISSUE 5: GOOD GOVERNANCE AND PREDICTABILITY

A regional approach to resource management is critical, with the need to build a strong and predictable governance system that facilitates predictability and trust to stimulate appropriate private sector development. Complementarity between municipalities and towns needs to facilitate coordinated governance and maximise cost efficiency, strong economic policy, and coordination in tourism, business, and all matters of mutual interest.

TOURISM

The tourism sector comprises a set of industries that facilitate travelling for leisure and business by providing necessary and desired infrastructure, products, and services. The sector will both affect and be affected by the socio-economic and environmental performance, and impact on several industries including hospitality, attractions and recreation, entertainment, transport, and retail. This interconnectedness offers opportunities for collaboration and coordinated strategies with other sectors to provide innovative new products and serve new markets. The centrality of tourism to the Garden Route presents opportunities and risks to the region. In particular, the COVID-19 crisis has emphasised the need for diversification and adaptability in sector development.

PILLARS OF THE RECOVERY PLAN

- Enhance the resilience and responsiveness of the District and B-municipalities towards local economic recovery and establishment of a central M&E function.
- Facilitating the Region's support to business retention, growth, and development
- Restarting the tourism and events sector (inclusive of the creative industries)
- Protecting and building the rural, township, and informal economy
- Creating an extraordinary environment for construction, infrastructure, and property development
- Ensuring a resilient agricultural sector and promoting agri-processing

PILLAR	TARGET	IMPACT	INTERVENTIONS
Municipal Resilience and Responsiveness	Bring about R 500 million worth of economic benefits and savings to the regional economy	Increase economic benefits in the Garden Route by R1 bn within 5 years.	<p>Mandate MMF to function as the oversight and steering committee to ensure centralised decision making, monitor, and manage the financial health of Municipalities, where applicable</p> <p>Centralised allocated relief and support budgets from all Municipalities.</p> <p>Allocate budget to implement recovery plan – Disaster Management Act Fund / LED / Social Relief.</p> <p>Concentrate on regional hotspots for fund allocation and identify sub-areas where affordability to render services is lacking.</p>

PILLAR	TARGET	IMPACT	INTERVENTIONS
			Monitor the implementation of the recovery plan based on a shared budget.
<p>Business Retention.</p> <p>Growth And Development</p> <p>2(a)Business retention and economic resilience</p>	<p>Energy Security: 50 MW of lower or no-carbon electricity produced in the Garden Route;</p> <p>Water security: 20% improvement in the water efficiency of four water-intensive sectors</p>	<p>Increase the percentage of green or low-carbon energy to 50% within 10 years and double technology investment within 10 years.</p>	<p>Formation and implementation of the GR Business Services Centre (One-stop shop) Regional Hotline needs to be operational, aimed at helping businesses access support.</p> <p>Access to stakeholders and funding institutions (similar concept to Invest SA)</p> <p>Provision of Statistics and Easy Support Finder</p> <p>Establish Satellite Business support at LED offices, must be open and assisting SMME's.</p> <p>Garden Route to promote a "Buy Garden Route" Campaign – already prevalent in certain towns.</p> <p>Mainstream and social media apps</p> <p>Creation and establishment of a Garden Route Exporters Club</p> <p>Investigate opportunities to replace imports.</p> <p>Manufacturing in Garden</p>

PILLAR	TARGET	IMPACT	INTERVENTIONS
			Route District.
2(b) Business Growth and Development	Increase the Rand value of priority exports by R800 million within 5 years	<p>Export impact: Increase the Rand value of regional exports by R1.5 billion within 5 years.</p> <p>Investment impact: Increase investment in the Garden Route by R1 billion within 5 years</p>	<p>Adopted and approved the</p> <p>The Garden Route Growth and Development Strategy is a working document with continuous monitoring and evaluation.</p> <p>Garden Route Development Agency - funding mobilisation and implementation to include the following:</p> <p>DMO (see tourism)</p> <p>Foreign Direct Investment and Growth</p> <p>Investment prospectus (regional and individual municipalities)</p> <p>Investment development and promotion</p> <p>Incentive policies</p> <p>Readiness checklist</p> <p>Catalytic projects follow-up, implementation & after care.</p> <p>Lobby the national government for prioritization of international Port-of-Entry status to Mossel Bay Port</p>

PILLAR	TARGET	IMPACT	INTERVENTIONS
			<p>and George Airport, and upgrade Plett Airport as a local hub.</p> <p>Garden Route SEZ application Partnerships.</p> <p>Mobilise key industries to respond to opportunities.</p> <p>Promote and expand the Business Chamber Support Programme.</p> <p>Finalise MOU with Innovation Norway and other agencies/countries to enhance international investment opportunities.</p>
<p>Restarting the Tourism and Creative Industries Sectors</p> <p>3 (a) Restarting the tourism sector</p>	Collective effort for optimised brand exposure - 5-year plan	Grow and strengthen the Garden Route brand as a collective stakeholder effort.	<p>Establish an industry-driven / government-supported task team.</p> <p>Review the WC Tourism Act and Tourism Master Plan to enable the redefinition of the role of the RTO's and LTO's to ensure relevance and avoid duplication (Roles and responsibilities).</p> <p>Ensure synergy between the Garden. Route, WESGRO, and Provincial Tourism.</p> <p>Support the tourism industry's access to national support and improve its international status.</p>

PILLAR	TARGET	IMPACT	INTERVENTIONS
			Re-categorisation of B&Bs and Guest Houses to residential rates, on application to Revenue Management.
Protecting and Building the Rural, Township and Informal Economy 4(a) Promoting Economic Transformation and Circular Economy	SMME and informal target: Assist 100 SMME and informal businesses within 5 Years	SMME and informal impact: Accrue R 100 million worth of economic value to SMMEs and informal businesses within 5 years	Setting aside more COVID-19 Procurement funding support programs for cooperatives and micro enterprises – Link to Government SCM. Include food parcels; access to procurement opportunities to SMME's, PPE, sanitisers, and detergents. Recommend the facilitation of Bulk Buying through online platforms. Intensify moving micro businesses online through "Buy Garden Route." Development Policy Framework for B-municipalities to base their By-Laws on. Municipalities to standardise electronic building applications and approvals. Accelerating the Implementation of Government Projects.
Resilient Agriculture and Agri-Processing	Increase the agricultural sector by 5-10% year-on-year through adding commodities not previously cultivated in the region - Increase exports of processed.	Economic growth through desirable and valuable exports as well as the beneficiation of existing agricultural resources.	Support the Department of Agriculture in the roll-out of relief funding.

PILLAR	TARGET	IMPACT	INTERVENTIONS
	agricultural products		<p>Food gardens / digital vouchers, and food relief. NGOs to collaborate and supply the food banks.</p> <p>Regional Produce Market concept to be further investigated and implemented to support the initiatives – implement local industry support (circular economy principles related to GR G&DS).</p> <p>Investigate and implement Water resilience opportunities and infrastructure, especially in the Klein Karoo – Establish the Garden Route as a Water authority. Reduce red tape for EIA's</p>
Skills Development	2500 work placements through internships and skills development interventions within 5 years	Increase youth employment by 25% for the up to 24-year-old cohort.	<p>Develop skills that can attract investment, especially from knowledge-based economy sectors (e.g. BPO)</p> <p>Establish the Garden Route Skills Mecca as the custodian of skills development – establish an Internal Task Team and an External Forum, and appoint a coordinator to ensure implementation</p>

Table 6: Pillars of GRDM recovery plan

MUNICIPAL RISKS

The Executive Management Team undertakes comprehensive strategic risk analyses to proactively identify and mitigate potential threats that could impede the timely and cost-effective delivery of services or undermine effective governance. The strategic direction set by the Council is fortified by a robust framework of combined assurance, which is closely monitored through Bitou's municipal operational risk registers. These registers meticulously catalogue the risks associated with each department and section, providing a clear overview of the landscape of potential challenges.

To ensure ongoing vigilance, the organisation engages in continuous risk monitoring, complemented by quarterly committee reporting. This reporting encompasses an in-depth evaluation of the impact and likelihood ratings of identified risks, along with a review of contributing factors, existing control measures, and actionable plans for response. This systematic approach is designed to keep managerial actions aligned with the overarching strategic vision of the Council.

In terms of quantifying strategic risks, they are assessed using a 5x5 risk scale, which facilitates a nuanced understanding of the severity and probability of various threats. This assessment framework aids in prioritising risks and targeting resources effectively to mitigate those that could have the most significant adverse effects on the organisation's objectives.

RISK	Residual Rating
Impeded Strategic Resilience	14
Fraud & corruption in relation to all procurement processes	12
Climate change vulnerability	20
Ineffective internal and external communication with municipal key stakeholders	11,2
Business Continuity	9,6
Inadequate and aging municipal infrastructure to meet current and expected demand for services	8,48
Unsafe & insecure environment	8
Loss of conditional grant funding	6,84
Too low revenue collection rate to ensure long term financial viability and sustainability	6,36
Water scarcity	6,36
Crises and disasters unintentionally, intentionally, and naturally caused that disrupt and have consequences on societal functions	5,85
Non-compliance with legislation	5,13

Table 10: Top risks

MUNICIPAL POLICIES

The municipality has annexed several policies to control its limited resources. These policies are to guide the services delivery in terms type of services, quality, quantities, and frequency of service. Municipal policies are to capacitate the staff in executing their functions. The purpose of municipal policies is to guide the institution in delivering the municipal objectives and bring about institutional viability and social cohesion.

Regulation 890 compelled the municipality to revisit its policies and develop new policies in cases where no policies existed. The municipality went through an extensive policy development exercise, and Bitou Council approved the following policies:

SECTION 1: OFFICE OF THE MUNICIPAL MANAGER		
No	Policy description	Council resolutions
1	Anti-fraud and corruption strategy	C/1/98/10/22
2	Expanded public works programme (EPWP) policy and implementation guidelines	C/5/27/09/17
SECTION 2: FINANCE		
No	Policy description	Council's In-Principle approval
1	Draft investment and cash management policy	C/2/181/06/20
2	Funding and reserve policy	C/2/50/06/22
3	Tariffs policy	C/2/235/05/15
4	Asset management policy	C/2/50/06/22
5	Property rates policy	C/2/50/06/22
6	Virement policy	C/2/235/05/15
7	Budget process policy	C/2/174/05/14
8	Borrowing policy	C/2/50/06/22
9	Long-term financial planning policy	C/2/50/06/22
10	Credit control and debt collection policy	C/2/50/06/22
11	Overtime policy	C/3/43/06/22
12	Recruitment and selection policy	C3/43/06/22
13	Computer and information technology policy	C/3/95/10/14
14	Its disaster recovery and backup plan	C/3/31/03/22
15	Change management and control policy	C/3/31/03/12
16	Information technology (it) governance framework	C/3/31/03/22
17	Draft unauthorised, irregular, fruitless and wasteful expenditure policy	C/3/95/10/14
18	Draft creditors, councillors, and personnel payment policy	C/2/235/05/15
19	Preferential procurement policy	C/2/62/09/17
20	Municipal supply chain management policy	C/2/297/05/16
21	Draft travelling allowance policy	C/2/50/06/22
SECTION 3: CORPORATE SERVICES		
No	Policy description	Council's In-Principle approval
1	Revised Overtime Policy	C3/43/06/22
2	Placement Policy	C/3/71/10/22
3	Revised Leave Policy	C/3/43/06/22
4	Revised Substance Abuse: Alcohol And Drug Policy and Procedure	C/3/68/06/13
5	Revised Recruitment and Selection Policy	C3/43/06/22

6	Employment Equity Policy	C/3/43/06/22
7	Scarce Skills Policy	C/3/43/06/22
8	Employee Study Aid Policy	C/3/68/06/13
9	Dress Code Policy	C/3/68/06/13
10	Communication Strategy 2014 - 2017	C/3/62/10/22
11	Customer Care Strategic Plan	C/3/95/10/14
12	Legal Plan and Standard Operating Procedures/Policy	C/3/73/09/13
SECTION 4: COMMUNITY SERVICES		
No	Policy description	Council's In-Principal approval
1	Bitou Municipality: Liquor Trading Hours By-Law	C/4/44/06/13
2	Sporting Facilities By-Law	C/6/19/03/22
3	Sport Policy And Procedure Document	C/3/95/10/14
4	Integrated Waste Management Plan (IWMP)	C/4/64/05/14
SECTION 5: MUNICIPAL SERVICES & INFRASTRUCTURE DEVELOPMENT		
No	Policy description	Council's In-Principle approval
1	Bitou Municipal Water Services Development Plan	C/5/45/01/23
SECTION 6: STRATEGIC SERVICES		
No	Policy description	Council's In-Principle approval
1	Policy for the management of immovable property assets of the Bitou municipality	C/1/163/08/20
2	Local economic development strategy implementation plan	C/6/236/05/14
3	BUSINESS RETENTION EXPANSION AND NEW INVESTMENT POLICY (Mandate requested from Council to develop the policy)	C/6/184/09/13
4	Draft spatial development framework implementation strategy	C/6/186/09/13
5	Draft amended performance management framework	C/6/193/09/13
6	Bitou municipality encroachment policy	C/1/163/08/20
7	Bitou staff housing policy and market-related rental value	C/6/234/05/14
8	Draft outdoor advertising policy	C/3/95/10/14
9	Draft outdoor advertising by-law	C/6/280/05/15
10	Implementation of SPLUMA and new planning by-law	C/6/278/05/15

Table 7: Approved municipal policies

SWOT ANALYSIS

A SWOT analysis is a comprehensive evaluation conducted by the Municipality aimed at identifying its internal strengths and weaknesses, alongside the external opportunities and threats it faces. The primary objective of this analysis is to enhance awareness of the numerous factors that influence the Municipality's operations and strategic decision-making processes. By systematically assessing these elements, the Municipality can better inform its business strategies and development initiatives.

The following SWOT analysis presents a detailed overview of the Strengths, Weaknesses, Opportunities, and Threats that members of the Bitou Municipality articulated during a recent Strategic Planning Session. This collaborative effort was designed to gather diverse insights and perspectives, ensuring that the analysis accurately reflects the unique characteristics and challenges of the community. Through this process, the Municipality seeks to create a more robust foundation for future planning and growth, leveraging its strengths while addressing potential weaknesses and threats, and capitalising on emerging opportunities.

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> Staff regulations implementation: Trained staff Safe communities Indigenous knowledge Ability to act. (timeously) Service delivery standards. Forward thinking Location Natural Environment: Geographic size and location Financial capability 	<ul style="list-style-type: none"> Communication (External/Internal) Silo mentality Response turnaround time Inability to attract suitable staff (salaries offered and upper limits) Staff Corporate culture Diverse communities Ageing infrastructure Grant depending Budget Inequality in rates base (richest of the rich to poorest of the poor), Revenue collection Political Instability 	<ul style="list-style-type: none"> Development of outlying areas, Solar energy Climate change Natural resources Semi-gration Strategic land parcels Economic opportunities Grow revenue base. Diversity of our product offering Retirement destination Tourism Investment opportunity, Relations with external stakeholders' Strategic assets 	<ul style="list-style-type: none"> Population growth Affordability Cost of living Future grant funding Community expectation vs realistically achievable results Izinyoka - Dam/ Theft of infrastructure Climate change Raw H2O resources Loadshedding Boarder EC Continuity (stop-start effect)

Table 8: SWOT analysis

STRATEGIC THRUST

MUNICIPAL VISION

The municipal vision remains steadfast and unwavering. Bitou Council envisions a future where the colour of one’s skin, personal wealth, gender, or religious beliefs hold no significance. This future is one of prosperity for all, characterised by inclusivity and equality, where every individual has universal access to essential municipal services. It is a landscape rich with opportunity, fostering a sense of community and shared purpose among all citizens, ensuring that everyone can thrive without barriers or discrimination.

The vision until it is attained remains:

VISION 2030

“To be the best together.”

MISSION STATEMENT

The mission statement of the municipality remains unchanged.

“We partner with communities and stakeholders to sustainably deliver quality services so that everyone in Bitou can live and prosper together.”





VALUES



The Bitou Council has decided to revise its values to better reflect the needs of the community. Firstly, they added the phrase "regardless of age" to the first value, "Ubuntu," in recognition of the high number of older retired citizens who have made Bitou their home.

Secondly, the council amended the second value, "Integrity," to emphasise that integrity should be demonstrated by everyone, including stakeholders, community members, and municipal employees. As a result, the phrase "by all employees" was removed.

In addition, the municipality introduced a sixth value, "Stewardship," to acknowledge the responsibility for the natural, financial, and human resources entrusted to it.

The Bitou Municipality now subscribes to the following values:

UBUNTU		Working together, respect for each other, and caring for all citizens regardless of race, gender, age, creed, or political affiliation.
INTEGRITY		honesty, commitment to good governance, truthfulness, honour, and uprightness by all
ACCOUNTABILITY		For good or bad performance
RESPONSIBILITY		professionalism and excellence

INNOVATION		Inspired leadership that seeks excellence and creative solutions to challenges in a resourceful way.
STEWARDSHIP		The careful and responsible management of the natural, financial, and human resources entrusted to us

STRATEGIC OBJECTIVES

Strategic objectives are clear and focused statements that define the ultimate aspirations of Bitou municipality, outlining the 'end-goals' it seeks to accomplish over a specified long-term timeframe. These objectives serve as purpose-driven declarations, guiding the municipality in crafting a coherent vision. They not only articulate desired outcomes but also provide a framework for establishing measurable steps and actionable plans that can lead to achieving those goals. By aligning efforts and resources with these strategic objectives, Bitou municipality can effectively navigate the complexities of its environment and strive towards its envisioned future.

The following strategic objectives have been outlined for Bitou Municipality:

STRATEGIC OBJECTIVE	
SO1	Provide excellent and sustainable services to all residents.
SO2	Facilitate growth and expand economic opportunities to empower communities.
SO3	Achieve long-term financial sustainability.
SO4	Build a capable, developmental, transformed, and productive workforce.
SO5	Adhere to and implement effective and efficient governance processes.

Table 9: Strategic Objectives

STRATEGIC OUTCOMES

After conducting a series of collaborative workshops involving members of the administration, local politicians, community representatives, and various stakeholders, the municipality has outlined a set of outcomes aimed at realising its long-term vision. These workshops facilitated open dialogue and input, ensuring that diverse perspectives were considered in the decision-making process.

The municipality envisions the following outcomes, each accompanied by specific indicators to measure progress and success:

1. Growth and Development
2. Public Safety
3. Waste minimisation
4. Sustainable Service Delivery
5. Intergovernmental relations
6. Good Governance
7. Institutional Transformation and Development

The municipality will implement a range of programmes and projects at the strategic and operational level to achieve these objectives.

OUTCOMES

Alignment of strategic objectives to strategic outcomes.

	STRATEGIC OBJECTIVE	OUTCOME
SO1	Provide excellent and sustainable services to all residents.	Healthy community (improved quality of life)
		Waste minimisation
		Safety and security
SO2	Facilitate growth and expand economic opportunities to empower communities.	Growth and Development
SO3	Achieve long-term financial sustainability.	Growth and Development
SO4	Build a capable, developmental, transformed, and productive workforce.	Institutional transformation and development
SO5	Adhere to and implement effective and efficient governance processes.	Good Governance

Table 10: Strategic outcomes

STRATEGIC ACTION PLAN

The table below depicts the strategic linkage between the key focus areas and how it relates to the identified outcomes. The outcomes have also been defined to provide clarity as to what the Council together with the administration is striving to achieve.

Focus Area	Outcomes	Defined
Institutional Transformation and Development	Institutional Development	<ul style="list-style-type: none"> To promote the growth of business processes, staff moral and capacity of the Bitou Municipality
Growth Development and	Sport Development	<ul style="list-style-type: none"> To cultivate community involvement and the development of social cohesion through the promotion of sports and high-quality sports facilities
Public Safety	Disaster Risk Mitigation	<ul style="list-style-type: none"> To create a safe and healthy living environment by instilling initiative-taking mitigating factors To decrease the crime rate To increase emergency response time To minimize loss of life
Housing Opportunities	Housing Opportunities	<ul style="list-style-type: none"> The creation of conducive and suitable housing opportunities for community members To increase low-cost and accessible housing that promotes the community
Public Safety	Towards a Safer Town	<ul style="list-style-type: none"> To ensure that constituents and visitors of the Bitou Municipal area can have free and safe movement without criminal activity
Public Safety	Roads Safety	<ul style="list-style-type: none"> Implement and monitor legislative prescribes to ensure the safety of motor vehicle drives, passengers, and pedestrians (all road users)
Intergovernmental Relations	Communication	<ul style="list-style-type: none"> To have open and transparent communication with all stakeholders both internally and externally To promote inclusiveness of all stakeholders To increase response time To promote and instil trust through the Bitou Municipality's brand
Minimisation of waste	Minimization of waste	<ul style="list-style-type: none"> To promote a clean and healthy living environment To minimize the human footprint throughout the Bitou Municipal area. To protect the natural resources for future generations

Focus Area	Outcomes	Defined
Intergovernmental Relations	Improve Telecommunication	<ul style="list-style-type: none"> Digitize the organization to streamline processes and save costs
Good Governance	Centralising Management Record	<ul style="list-style-type: none"> To ensure that the Bitou Municipality has valid and credible data, evidence, and records for monitoring and reporting purposes
Intergovernmental Relations	Improve Internal and External Relations	<ul style="list-style-type: none"> To create a mutually beneficial environment for all stakeholders to reach the Bitou Municipality's vision
Institutional Transformation and Development	Transforming the Municipal Workforce	<ul style="list-style-type: none"> To empower employees to adapt and excel along with the growth and ever-changing environment of the organisation
Good Governance	Risk Management	<ul style="list-style-type: none"> To identify key risks and putting measures in place to pre-empt and plan accordingly. Forward planning
Institutional Transformation and Development	Succession Planning	<ul style="list-style-type: none"> To ensure the sustainability of all services rendered by identifying, mentoring, coaching, and cultivating the skills and qualities of staff
Good Governance	Compliance	<ul style="list-style-type: none"> Adhering to legislative prescribes
Growth and Development	Revenue Enhancement	<ul style="list-style-type: none"> Implementing cost saving measures Increasing debt collection Reduction in losses Implement new innovative measures to increase the revenue of the organisation
Growth and Development	Growth and Development	<ul style="list-style-type: none"> To grow and develop Plettenberg Bay in terms of spatial consideration and infrastructure requirements and create an environment for economic development
Sustainable Services Delivery	Supplement Electricity Supply	<ul style="list-style-type: none"> To investigate and implement green energy to reduce the municipality's dependency on ESKOM supply
Intergovernmental Relations	Improve Intergovernmental Relations	<ul style="list-style-type: none"> Promote communication with various stakeholders on an ongoing basis by regular follow-ups
Sustainable Services Delivery	Water Security	<ul style="list-style-type: none"> To ensure the Bitou Municipality's communities have access to enough clean, drinkable water without the risk of depletion

Focus Area	Outcomes	Defined
Sustainable Services Delivery	Sustainable Energy Supply	<ul style="list-style-type: none"> To create an energy supply that can remain viable without having the risk of being depleted or can compromise future generations
Growth Development and	Financial Viability	<ul style="list-style-type: none"> To generate sufficient revenue to cover the Bitou municipality's expenses and debt obligations over a long term
Growth Development and	Social Development	<ul style="list-style-type: none"> To have open and transparent platforms to engage and assist different stakeholders to aid the community in terms of various social matters
Growth Development and	Value for money procurement	<ul style="list-style-type: none"> To create and maintain sustainable cash flow
Good Governance	Good Governance	<ul style="list-style-type: none"> To receive and maintain a clean audit outcome for the Bitou Municipality
Intergovernmental Relations	Enhancing Public Perceptions	<ul style="list-style-type: none"> To creating a Bitou Municipal brand that is identified with to promote trust
Intergovernmental Relations	Customer Satisfaction	<ul style="list-style-type: none"> To obtain public inputs on bettering Bitou processes and the services rendered and to report on improvements by providing credible feedback on an ongoing basis
Intergovernmental Relations	Expanding the Government footprint	<ul style="list-style-type: none"> To engage on an ongoing basis with the district and different Provincial and National Sector Departments To ensure that Bitou Municipality is working towards the National outcomes
Good Governance	Strategic Alignment	<ul style="list-style-type: none"> To ensure that the organisation is properly arranged and working together to achieve its defined strategic objectives. To engage on an ongoing basis with the district and different Provincial and National Sector Departments to ensure that Bitou Municipality is working towards the National outcomes
Growth Development and	Economic Growth	<ul style="list-style-type: none"> To promote the Bitou Municipal area for investors To maintain and grow the business, private and economic sectors. To provide a conducive platform for small business to expand or enter the market
Growth Development and	Rural Development	<ul style="list-style-type: none"> To enhance the quality of life and financial wellbeing of community members of populated and remote areas

Focus Area	Outcomes	Defined
Growth Development and	Diversify Economy	<ul style="list-style-type: none"> To expand, stimulate and grow agriculture economy throughout the Bitou Municipal area
Focus Area	Outcomes	<ul style="list-style-type: none"> Defined
Growth Development and	Land Use Management	<ul style="list-style-type: none"> To adopt systems that through appropriate practices enable the Bitou Municipality to maximise the economic and social benefits from the land while enhancing and maintaining the ecological and natural resources of the area
Intergovernmental Relations	Enhance Public Participation	<ul style="list-style-type: none"> To promote inclusive decision making To promote an openness and transparency To enforce accountability

Table 11: Action Plan

STRATEGIC ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS, NATIONAL DEVELOPMENT PLAN AND PROVINCIAL STRATEGIC PRIORITY AREA

BACK TO BASICS REVISED CHAPTER 9 OUTCOMES (RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT DEVELOPMENTAL LOCAL GOVERNMENT SYSTEM	2016 SUSTAINABLE DEVELOPMENT GOALS	NDP 2030	NATIONAL OUTCOMES (2010)	WC STRATEGIC PLAN (225-2030)	GARDEN ROUTE STRATEGIC OBJECTIVE	BITOU STRATEGIC OBJECTIVES
B2B 3 Delivering Municipal Services; (Basic Services: Creating Conditions For Decent Living) Members Of Society Have Sustainable And Reliable Access to Basic Services	SDG 1: No Poverty SDG 2: No Hunger SDG 3: Good Health SDG 6: Clean Water and Sanitation	Chapter 10: Health Care for all. Chapter 11: Social Protection	Outcome 2: A long and a healthy life for all South Africans Outcome 7: Vibrant, equitable and sustainable rural communities and Food security for all	Growth for jobs	SO1: Healthy and socially stable communities	Provide excellent and sustainable services to all residents.
B2b 5: Sound Institutions and Administrative Capabilities. (Building Capable Institutions And Administrations) Democratic, well-governed, and effective municipal institutions capable of conducting their developmental mandate as per the constitution.	SDG 4: Quality Education SDG 5: Gender Equality SDG 8: Good Jobs and Economic Growth SDG 10: Reduced Inequalities	Chapter 9: Improving Education training and innovation Chapter 15: Nation-building and Social Cohesion	Outcome 1: Improve the quality of basic. Education Outcome 5: A skilled a capable workforce to support inclusive growth	Innovation, culture, and governance	SO2: A skilled workforce and communities	Build a capable, developmental, transformed, and productive workforce.

BACK TO BASICS REVISED CHAPTER 9 OUTCOMES (RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT DEVELOPMENTAL LOCAL GOVERNMENT SYSTEM	2016 SUSTAINABLE DEVELOPMENT GOALS	NDP 2030	NATIONAL OUTCOMES (2010)	WC STRATEGIC PLAN (225-2030)	GARDEN ROUTE STRATEGIC OBJECTIVE	BITOU STRATEGIC OBJECTIVES
B2B 1: Basic Services Creating Conditions For Decent Living: Democratic, well-governed and effective municipal institutions capable of conducting their developmental mandate as per the constitution.	SDG 7: Clean Energy SDG 9: Innovation and Infrastructure SDG 11: Sustainable Cities and Communities	Chapter 4: Economic Infrastructure Chapter 5: Inclusive rural Economy	Outcome 6: An efficient, competitive, and responsive economic infrastructure network	Growth for Jobs	SO3: Bulk Infrastructure Co- Coordination	Adhere to and implement effective and efficient good governance processes
BACK TO BASICS REVISED CHAPTER 9 OUTCOMES (RESPONSIVE, ACCOUNTABLE, EFFECTIVE, AND EFFICIENT DEVELOPMENTAL LOCAL GOVERNMENT SYSTEM	2016 SUSTAINABLE DEVELOPMENT GOALS	NDP 2030	NATIONAL OUTCOMES (2010)	Innovation, culture, and innovation	GARDEN ROUTE STRATEGIC OBJECTIVE	BITOU STRATEGIC OBJECTIVES
B2B 3: Putting People and Their Concerns First	SDG 7: Clean Energy	Chapter 5: Environmental Sustainability and Resilience	Outcome 3: All people in South Africa feel protected and safe.	Safety	SO4: Environmental management and public safety	Adhere to and implement effective and efficient good governance processes

BACK TO BASICS REVISED CHAPTER 9 OUTCOMES (RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT DEVELOPMENTAL LOCAL GOVERNMENT SYSTEM	2016 SUSTAINABLE DEVELOPMENT GOALS	NDP 2030	NATIONAL OUTCOMES (2010)	WC STRATEGIC PLAN (225-2030)	GARDEN ROUTE STRATEGIC OBJECTIVE	BITOU STRATEGIC OBJECTIVES
Democratic, well-governed and effective municipal institutions, capable of conducting their developmental mandate as per the constitution	SDG 12: Responsible Consumption SDG 13: Protect the Planet SDG 14: Life below water SDG 15: Life on Land	Chapter 12: Building Safer Communities	Outcome 10: Protection and enhancement of environmental assets and natural resources. Outcome 11: A better South Africa, a better and safer Africa and world			

BACK TO BASICS REVISED CHAPTER 9 OUTCOMES (RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT DEVELOPMENTAL LOCAL GOVERNMENT SYSTEM	2016 SUSTAINABLE DEVELOPMENT GOALS	NDP 2030	NATIONAL OUTCOMES (2010)	WC STRATEGIC PLAN (225-2030)	GARDEN ROUTE STRATEGIC OBJECTIVE	BITOU STRATEGIC OBJECTIVES
B2B: 4 SOUND FINANCIAL MANAGEMENT AND ACCOUNTING, AND (SOUND FINANCIAL MANAGEMENT) Sound Financial Management		Chapter 13: Building a capable and developmental state Chapter 14: Fighting corruption	Outcome 9: A responsive, accountable, effective, and efficient local government system	Innovation, culture, and governance	SO5: Financial viability	Achieve long-term financial viability
B2B 2: DEMONSTRATING GOOD GOVERNANCE AND ADMINISTRATION; (GOOD GOVERNANCE) Strengthened inter- governmental arrangements for a functional system of cooperative governance for local government	SDG 17: Partnerships for the Goals SDG 16: Peace and Justice SDG 10:	Chapter 13 Building a capable and developmental state Chapter 14: Fighting corruption	Outcome 9: A responsive, accountable, effective, and efficient local government system Outcome 12: An efficient, effective and development -orientated public service and an empowered, fair, and inclusive citizenship.	Innovation, culture, and governance	SO6: Good Governance	Build s capable, developmental, transformed, and productive workforce

BACK TO BASICS REVISED CHAPTER 9 OUTCOMES (RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT DEVELOPMENTAL LOCAL GOVERNMENT SYSTEM	2016 SUSTAINABLE DEVELOPMENT GOALS	NDP 2030	NATIONAL OUTCOMES (2010)	WC STRATEGIC PLAN (225-2030)	GARDEN ROUTE STRATEGIC OBJECTIVE	BITOU STRATEGIC OBJECTIVES
	Reduced Inequalities SDG 12: Responsible Consumption	Chapter 15: Nation- building and social cohesion				
B2B 5: SOUND INSTITUTIONS AND ADMINISTRATIVE CAPABILITIES. B2B: 3 PUTTING PEOPLE FIRST Local public employment programmes expanded through the Community Work Programme (EPWP)	SDG 8: Good jobs and economic growth	Chapter 3: Economy and Employment Chapter 6: Inclusive rural economy	Outcome 4: Decent employment through inclusive economic growth Outcome 6: An efficient, competitive, and responsive economic infrastructure network	Growth for Jobs	SO7: An inclusive district economy	Build a capable, well- resourced, and viable institution that can deliver on the developmental mandate of the municipality. Build s capable, developmental, transformed, and productive workforce

Table 12: Alignment of municipal objectives with SDG's

DEVELOPMENTAL STRATEGIES

To give meaning to the strategic objectives. Council identified strategic focus areas to guide the planning, budgeting, and decision-making processes. The following table gives a guide of Bitou municipal priorities for delivery during the term of office:

STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREAS	STRATEGIC INTERVENTIONS
SO1: Provide excellent and sustainable services to all residents	Fleet and Plant	Upgrade municipal workshop to include an accredited service section
		Upgrade municipal fleet
		Replace old and redundant plant
		Combination Truck for sewer reticulation and pump station
	Upgrade and Maintenance of Sewer Network	Sewer treatment Ebenezer Bulk Sewer,
		Wittedrift (sewer outfall with pump station)
		Kwanokuthula Sewer outfall
		Upgrade of the network
		Purification and management
	Water and wastewater Services	Raw Water Harvesting
		Storage
		Purification,
		distribution
		Wittedrift (Green Valley) Bulk Supply line
		Upgrading of Gansevallei Waste Treatment Works
		Upgrading of Bulk 355mm waterline Plettenberg Bay waste treatment works to Keurbooms
		Wittedrift (Green Valley New 1.5Ml water reservoir)
	Electrical Services	Bulk Purchase
		Renewable energy
		Transmit and distribute
		Maintenance and upgrade
		Ebenezer high mast and streetlights

STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREAS	STRATEGIC INTERVENTIONS
	Roads and Stormwater	Maintenance of roads and stormwater
		Upgrade and extension of road network
		Upgrade stormwater
		Traffic calming
	Upgrade and Maintenance of Parks and Recreation Facilities	Parks, Cemeteries, Sports fields, and Horticulture Maintenance Services
		Beach Control and Beachfront Maintenance, and lifeguard training and facilities
		Facilities and Service Centres (Community Halls and Service Centres)
		Aerodrome- Possible move to Strategic Services
		Municipal Buildings and Maintenance
		Kwanokuthula sportsfield floodlights
		Wittedrift (Green Valley sports field floodlights)
	Solid Waste Management	The collection of household waste streams
		Collection of green/natural waste streams
		Collection of Industrial & commercial waste streams
		Collection of recyclable waste streams
		Processing of the various waste streams
		Disposal of the various waste streams (i.e. regional landfill site, composting, recycling manufacturing houses)
		Recycling
	Upgrade and maintain public transport systems	Upgrade and Maintain Airport
		Upgrade and Maintain taxi ranks
		Maintain and upgrade bus shelters
		Upgrade and maintain cycling lanes

STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREAS	STRATEGIC INTERVENTIONS
SO2: Facilitate growth, jobs, and expand tourism to empower the residents of Bitou.	Tourism Development	Capacitate the tourism VA
		Create Tourism Routes
		Invest in township tourism
		Arts and culture
		Sport and water sport tourism
		Safaris
		Call Centres
		Airport precinct development
		Investment conference
		Ophra school for girls
		Conferencing
		Skills Development
		Culinary School
	Agriculture	Upgrade launching pad for small fisherman
		Small scale farming
		Subsistence vegetable gardens
		Provision of land to small farmers
		Develop policies and SOPs for farmer support
	Government Services	Construction of 500 – 1000 bed correctional centre
		Construction of additional schools
		Upgrading South Cape College
		Investigate the possibility of convincing SAND to use the air strip and Bitou coastline for specialised training
		Opening of more services like SARS, SEDA, Rural Development etc.

Table 13: Economic development strategic focus areas

STRATEGIC CATALYTIC DEVELOPMENT PROJECTS

The municipality is currently grappling with a range of significant challenges that affect its overall functionality and the well-being of its residents. As highlighted in the earlier chapters, these challenges include a shortage of sustainable water supply, which affects not only daily living standards but also agriculture and local businesses. Additionally, high unemployment rates plague the community, leading to increased poverty and social ills. The economy is stagnating, with limited opportunities for growth, worsened by a lack of diversification, which hampers business investment and access to essential services.

In response to these pressing issues and with the aim of improving service delivery and stimulating job growth, the municipality has named five strategic projects for consideration. These projects are meant to address the core problems and foster potential partnerships that can bring in the necessary resources and ability for implementation. By focusing on these initiatives, the municipality hopes to create a more sustainable and resilient community, enhancing the quality of life for all its residents.

1. WADRIFT DAM DEVELOPMENT

Objective: The primary goal of the Wadrift Dam project is to address the water supply challenges faced by Plettenberg Bay by constructing a holding dam that will be filled from the Keurbooms River during periods of high flow. This initiative aims to enhance water resilience and reduce dependence on surface water sources.

Project Components:

1. **Dam Construction:** The Wadrift Dam will be an off-channel storage facility designed to capture and store water from the Keurbooms River.
2. **Borehole Integration:** A series of boreholes will be drilled to supplement the water supply to the dam. Geomechanics has been contracted to conduct exploratory aquifer drilling to determine optimal borehole locations.
3. **Geotechnical Investigations:** Comprehensive geotechnical investigations will be conducted to ensure the stability and suitability of the dam site.

Challenges:

- **Geological Conditions:** The drilling process has encountered difficult formations, necessitating the installation of casing in some boreholes to prevent collapse.
- **Water Supply Reliability:** Ensuring a consistent water supply from the Keurbooms River, especially during dry periods, remains a critical challenge.

Expected Outcomes:

- **Enhanced Water Security:** The dam will significantly improve the reliability of the water supply for Plettenberg Bay, particularly during drought conditions.
- **Sustainable Water Management:** The project will contribute to sustainable water management practices by reducing reliance on surface water and incorporating groundwater resources.

Partners:

- **Local Government:** The Bitou Municipality is a key stakeholder in the project, providing oversight and coordination.

- **Garden Route District Municipality:** The district will mobilise support from other partners through the District Development Model.
- **Geomechanics:** Responsible for geotechnical investigations and borehole drilling
- **Environmental Consultants:** To ensure compliance with environmental regulations and to conduct impact assessments.
- **Construction Firms:** Local and regional construction companies will be involved in the building of the dam and related infrastructure.

Funding Sources:

- **Government Grants:** National and provincial government grants aimed at improving water infrastructure and resilience.
- **International Aid:** Organisations such as the World Bank and the African Development Bank may provide funding for large-scale infrastructure projects.
- **Public-Private Partnerships (PPPs):** Collaboration between government entities and private sector investors to share the costs and benefits of the project.
- **Local Investment:** Contributions from local businesses and community organisations are invested in the long-term sustainability.

2. DEVELOPMENT OF A PUBLIC HOSPITAL

Objective: The primary goal of the project is to establish a public hospital in Plettenberg Bay to provide accessible emergency and inpatient services to the local population of over 65,000 residents, who currently must travel approximately 30 km to Knysna to access such services.

Project Components:

1. **Hospital Construction:** Building a fully equipped public hospital with emergency, inpatient, outpatient, and specialised medical services.
2. **Medical Staff Recruitment:** Hiring qualified medical professionals, including doctors, nurses, and support staff.
3. **Infrastructure Development:** Ensuring the hospital is equipped with modern medical technology and facilities.
4. **Community Health Programs:** Implementing health education and preventive care programs to improve overall community health.

Challenges:

- **Geographical Accessibility:** The current lack of nearby emergency and inpatient services forces residents to travel long distances, which can be critical in emergencies.
- **EMS Services:** The availability and efficiency of Emergency Medical Services (EMS) are limited, leading to delays in patient transport and care.
- **Financial Constraints:** Securing sufficient funding for the construction and operation of the hospital is a significant challenge.
- **Workforce Shortage:** Recruiting and retaining skilled medical professionals in rural areas can be difficult.

Expected Outcomes:

- **Improved Health Access:** The hospital will provide immediate access to emergency and inpatient services, reducing travel time and improving health outcomes.
- **Enhanced EMS Efficiency:** With a local hospital, EMS services can operate more efficiently, reducing response times and improving patient care.
- **Community Health Improvement:** The hospital will serve as a hub for health education and preventive care, contributing to better overall health in the community.

Possible Stakeholders:

- **Local Government:** Bitou Municipality will play a key role in providing a construction site, project oversight and coordination.
- **Garden Route District Municipality:** The district will mobilise support from other partners through the District Development Model.
- **Western Cape Department of Health:** Providing regulatory support and funding.
- **Infrastructure Department:** Provide technical support, design and implement the construction of the hospital.
- **Private Sector Partners:** Collaboration with private healthcare providers and investors to share costs and expertise.
- **Community Organisations:** Local NGOs and community groups to support health education and outreach programs.

Funding Sources:

- **Government Grants:** National and provincial government grants aimed at improving healthcare infrastructure.
- **Public-Private Partnerships (PPPs):** Collaboration between government entities and private sector investors.

Timeline: According to officials from the Department of Health and Wellness, the bed plan for Bitou in 2030 is set at 90 beds, indicating that the project will be completed or implemented by that year, 2030.

3. COMING TOGETHER PROJECT

Background: The "Coming Together Project" aims to consolidate all municipal and government services into a single precinct in Plettenberg Bay. Currently, Bitou Municipality's various service departments are scattered across multiple locations, leading to inefficiencies and accessibility challenges. The project proposes the construction of a central office campus at Ladywood, which will house all municipal services and potentially other government services, enhancing service delivery and operational efficiency.

Challenges:

1. **Funding and Budget Constraints:** Securing sufficient funding for the construction and maintenance of the new precinct is a significant challenge.
2. **Logistical Coordination:** Coordinating the relocation of multiple departments and ensuring minimal disruption to services during the transition period.
3. **Community Engagement:** Addressing concerns and gaining support from the local community and stakeholders.

4. **Infrastructure Development:** Ensuring the new precinct is equipped with modern facilities and technology to support efficient operations.

Benefits:

1. **Improved Efficiency:** Centralising services will streamline operations, reduce redundancy, and improve communication between departments.
2. **Enhanced Accessibility:** Residents will have easier access to a wide range of services in one location, reducing the need to travel to multiple offices.
3. **Economic Growth:** The project is expected to stimulate local economic growth by attracting investment and creating job opportunities during and after construction.
4. **Better Service Delivery:** A centralised precinct will facilitate better coordination and faster response times, improving overall service delivery to the community.

Government Services to be Rendered:

1. **Municipal Services:** Including refuse removal, electricity, water, sewerage, rates collection, tourism, traffic and parking, drainage, building plan approval, and local economic development.
2. **Primary Health Care:** Clinics and health services to provide medical care and health education.
3. **Library Services:** Public libraries offer educational resources and community programs.
4. **Social Services:** Support for vulnerable populations, including social grants, housing assistance, and child welfare services.
5. **Public Safety:** Police services, fire department, and emergency medical services (EMS) to ensure community safety.
6. **Administrative Services:** Services such as applying for permits, paying taxes, and renewing licenses.
7. **Environmental Health Services:** Monitoring and managing public health risks related to the environment.

By bringing these services together in one precinct, the municipality can enhance service delivery, improve operational efficiency, and provide a more convenient and accessible experience for residents.

4. CORRECTIONAL FACILITY

Location: Krantzbosch is situated in the Bitou Local Municipality, within the Garden Route District Municipality of the Western Cape, South Africa.

Brief History: Krantzbosch, also known as Kransbos, is part of the indigenous forests of the southern Cape. Historically, it was one of the selected sites for woodcutter settlements in the Knysna area. These settlements were established to improve the living standards of woodcutters who were driven into the forests in search of timber. The woodcutters became an isolated and impoverished community, contributing significantly to the forestry operations in the region.

GPS Coordinates:

- **Latitude:** 33° 56' 7" S
- **Longitude:** 23° 14' 49" E

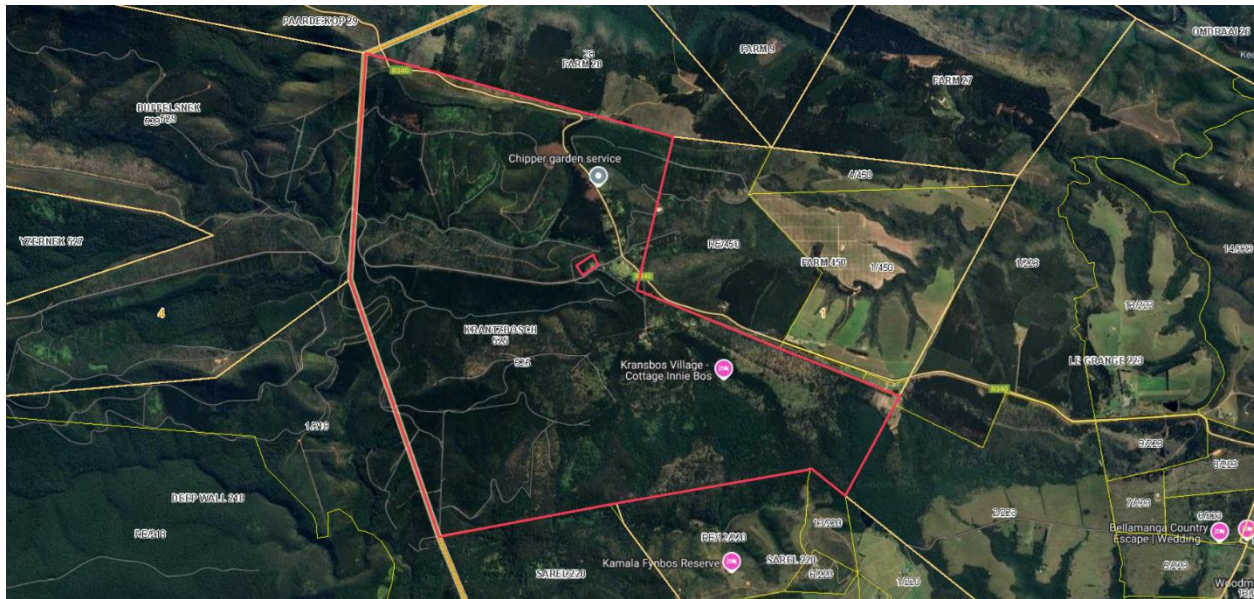


Figure 9: Locality map of Krantzbosch located in the Uplands area in Ward 1.

Objective: The primary objective of this ambitious project is to design and construct a state-of-the-art correctional facility in Bitou that will not only boost sustainable government spending but also stimulate significant economic growth within the community. This modern facility will house a comprehensive 513-bed corrections rehabilitation centre, dedicated to delivering extensive rehabilitation and reintegration services for offenders. The centre is envisioned to focus on holistic approaches that address the underlying issues faced by individuals in the criminal justice system, fostering skills development, education, and mental health support to ensure successful reintegration into society. By prioritising rehabilitation over punishment, this initiative aims to create safer communities while also contributing to the local economy through job creation and enhanced public safety.

Project Components:

1. **Facility Construction:** Building a state-of-the-art correctional facility with modern security features and rehabilitation amenities.
2. **Rehabilitation Programs:** Implementing various rehabilitation programs focused on education, vocational training, and psychological support to prepare inmates for reintegration into society.
3. **Infrastructure Transfer:** Facilitating the transfer of Krantzbosch from the Department of Infrastructure to the Department of Correctional Services

Challenges:

- **Community Concerns:** Residents and ratepayers have raised concerns about the potential negative impact on crime rates, property values, and community safety.

- **Systemic Issues:** Addressing widespread systemic failures within Correctional Services, including corruption and gang activity within prisons.
- **Workforce Shortage:** Recruiting and retaining qualified correctional staff to ensure effective operations.

Expected Outcomes:

- **Economic Growth:** The facility is expected to create eight hundred permanent jobs and numerous temporary jobs during construction.
- **Improved Rehabilitation:** Enhanced rehabilitation and reintegration services will contribute to reducing recidivism rates and improving public safety.
- **Sustainable Government Spending:** Increased government investment in the region will stimulate local economic growth and development.

Possible Stakeholders:

- **Bitou Municipality:** Responsible for facilitating the transfer of Krantzbosch and coordinating local government efforts.
- **Department of Correctional Services:** Leading the construction and operation of the facility.
- **Local Community:** Residents and ratepayers who will be affected by the project and involved in public participation processes.
- **Private Sector Partners:** Construction firms and service providers involved in building and maintaining the facility.
- **NGOs and Community Organisations:** Supporting rehabilitation programs and community outreach efforts.

Funding Sources:

- **Government Grants:** National and provincial government grants aimed at improving correctional infrastructure.
- **Public-Private Partnerships (PPPs):** Collaboration between government entities and private sector investors to share costs and expertise.
- **International Aid:** Potential funding from international organisations focused on criminal justice and rehabilitation.

Timeline: At this moment, we find ourselves without a definitive timeline for concluding the negotiations, planning, and budgeting processes. The outcomes are still being shaped, leaving us excited for the possibilities that lie ahead!

5. CENTRAL BEACH DEVELOPMENT

Background: Central Beach is the most popular beach in Plettenberg Bay, attracting both locals and tourists with its beautiful scenery and recreational activities. The beach is a hub for ocean-based recreation, including swimming, surfing, and kayaking. However, the facilities and infrastructure at Central Beach have not kept pace with the growing number of visitors, necessitating an upgrade to enhance the beach's appeal and functionality.

Location: Central Beach is located at 19 Hopwood Street, Plettenberg Bay, Western Cape, South Africa. The GPS coordinates are approximately:

- **Latitude:** -34.05938
- **Longitude:** 23.37693

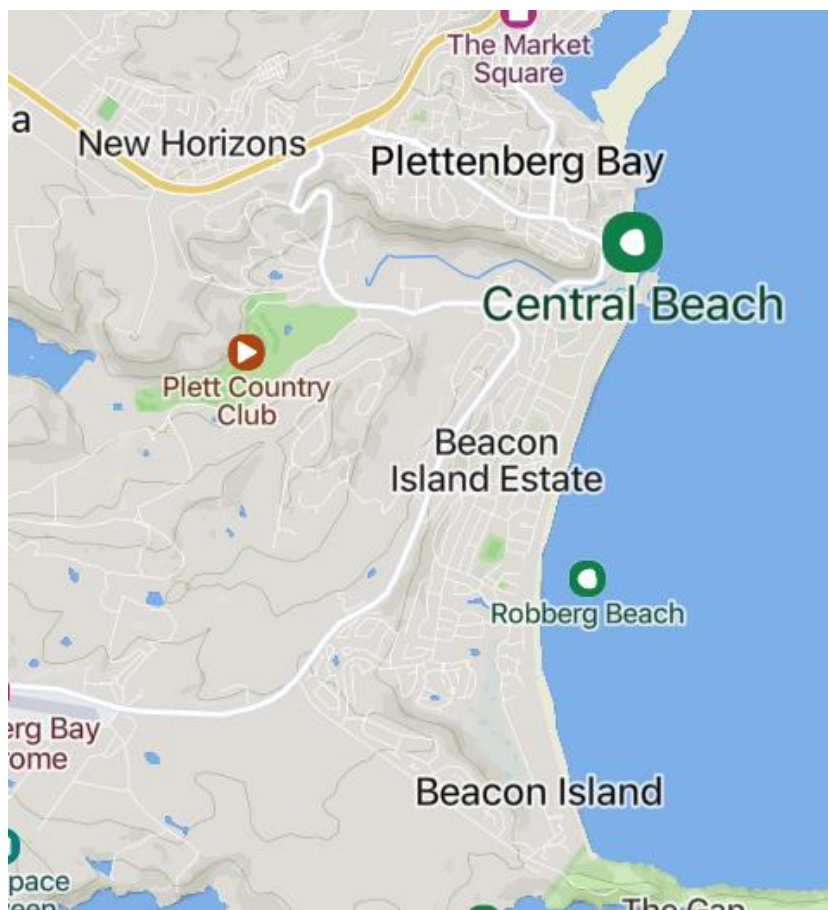


Figure 10: Location of Central Beach

Challenges:

1. **Funding:** Securing adequate funding for the comprehensive upgrade of the beach facilities and infrastructure.

2. **Environmental Impact:** Ensuring that the development is environmentally sustainable and does not negatively impact the natural beauty and ecosystem of the area.
3. **Community Concerns:** Addressing the concerns of residents and stakeholders regarding potential disruptions and changes to the beach's character.
4. **Logistical Coordination:** Managing the logistics of construction and upgrades without significantly disrupting beach access and usage, especially during peak tourist seasons.

Benefits:

1. **Enhanced Visitor Experience:** Upgraded facilities will improve the overall visitor experience, making the beach more attractive to tourists and locals alike.
2. **Economic Growth:** Improved beach infrastructure will boost local tourism, leading to increased economic activity and job creation in the area.
3. **Sustainable Development:** The project will incorporate sustainable practices, ensuring the long-term preservation of the beach's natural environment.
4. **Improved Safety and Accessibility:** Enhanced safety measures and better accessibility will make the beach more inclusive and safer for all visitors.

Government Services to be Rendered:

1. **Municipal Services:** Including waste management, beach maintenance, and public safety.
2. **Tourism Services:** Information centres, guided tours, and recreational activity coordination.
3. **Environmental Management:** Monitoring and protecting the beach's natural resources and ecosystem.
4. **Public Amenities:** Restrooms, changing facilities, and accessible pathways.

By upgrading Central Beach, the municipality can significantly enhance service delivery, improve the quality of life for residents, and attract more tourists, thereby stimulating local economic growth.

IMPLEMENTATION

INSTITUTIONAL INTELLECTUAL DIMENSIONS

The municipality is standing on three legs, namely the political, administrative and community, which translates to organisational intellectual capital. Intellectual organisational capital is made of:

a. Structural Capital

Departments tend to work in silos; they avoid sharing information and using and developing institutional knowledge to solve developmental challenges. This mentality leads to duplication, wasteful expenditure, underutilisation of human capital skills and skills mismatch.

The current structure of the municipality is heavily top-down; there are too many managers at the senior level, and this results in an above-average wage bill. Another challenge is the exploitation of institutional policies like overtime and sick leave. Some officials supplement their salaries with overtime payments.

The municipality will look at internal integration and knowledge sharing between departments for better service delivery and customer satisfaction.

b. Human Capital

The municipality conducted a skills audit that outlined the municipal capacity and gaps. The organogram was adopted; however, this organogram is heavily top-down, and it is not funded. These are unfunded so-called critical positions and funded critical vacant positions. The question that then arises is whether there are any grave consequences for not filling the **critical** vacant positions. Another question would be to ask if the municipality uses its current workforce to its full capacity.

The next step in implementing the 2022 - 2027 IDP is that the municipality should streamline its workforce to be fit for the purpose. Its employees must be capacitated through skills development and on-the-job training.

c. Customer Capital

Bitou Municipality is endowed with knowledgeable and skilled people who chose to retire or work here because of its nature and aesthetics. The beaches, the weather and the vegetation make this area attractive to local and foreign people. These people are the customers of the municipality, and they are stakeholders as well.

The municipality should make room for the participation of these people in the IDP, Budget and performance monitoring. The participation should be structured and formalised. Their inputs are valued, and they are respected.

The sections below outline the three intuitional intellectual dimensions.

COMPOSITION OF THE MUNICIPALITY

Bitou Municipality is a Category B, level 3 municipality. Its governance model is built on two legs, namely the council and all its support structures, including the executive mayoral system and the administrative arm that is responsible for implementing the council's long-term development strategies and policies.

COUNCIL

The Bitou municipal council was constituted on 18 December 2021; this was after the 01 November 2021 general elections. Bitou Council is comprised of thirteen Councillors from six political parties, namely, Democratic Alliance (5), African National Congress (4), Active United Front (1), Patriotic Alliance (1), Ikwezi Political Movement (1) and Plett Democratic Congress (1). There was no outright majority, and therefore, a coalition government had to be established. The democratic alliance with five councillors had to go into coalition with the Active United Front (AUF) and Plett Democratic Congress (PDC).

The council is led by the Speaker and convenes monthly council meetings to discuss council policies, budgets, long-term plans and how best to render affordable and quality services to the residents of Plettenberg Bay and surrounding towns that form part of the Bitou Municipal area.

The Chief Whip of the council supports the speaker. To ensure the seamless functioning of the council, the Chief Whip builds relations with various political parties in the council.

The council formulates policies, drafts, approves, and implements the short, medium, and long-term objectives of the council. The council also developed by-laws to regulate development to mitigate risks and ensure sustainable development in the municipal area. Bitou Council is also responsible for providing sustainable, affordable, and quality services to the residents of Bitou.

Bitou Council also has a responsibility to prepare an organogram and place capable and skilled personnel to implement the council's developmental agenda and objectives as set out in the 2022 - 2027 Integrated Development Plan.

MAYORAL COMMITTEE

The Executive Mayor of the Municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance since executive powers are vested in her to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates by the Mayoral Committee.

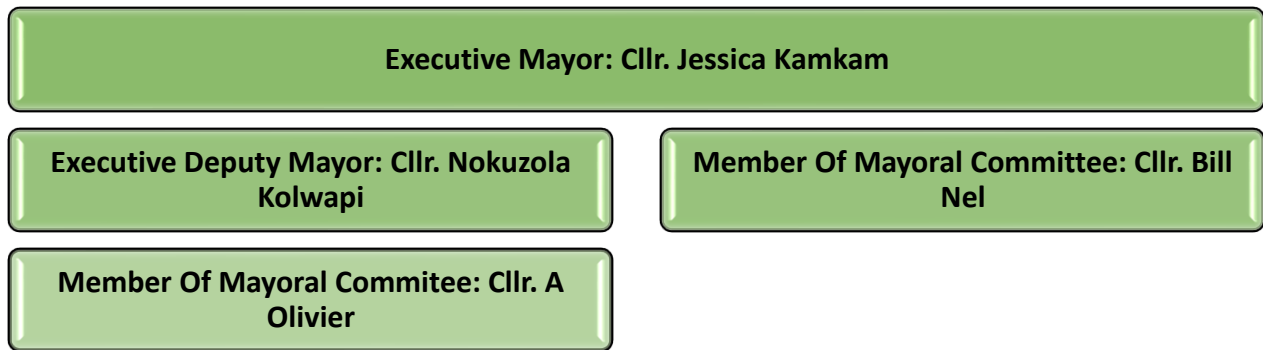


Figure 11: Composition of the Mayoral Committee

SECTION 80 COMMITTEES

The Council established section 80 committees. Three portfolios were established, and all departments are assigned to these three committees:

a) Engineering and Community Services Portfolio Committee:

Chairperson: Councillor AR Olivier

Members

Councillor NT Seti
Councillor DJ Swart
Councillor NP Kolwapi

b) Finance and Corporate Services Portfolio Committee

Chairperson: Councillor WJ Nel

Members

Councillor SA Mangxaba
Councillor T Mhlana
Councillor AR Olivier

c) Strategic Services and Office of the Municipal Manager

Chairperson: Cllr NP Kolwapi

Members

Councillor K De Bruin
Councillor SE Gcabayi
Councillor WJ Nel

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Council established the Municipal Public Accounts Committee in terms of section 79 of the Local Government Structures Act, Act 117 of 1998.

The functions of the newly established MPAC include:

- a) To consider and evaluate the content of the annual report and to make recommendations to the Council when adopting an oversight report on the annual report.
- b) To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- c) To promote good governance, transparency, and accountability in the use of municipal resources;
- d) To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
- e) To perform any other functions assigned to it through a resolution of the council within its area of responsibility.

The MPAC consists of three councillors and the following Councillors, as nominated by the respective political parties:

Chairperson:	Councill	R Willemse
	<u>Members</u>	
	Councillor	C Terblanche
	Councillor	DJ Swarts
	Councillor	NT Seti

ADMINISTRATION

The sections define the developmental institutional dimension of the municipality. The administration is responsible for the day-to-day business of the municipality. The administration advises the council to make decisions that are legally sound and financially viable. Implements council development plans for the administration.

The municipal manager is the accounting officer; he or she advises the council, and he is the final arbiter on administration issues. The municipal manager has delegated authority council to appoint suitably qualified and skilled employees.

ADMINISTRATIVE DUTIES AND FUNCTIONS

This section provides a comprehensive overview of municipal service provision capabilities. It examines the municipal organogram, skill levels, skills development initiatives, and strategic decision-making capabilities. A well-structured institution aligns its form with its function, and the primary function of local government is to deliver essential services such as water supply, sanitation, and waste removal. The current municipal structure is designed to effectively fulfil these responsibilities, reflecting its capacity to meet its mandate.

Recently, the municipality adopted a new organogram under resolution C/1/276/12/24. This reorganization introduced an additional directorate focused on Public Safety. The creation of this directorate aims to enhance the safety of all citizens and ensure that traffic violations are promptly addressed. This strategic move underscores the municipality's commitment to prioritising public safety and improving service delivery.

MM OFFICE	FINANCIAL SERVICES	CORPORATE SERVICES	ECONOMIC DEVELOPMENT & PLANNING	COMMUNITY SERVICES	ENGINEERING SERVICES	PUBLIC SAFETY (NEW)
IDP	Budgeting	Administration	Town Planning	Beaches	Electrical Services	Traffic Management
PMS	Revenue	Human Resources	Environmental Management	Amenities	Roads and Stormwater	Fire & Rescue
Risk	Supply chain	Legal Services	Geographic Information Systems (GIS)	Parks and Recreation	Water and Sewer	Law Enforcement
Auditing	Expenditure	Information Technologies (IT)	Building Control	Public Safety	Project Management Unit	Communication & Customer Relations Management
Compliance		Council Support	Spatial Planning (SDF)	Waste Management	Fleet Management	Municipal Courts
Public Participation		Archives and Records Management	Human Settlements	Disaster Management		

Figure 12: Functionality of Directorates

ALIGNMENT OF MUNICIPAL OBJECTIVES WITH FUNCTIONAL MUNICIPAL STRUCTURE

The goal of adopting a strategic plan is to ensure its operational implementation and create a seamless execution plan based on the principle that form follows function. This approach ensures that the organizational structure is designed to support the municipality's strategic objectives.

In the table below, the municipality aligns its overall strategy with the various municipal directorates. This alignment allows the municipality to systematically track its performance in achieving its objectives, ensuring accountability and continuous improvement.

DIRECTORATE	KEY PERFORMANCE AREA	MUNICIPAL OBJECTIVES	STRATEGIC
OFFICE OF THE MUNICIPAL MANAGER	Municipal transformation and organisational development	Adhere to and implement effective and efficient governance processes.	
CORPORATE SERVICES	Municipal Transformation and Organisational Development	Build a capable, developmental, transformed, and productive workforce	
ECONOMIC DEVELOPMENT AND PLANNING	Local Economic Development	Facilitate growth and expand economic opportunities to empower communities.	
FINANCIAL SERVICES	Financial Viability and Management	Achieve long-term financial sustainability.	
COMMUNITY SERVICES	Basic Service and Infrastructure Development	Provide excellent and sustainable services to all residents.	
ENGINEERING SERVICES	Basic Service and Infrastructure Development	Provide excellent and sustainable services to all residents.	
PUBLIC SAFETY	Municipal Institutional Transformation and Organisational Development	Provide excellent and sustainable services to all residents.	

Figure 13: Alignment of municipal directorates to the municipal strategic objectives.

By clearly defining the key performance areas and strategic objectives for each directorate, the municipality can effectively monitor progress, identify areas for improvement, and ensure that all departments are working towards common goals. This structured approach not only promotes transparency and accountability but also fosters a culture of continuous development and excellence in service delivery.

MACROSTRUCTURE

There are two vacant director positions that might be filled before the adoption of the final IDP in May 2025. There is an acting director for the community service directorate pending the outcomes of a disciplinary hearing against the current director. The current macrostructure is as follows:

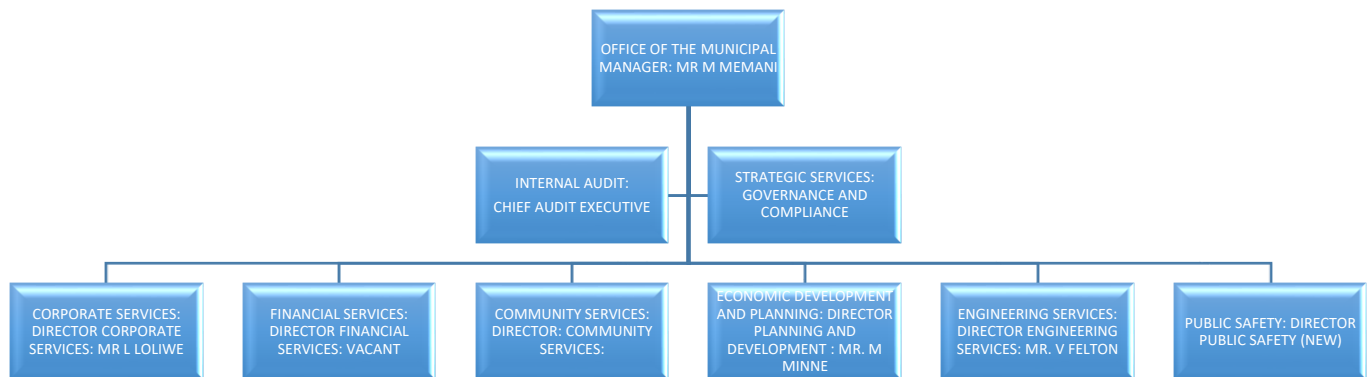


Figure 14: Bitou municipality macro structure.

STAFF COMPLEMENT

The municipality has completed its planning processes to implement Regulation 890 of the staff regulations and approved a new organogram during a special council meeting on 12 December 2024. This new structure will be operational before the commencement of the new budget year in July 2025. All staff members will be placed according to the municipal placement policy, ensuring that each position has a clearly defined job description and is task-evaluated.

In alignment with the new organogram, the municipality will have a total of 836 employees. The employee-related costs will be maintained within the prescribed norms, ensuring financial sustainability and compliance with relevant regulations. The guiding policies for these norms include the Municipal Finance Management Act (MFMA) and the South African Local Government Association (SALGA) guidelines.

Potential Impacts of the New Structure

- Enhanced Efficiency and Service Delivery:** With clearly defined roles and responsibilities, staff members will be better equipped to perform their duties, leading to improved efficiency and higher quality service delivery to residents.
- Financial Sustainability:** By keeping employee-related costs within the prescribed norms, the municipality ensures that its financial resources are managed prudently, which is crucial for long-term sustainability.
- Improved Accountability and Transparency:** The new structure, with its emphasis on job descriptions and task evaluations, promotes accountability and transparency within the organization. This helps in monitoring performance and making informed decisions.

4. **Employee Morale and Development:** A well-structured placement policy and clear job descriptions can boost employee morale by providing clarity and direction. Additionally, it opens opportunities for skills development and career progression.
5. **Alignment with Strategic Objectives:** The new organogram aligns with the municipality's strategic objectives, ensuring that all departments work cohesively towards common goals. This alignment is critical for achieving the municipality's vision and mission.
6. **Public Safety and Community Well-being:** The inclusion of the Public Safety directorate highlights the municipality's commitment to enhancing the safety and well-being of its citizens. This focus can lead to a safer and more secure environment for all residents.

By adhering to these policies and implementing the new structure, the municipality aims to optimise its workforce management, enhance service delivery, and ensure that employee costs are effectively managed. This strategic approach not only supports the municipality's operational goals but also promotes transparency and accountability in its financial practices.

FINANCIAL PLAN

LONG-TERM FINANCIAL PLAN (LTFP)

The municipality is currently engaged in a thoughtful revision of its long-term financial plan, initially developed by INCA Portfolio Management. We remain optimistic that the data will evolve positively as we approach the finalisation of the IDP in May.

The aim of this document is to provide the municipality with a blueprint on how to raise and manage municipal finances for improved service delivery. The drafting of the LTFP was preceded by an independent financial assessment of the municipal financial statements for the past eight years to the 2021/22 budget year. The report indicates that the municipality is in a reasonable financial position however, there is underperformance in certain key metrics, creating a financial risk. The underperformance is a result of low collection rates, a severely deteriorating liquidity position, higher creditor payment day ratios, and consistent cash shortfalls on the minimum liquidity requirements.

OBJECTIVES OF THE LTFP

The purpose of a long-term financial plan is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance, future, and the environment in which it operates.

The plan provides guidelines, within the context of an uncertain future, of what the municipality can afford.

The generic process (adapted for each municipality pending availability of data) that was followed in reaching the objective of the Long-Term Financial Plan, is illustrated in the diagram below:

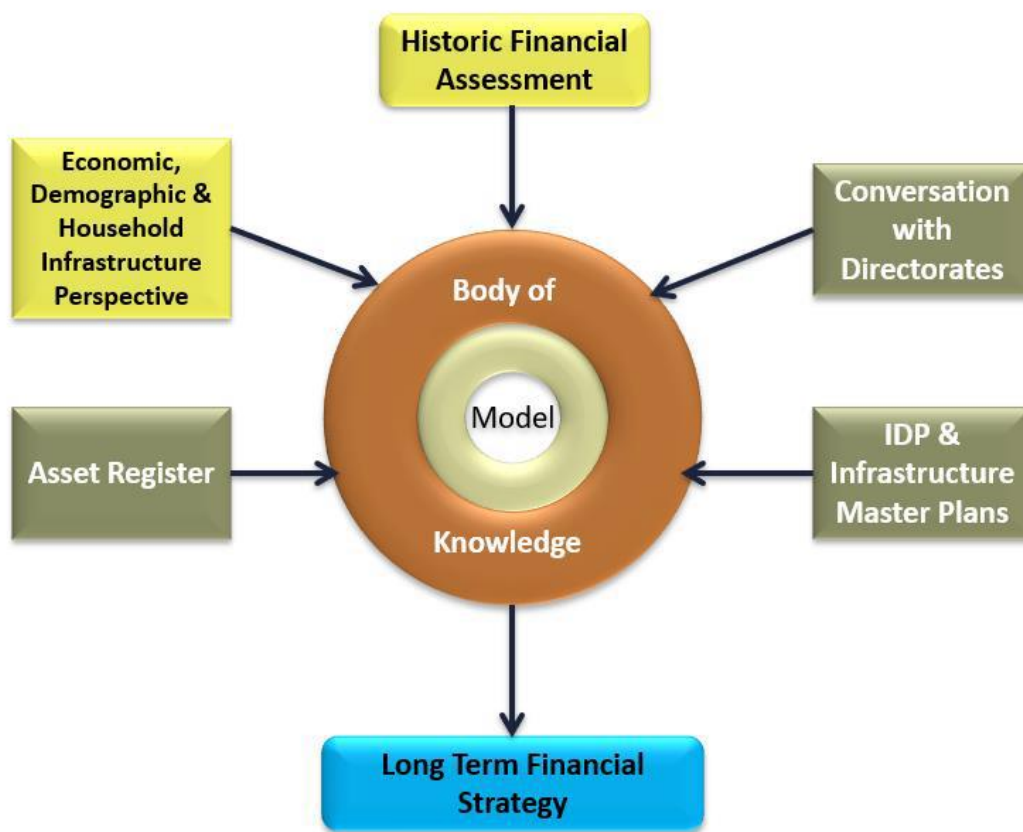


Figure 15: Planning process.

DEMAND FOR FUTURE CAPITAL EXPENDITURE

The replacement cost at a future replacement date for assets in the asset register was determined. “Replacement” could also imply rehabilitation, enhancement (upgrade), or renewal (refurbishment) of that asset, but excludes routine repairs and maintenance.

The calculation is done mechanistically and does not cater for engineering judgement. The information gained from the municipality’s asset register and the correctness thereof will impact the accuracy of future replacement costs and dates. The asset register provided by the municipality included many assets lacking essential data to enable an accurate projection of future replacement costs. For these assets, we had to make calculated assumptions of acquisition cost and dates, as well as remaining useful life. Some assets were also not classified (categorised), and we added a “Not Classified” category. The model calculates the Replacement Cost (in nominal terms) of assets for the Planning Period, i.e., up to and including 2031/32. Some asset classes were not reviewed for replacement, viz. “Investment Property,” “Land,” and “Heritage Assets.”

The outcome of this analysis and the Annual Replacement Cost (“ARC”) are presented in Annexure 4: Assets Earmarked for Replacement.

According to a mechanistic calculation, the nominal replacement cost for the period from 2022/23 (and replacement not done before) to 2031/32 amounts to R 12,617 million. Of this amount, an amount of R 7 712 million, or 61%, consists of assets that should already have been replaced in the past, based on their remaining

useful life. The replacement of assets in the Water Infrastructure category amounts to 34%, followed by Road’s infrastructure with 32%, and Electricity and Stormwater with 11% each. The estimated current replacement cost (“CRC”) of only those assets that were assessed amounts to R 20 billion, compared to the carrying value of PPE assets of R 1.2 billion recorded in the municipality’s annual financial statement for the period ending 30 June 2022.

The estimated replacement costs have been amended. This was achieved by:

- Assuming that the actual remaining life of some assets will exceed the life recorded in the asset register
- Assuming that only a percentage of assets will be replaced when their estimated useful life expires (e.g., in the case of buildings, it is doubtful whether the whole structure will have to be replaced, only certain fittings, roof, finishes, etc.)
- Spreading replacement has not been done in the past over several future years, and
- Smoothing the constant 2022 value over the Planning Period and reverting these back to nominal values

Following the above procedure resulted in the total asset replacement cost for the period 2022/23 to 2031/32 reducing from the original R 12 617 million to R 10 424 million.

The graph below compares the Replacement Cost as determined from the asset register and the smoothed Replacement Cost after adjustment as described above:

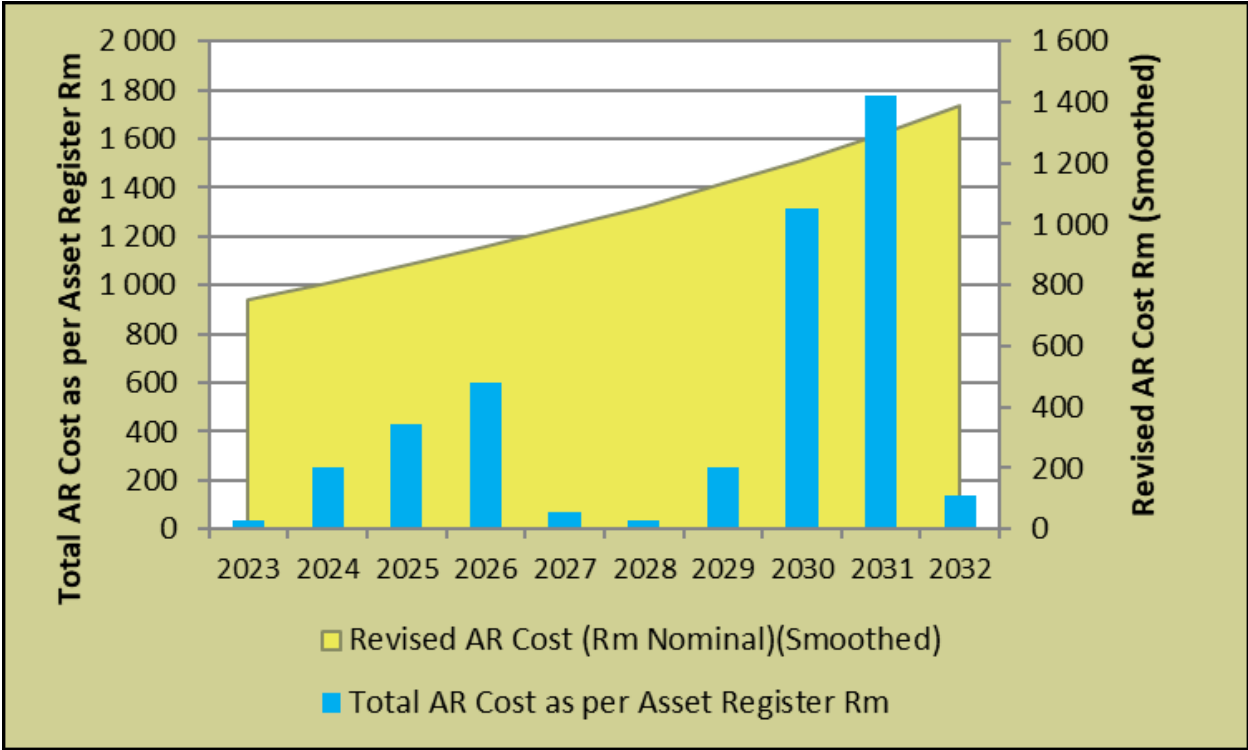


Figure 16: Asset replacement cost, (Rm) per asset.

The excessive amounts estimated for 2030 and 2031 are due, to an extent, but not exclusively, to the replacement of:

2030

Several water infrastructure assets, e.g.

- Off channel dam / water resource
- Water pipe wrp-17905
- Water pipe wrp-18860
- Water pipe wrp-21475
- Water pipe wrp-42286
- Water pipe wrp-42290

2031

Several water infrastructure assets, e.g.

- New Horizon reservoir cwt no1
- Keurboomstrand reservoir

Several Stormwater infrastructure assets

- Plettenberg Bay stormwater pipe ret-117.
- Plettenberg Bay stormwater pipe ret-126.

It is worthwhile to assess the condition of the assets as accurately as possible and apply engineering judgment to determine when the asset components need to be replaced.

The smoothed Annual Replacement Cost (“ARC”) curve ranges from R 754 million to R 1 387 million p.a. for the period 2022/23 to 2031/32. A future smoothed asset replacement programme of this nature would be advisable to avoid the spikes as illustrated above. The quantum may, however, not be affordable considering that the investment in PPE of the municipality in 2021/22 was only R 78 million, which included investment in new as well as replacement assets.

In addition to asset replacement, the municipality has the need to create new capital assets. However, considering the need for asset replacement, this should not be neglected, and we propose that the municipality identify priority projects and implement a smooth asset replacement budget for future years.

Considering the large demand for the replacement of assets that will be reaching the end of their useful life during the 10-year planning period, it is proposed that the municipality prioritise a cash-backed Capital Replacement Reserve (“CRR”) for this purpose. It would be prudent to transfer the full depreciation charge to the CRR once the cash balances are available. The CRR can then be used as a funding source for future capital expenditure. Furthermore, once the CRR has built up a significant balance, the municipality should avoid depleting its CRR in any given budget year but use a percentage (say 50%) of the prior year's balance for assets that require replacement. An asset replacement programme within the levels of available resources in the CRR will go a long way in quantifying the future replacement budget.

FINANCIAL MODEL

The long-term financial model was developed and populated with several assumed variables. A summary of the base case of the long-term financial model is presented below:

OUTCOME	10 YEARS UP TO 2032
Average annual % increase in Revenue	6.9%
Average annual % increase in Expenditure	4.9%
Accounting surplus accumulated during the planning period (Rm)	R60m
Operating surplus accumulated during planning (Rm)	-R280
Cash generated by operations during the planning period (Rm)	R508m
Average annual increase in gross consumer debt	23.5%
Capital investment programme during the planning period (Rm)	R841m
External loan financing during the planning period (Rm)	R470m
Cash and Cash Equivalent at the end of the planning period (Rm)	R203m

Table 14: Summarized base case financial outcomes.

The proposals in this financial plan are based on the assumptions in the Base Case Financial Model. The fact that future cash flows may be influenced by a variety of variables, which limits the accuracy with which forecasts can be made.

The model framework is illustrated in the diagram below:

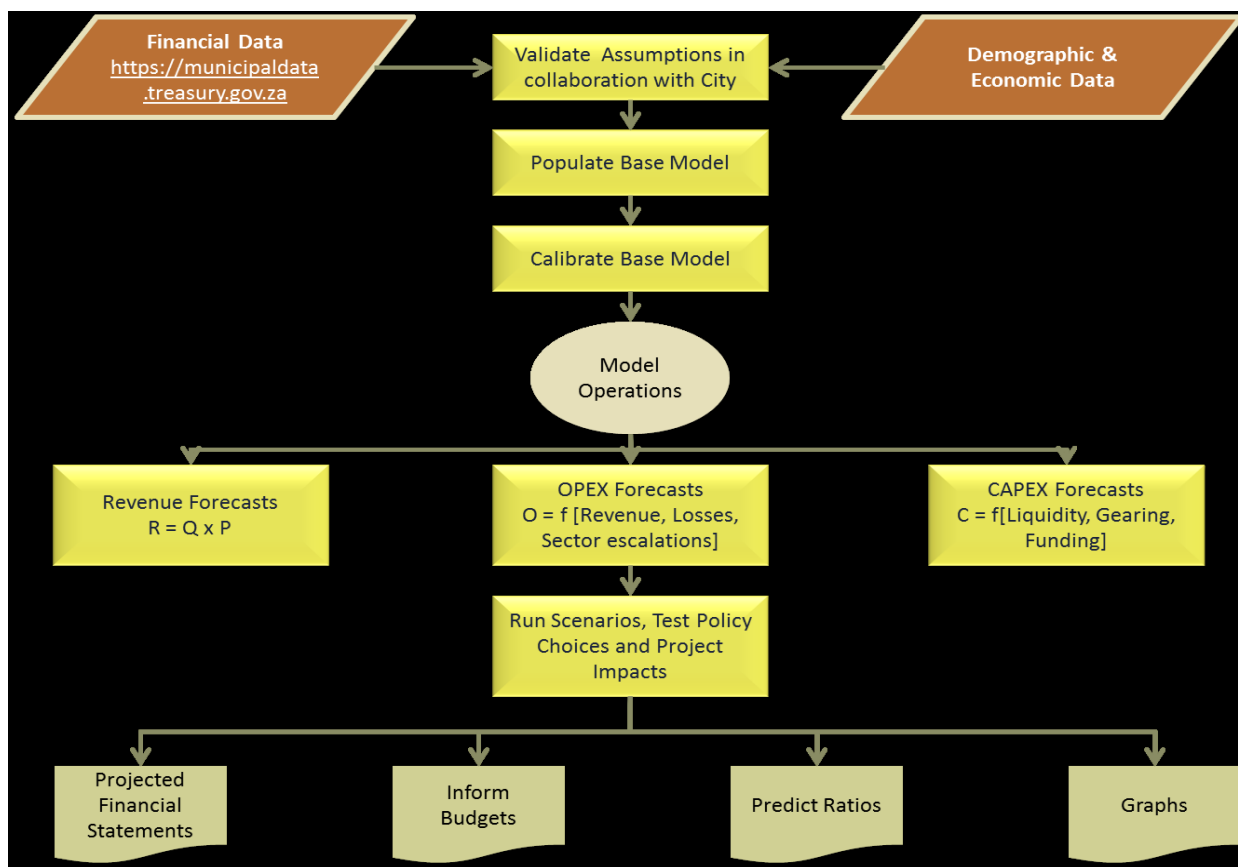


Figure 17: LTFP Framework

RECOMMENDATIONS

Chapter 12 of the main report lists a comprehensive list of recommendations. These recommendations are based on the historic independent financial assessment and long-term financial model. The following recommendations are recommended for the implementation of the financial planning model:

1. Improve the liquidity position through implementing measures to improve the efficacy of collection procedures whilst reducing pressure on cash reserves through fostering an optimal funding mix with prudent use of external financing.
2. Ensuring that all applicable consumers are billed at the correct amounts and that this revenue is collected.
3. Develop a cost-reflective tariff model and ensure that the full costs of providing all services are shared by as many households as possible.
4. Develop clear policies for the implementation of the capital budget, ensuring projects that promote economic growth are prioritized.
5. Reduce distribution losses for water and electricity services through safeguarding of infrastructure, fostering an initiative-taking approach to maintenance, and policing of illegal activity that contributes to these losses.
6. Ensure stringent management of operating expenditure, with a particular focus on expenditure that is efficient, prioritized, and targeted.

ANNUAL BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2025/26 – 2027/28

The budget for the 2025/2026 financial year and Medium-Term Revenue and Expenditure Framework (MTREF) was again challenging as the economy remain subdued by various factors, the latest being the impact of decisions from the USA under the Trump administration highlighting the fact that the South Africa and the South African economy is an integral part of the global economy and that that local and international political decisions have economic impact on local communities.

The tourism and construction sector are still recovering post Covid, and the recent festive period has been the best since the pandemic. The increase in the approval of building plans remains a positive indicator of the recovery of the sector and various new developments in the Bitou area provides hope for the construction sector. The tourism sector has been resilient and a recovery to pre-pandemic levels will hopefully be reached soon. The monetary policy decisions of the reserve bank are however still strangling households in respect of freeing up disposable household income.

We have been spared from more than 330 days of loadshedding, yet as soon as we get comfortable, loadshedding seems to rear its head again. The failure of the state and all associated state-owned entities and the high commodity prices are still hampering the economic progression.

The basket of real economic achievements and growth remains empty, confirming the inability of the state to create real economic growth and opportunity for its citizens, especially those that need it the most. Economic sentiment remains negative and the “new dawn” that the President promised in the beginning of his first term of office seems to have vanished into thin air.

The national budget remains under strain and the consolidated fiscal deficit is expected to improve slightly from 5% in 2024/2025 to 4.6% of revenue for 2025/2026. The budget deficit is expected to reduce to 3.8% by 2026/2027 and is predicted to reach 3.5% by 2027/2028.

Consolidated government expenditure is budgeted at R2.59 trillion with R1.52 trillion allocated to social services. The total municipal equitable share allocation amounts to R106.1 billion representing only 4% of government expenditure, which is not enough to subsidise free basic services to the most vulnerable.

National debt is expected to peak at 76.2% of GDP in 2025/2026, up 1% from the prior year prediction. In general, government debt is extremely high and again at a new record level, the effect thereof is that 22% of government revenue is used to service debt cost. The gross debt stock is projected to increase to R6.3 trillion in 2026/27.

National debt-service costs are projected to average R356 billion annually over the medium term, reaching R478.6 billion in 2027/28. These are resources that could otherwise have been used to address pressing social needs or to invest in our future.

The effect of the Corona Virus remains relevant, the war in Ukraine as well as the middle east crises continue to impact on the global as well as South African economy. It is expected that the price of commodities will remain high, especially the oil price that have caused a significant increase in the cost-of-service delivery and have further prolonged the economic recovery period necessary to reach pre-pandemic levels of activity in the local economy.

Economic growth estimates for have been revised upward to 1.9 per cent for the 2025/2026, 1.7% for 2026/2027 and 1.9% for 2027/2028 on the back of interest rate cuts, a more stable electricity supply and inflation remaining in a narrow band over the MTREF. Economic growth over the MTREF is not sufficient to ensure economic sustainability and create much needed employment opportunities, economic empowerment of the citizenry seems to remain far on the horizon.

The headline inflation forecast for 2025 is 4.3%, remaining between 4.3 and 4.6 per cent over the MTREF. The recovery of the economy is anticipated to remain slow over the MTREF. The South African economy is not performing well when compared to its peers being other developing countries.

Considering the prevailing economic circumstances, it remains necessary to continue applying prudent fiscal management principles in the budget process of Bitou Municipality thereby ensuring that the Municipality become financially viable and that municipal services are provided sustainably, economically, and equitably to all communities.

The Municipality's business and service delivery priorities were again reviewed as part of this year's planning and budget process. Where appropriate, funds were focussed to address high-priority programmes to ensure that we address the most critical service delivery needs. It was decided that basic service delivery to the poorest of the poor be prioritised in the coming budget to ensure equally dignified communities throughout the Bitou are of jurisdiction.

The upliftment of the communities takes preference in this budget cycle and the municipality will therefore focus more resources to water provision and wastewater systems in the 2025/2026 as well as subsequent budget years, 51.67 percent of the capital budget is allocated for these services. A sizeable portion of the 2025/2026 capital budget is dedicated to the upliftment of communities, with human settlements infrastructure taking the lion's share of the funding allocation from Provincial Government.

The revenue enhancement program is starting to gain momentum, and a review of all service points is completed, the results are now processed, and it is anticipated that additional revenue streams will impact positively on future income without adding additional burden to consumers.

The municipality is striving to improve on operational efficiencies in the services that are rendered and to continue with the enforcement cost reduction and austerity measures in accordance with the cost containment regulations and operational strategies.

The Municipality was forced at the onset of the pandemic to implement lower than normal tariff increases, although the cost of rendering the services were exponentially higher than the revenue received from it. We therefore continue to be led by the principles of cost recovery and economic viability in determining tariff increases. These principles will lead to the main services being financially viable and sustainable over the short, medium, and long term.

Where tariff increases that are higher than the upper end of the estimated inflation target, we have included a comprehensive paragraph for each tariff increase in the discussion under each tariff in the main budget document hereunder.

The execution of the programs identified in the voluntary financial recovery plan are continuing and the municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. As a last resort, where debt remains outstanding for extended periods of time and no suitable arrangement is made for the repayment thereof, the municipality has no alternative but to hand the debt over for collection.

Incentives are available for the settlement of debt and customers are urged to make use of the various repayment options and arrangements. The municipality will continue with various customer care initiatives to ensure that the municipality deeply involves all citizens in the democratic processes.

National Treasury's MFMA Circular No. 129 and 130 as well as prior year circulars were used to guide and inform the compilation of the 2025/2026 MTREF.

The main challenges experienced during the compilation of the 2025/2026 MTREF can be summarised as follows:

- The slow recovery of the National, Provincial, and especially the local economy although loadshedding has diminished significantly.
- The ongoing war in Ukraine and Gaza and the impact that it has on commodity prices such as fuel as food prices and the effect on the global markets.
- The low economic growth.
- The electricity crises that have not been permanently resolved and the lingering negative effect that it has caused to investor sentiment.
- The continued rise in unemployment.
- Interest rates that have not reduced as anticipated over the last year.
- Inflation risk that remains relevant in the current political and global economic climate.
- Ageing water, roads, stormwater, sewer and electricity infrastructure and the need to maintain current infrastructure versus the demand for new services.
- The need to reprioritise projects and expenditure within the existing resource envelope given the current cash flow reality of the municipality.
- The increase in the cost of bulk electricity from Eskom which is again placing upward pressure on service tariffs to residents and resulting in a decline in units sold.
- The need to fill critical vacancies necessary to ensure service delivery to the community.
- The demand for services that continue to outstrip the available resources.

The following budget principles and guidelines directly informed the compilation of the 2025/2026 MTREF:

- The 2024/25 Adjustments Budgets priorities and targets, as well as the base line allocations contained in the Adjustments Budget were adopted as the upper limits for the new baselines for the 2025/26 annual budget.
- Intermediate service level standards were used to inform the measurable objectives, targets, and backlog eradication goals.
- Cost cutting and austerity measures have been applied in all expenditure categories and value for money considerations are made when expenditure is incurred.
- Tariff and property rate increases should be affordable and should generally not exceed the growth parameters or upper limits of inflation as measured by the CPI, except where there are

price increases in the input of services that are beyond the control of the municipality, this relate to the continued escalation in the electricity and fuel price increase and the above average increase in specialized goods and services needed in service delivery that are subject to exchange rate fluctuations. The new general valuation role and the impact it may have on the incidence of rating.

- For the 2025/2026 budget year tariff increases were adjusted to ensure that the cost of the services is adequately recovered in the tariff setting.
- Operational efficiencies are implemented, and processes designed, not only to save cost but to enhance service delivery mechanisms.
- The recovery of the financial position of the municipality and ensuring optimum levels of operating reserves as well as cash backed reserves and current provisions.
- Cost reflective tariff setting and multi-year tariff strategies where tariffs are found not to cover the total cost of service rendering. (This remain a medium-term objective, and a phased approach is adopted where tariffs are found to be cost reflective)
- The cost of supply study is informing the electricity tariffs and associated tariff structuring.
- Ensuring a cash funded budget and the strict application of prudent fiscal management principles.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

The following table is a consolidated overview of the 2025/2026 MTREF:

Description	3rd Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Revenue	R 1 076 148 976	R 1 143 022 856	R 1 168 429 769	R 1 231 053 608
Total Operating Expenditure	R 985 577 636	R 1 068 142 970	R 1 087 047 299	R 1 118 740 222
Total Capital Expenditure	R 148 541 085	R 181 908 452	R 181 918 986	R 191 162 763

Figure 18: Consolidated overview of the 2025/26 MTREF.

Total revenue increases with R 66 873 880 to an amount of R 1 143 022 856 for the 2025/2026 budget year when compared to the 2024/2025, third adjustments budget. This is due to additional revenue raised through increased tariffs, as well as a slight improvement in the revenue raised from improvement in revenue generation through the revenue enhancement program. A further significant contribution is made through the human settlements grant in respect of the provision of housing infrastructure. For the two outer years, operational revenue will increase by 2.22 and increase by 5.36 percent, respectively.

Total operating expenditure for the 2025/2026 budget year has been appropriated at R 1 068 142 970 and translates into a budgeted surplus of R 4 414 136 before capital contributions.

When compared to the third adjustments budget, operational expenditure increases by R 82 565 334 in 2025/26. The expenditure for the two outer years increases with R 18 904 329 and with R 31 692 923, respectively, towards the third year of the MTREF.

The capital budget of R 181 908 452 for 2025/26 increases by 22.46 per cent when compared to the second adjustments budget of 2024/2025. The capital programme increases to R 181 918 986 in the 2026/27 budget year and then further increases in 2027/28 to R 191 162 763. Borrowing will contribute 47.78 percent of the capital funding for the 2025/26 budget year and will remain constant over the

MTREF. It will ensure that gearing remains in a narrow band for the near future and ensure that the liquidity position of the municipality is improved. This funding strategy is confirmed in the long-term financial plan that forms part of the budget documents. It is envisaged that the capital funding mix will remain the same for the first outer year of the MTREF whereafter borrowing will decrease towards the 2nd outer year of the MTREF. The balance of capital expenditure will be funded from internally generated funds and conditional grants.

Borrowing as a funding source is recommended for capital investment in respect of the replacement and refurbishment of infrastructure to underline the user-pays principle, where current and future users of the service will be required to contribute to the cost associated with the raising of funding necessary to execute the programs or projects.

It must be emphasised that the gearing ratio of the municipality (the ratio between debt and own revenue generated) remains sound at just over 18.8% and will remain in a narrow band over the MTREF. The gearing ratio remains well under the maximum of the norm of 40%, and the capital funding strategy strikes a balance between affordability and the retention and improvement of the liquidity position of the municipality.

The debt service cost equals 3.4%, which is further indicative of the sound financial principles supporting the funding mix strategy and the municipal lending program.

For a more comprehensive understanding of the budget, please refer to the detailed budget documents available.

MUNICIPAL ANNUAL CAPITAL BUDGET AND MID-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

On 31 March, the council adopted the draft capital budget. This budget is influenced by several key factors, including the macroeconomic environment, national equitable share, municipal borrowing capabilities, demographic and population dynamics, council strategic direction, and the affordability of services. The primary goal of this budget is to ensure the provision of quality services to all residents of Bitou Municipality.

Influencing Factors

1. **Macro-Economic Environment:** Economic conditions such as inflation rates, GDP growth, and interest rates significantly impact the budget. A stable economy can enhance revenue collection and borrowing capacity, while economic downturns may constrain financial resources.
2. **National Equitable Share:** This refers to the allocation of national revenue to municipalities, which is crucial for funding essential services. Changes in national policy or economic performance can affect the equitable share received by the municipality.
3. **Municipal Borrowing Capabilities:** The ability of the municipality to borrow funds for capital projects depends on its creditworthiness and prevailing interest rates. Effective debt management is essential to avoid excessive financial burdens.
4. **Demographic and Population Dynamics:** Population growth and demographic changes influence service demand and infrastructure needs. Accurate demographic data helps in planning and allocating resources efficiently.
5. **Council Strategic Direction:** The strategic priorities set by the council guide budget allocations. This ensures that financial resources are directed towards achieving long-term goals and addressing community needs.
6. **Affordability of Services:** The budget must balance service quality with affordability for residents. This involves setting realistic tariffs and ensuring that services remain accessible to all income groups.

Benefits

- **Improved Service Delivery:** A well-planned budget ensures that essential services such as water, sanitation, and waste management are adequately funded and efficiently delivered.
- **Economic Growth:** Investment in infrastructure projects can stimulate local economic development, create jobs, and attract investment.
- **Enhanced Public Trust:** Transparent and accountable budgeting processes build public confidence in municipal governance.

Challenges

- **Economic Volatility:** Fluctuations in the economy can impact revenue collection and increase the cost of borrowing, posing risks to budget stability.
- **Political Climate:** Political changes or instability can affect policy continuity and the implementation of budget plans.
- **Resource Constraints:** Limited financial resources may restrict the municipality's ability to meet all service demands and infrastructure needs.

By considering these factors and addressing potential challenges, the municipality aims to create a robust and responsive budget that meets the needs of its residents while promoting sustainable development. The following table is the municipal MTREF for 2025/2026 – 2027/2028.

PROJECT NAME	PROJECT DESCRIPTION	PROJECT IDP CODES	WARD	PROPOSED DRAFT BUDGET 2025-2026	PROPOSED DRAFT BUDGET 2026-2027	PROPOSED DRAFT BUDGET 2027-2028
ROADS, TRANSPORT & STORM WATER				37,769,000,00	33,996,092,23	70,113,407,77
TOOLS & EQUIPMENT	Supply and delivery of tools and equipment	RDS2200	ALL WARDS	-	45,000,00	-
WITTEDRIFT-STORMWATER UPGRADES	UPGRADING OF STORMWATER (MASTERPLAN ITEM) - Wittedrift	RDS2221	1	4,000,000,00	-	
KRANSHOEK-STORMWATER UPGRADES	UPGRADING OF STORMWATER (MASTERPLAN ITEM) - Kranshoek	RDS2222	7	2 000 000,00	2 600 000,00	2 600 000,00
BUS SHELTERS	BUS SHELTERS	RDS2223	5 & 6	500 000,00		
KURLAND-STORMWATER UPGRADES	UPGRADING OF STORMWATER (MASTERPLAN ITEM) - Kurland	RDS2220	1	2 000 000,00	2 500 000,00	2 500 000,00
KWANOKUTHULA-STORMWATER UPGRADES	UPGRADING OF STORMWATER (MASTERPLAN ITEM) - Kwanokuthula	RDS2223	5 & 6	-	2 500 000,00	2 500 000,00
SPEEDHUMPS	CONSTRUCTION OF SPEEDHUMPS	RDS2205	ALL WARDS	200 000,00	500 000,00	500 000,00
UPGRADING OF HIGH STREET	UPGRADING OF HIGH STREET	RDS2230	2	9 900 000,00	-	
UPGRADING OF SEWELL STREET AND ANCHOR CRESCENT	UPGRADING OF SEWELL STREET AND ANCHOR CRESCENT	RDS2231	2	-	7 200 000,00	
UPGRADING OF LONGSHIPS DRIVE	UPGRADING OF LONGSHIPS DRIVE	RDS2232	2	300 000,00	-	10 000 000,00
MAIN STREET WALKWAYS	Refurbishment of Main St walkways	RDS 2401	2	200 000,00	1 250 000,00	1 250 000,00
BOSSIESGIF & NEW HORIZONS CULDESACS	Upgrading of New Horizon cul-de-sacs	RDS 2402	4	1 000 000,00	-	-

KWANOKUTHULA CULDESACS	Upgrading of Kwanokuthula cul-de-sacs	RDS 2403	5	-	1 000 000,00	-
EXTENSION OF MVIMBI STREET	Upgrading of Mvimbi St	RDS2236	6	-	-	2 500 000,00
SISHUBA STREET SIDE WALKS	Construction of sidewalks along Sishuba St and nearby streets	RDS2235	5 & 6	-	-	1 500 000,00
MARINE WAY SIDE WALKS	Construction of sidewalks along Marine Way and nearby streets	RDS2236	2	-	-	1 500 000,00
1 x NEW LDV BAKKIES WITH CANOPIES	1 X NEW LDV BAKKIES WITH CANOPIES - ROADS & STORMWATER	FLT2408	ADMINISTRATIVE	600 000,00	600 000,00	-
1 X NEW JETMACHINE - STORMWATER	1 X NEW JETMACHINE - STORMWATER	FLT2414	ADMINISTRATIVE	-	2 000 000,00	-
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADING OF SEWER	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 100 ERVEN	RDS2303	3	3 475 000,00	3 600 000,00	-
EBENEZER (PORTION 3) 725	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 255 ERVEN	RDS 2304	4	13 294 000,00	8 645 200,00	22 595 500,00
UPGRADING OF GRAVEL ROADS: WITTEDRIFT GREENVALLEY	UPGRADING OF GRAVEL ROADS: WITTEDRIFT GREENVALLEY	RDS 2405	1	-	1 555 892,23	7 672 407,77
KURLAND 1500	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 250 ERVEN	RDS 2406	1	-	-	8 600 000,00
KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 100 ERVEN	RDS 2407	5&6	-	-	6 395 500,00
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF,,,,,	UPGRADING OF ROADS	RDS 2409	2	300 000,00	-	-
WATER SERVICES: WASTEWATER PURIFICATION				39 727 250,00	34 645 905,59	38 401 962,67
SLUDGE HANDLING GANSEVALLEI WWTW	SLUDGE HANDLING - MULTI DISK SCREW PRESS	SEW2401	ALL WARDS	3 700 000,00	1 500 000,00	-

PUMP STATION EQUIPMENT	Capital Spares: new pumps, motors, and fittings	WWP2301	ALL WARDS	2 000 000,00	2 000 000,00	2 000 000,00
UPGRADE SEWER RETIC	Upgrade internal sewer reticulation based on the master plan and Operational requirements	WWP2302	ALL WARDS	1 500 000,00	1 500 000,00	1 500 000,00
SECURITY FENCING - WASTE WATER PLANTS	Security Measures to meet legislative compliance by DWS - Greendrop programme	WWP2304	2 & 7	500 000,00	-	-
KURLAND WASTEWATER TREATMENT WORKS	KURLAND Wastewater Treatment Works	WWP2305	1	16 165 000,00	11 810 635,59	-
KURLAND WASTEWATER TREATMENT WORKS	KURLAND Wastewater Treatment Works	WWP2305	1	-	2 115 720,00	-
GREEN VALLEY BULK OUTFALL SEWER RISING MAINS & PUMPSTATION	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5501	1	655 000,00	655 000,00	-
KWANOKUTHULA BULK OUTFALL SEWER RISING MAINS & PUMPSTATION	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5502	5 & 6	-	-	8 353 176,58
KURLAND SEWER PS, RISING MAINS & OUTFALL SEWER (HOUSING)	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5503	1	-	700 000,00	500 000,00
EBENEZER OUTFALL SEWER (HOUSING)	Construction of sewer pipeline and associated infrastructure	WWT5504	4	-	-	4 347 826,09
UPGRADING OF THE BULK WATER & SEWERAGE INFRASTRUCTURE IN THE GREATER KERBOOMS AREA (SEWERAGE)	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5505	1	-	400 000,00	650 000,00
1 x SUPER SUCKER TRUCK -	1 X SUPER SUCKER TRUCK - WASTE WATER SERVICES	WWT5506	ADMINISTRATIVE	-	3 000 000,00	-
2X LDV WITH CANOPY- WASTE WATER SERVICES	2X LDV WITH CANOPY- WASTE WATER -REPLACMNTS	FLT2308	ADMINISTRATIVE	600 000,00	600 000,00	

QOLWENI/BOSSIESGIF PHASE 4B: UPGRADING OF SEWER	Construction of sewer reticulation for one hundred erven	SEW2045	3	2 675 000,00	2 800 000,00	-
EBENEZER (PORTION 3) 725	Construction of sewer reticulation for 255 erven	SEW2056	4	11 632 250,00	7 564 550,00	12 653 480,00
KURLAND 1500	Construction of sewer reticulation for 250 erven	SEW2057	1	-	-	4 816 000,00
KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF SEWER RETICULATION FOR 100 ERVEN	SEW2058	5&6	-	-	3 581 480,00
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF,,,,,	UPGRADING OF SEWER RETICULATION INFRASTRUCTURE	SEW2059	2	300 000,00	-	-
WATER SERVICES: WATER DISTRIBUTION				54 263 753,00	42 466 527,12	44 772 133,75
UPGRADE SAND FILTER PLETT WTW	REFURBISH AND REPAIR SAND FILTERS PLETT WTW	WTR2041	ALL WARDS	250 000,00	4 750 000,00	-
LABORATORY EQUIPMENT	Replace and upgrade aging laboratory equipment Plett WTW	WTR2042	ALL WARDS	300 000,00	318 000,00	340 000,00
TOOLS AND EQUIPMENT	GENERAL TOOLS & EQUIPMENT	WTR2301	ADMINISTRATIVE	250 000,00	265 000,00	280 000,00
PUMP STATION EQUIPMENT	Capital Spares: new pumps, motors, and fittings	WTR2302	ALL WARDS	2 600 000,00	2 765 277,12	2 931 193,75
KURLAND: UPGRADE WTW	UPGRADE WORKS FROM 0.6 TO 1.2MI	WTR2303	1	17 587 590,00	-	-
KURLAND: UPGRADE WTW	UPGRADE WORKS FROM 0.6 TO 1.2MI	WTR2303	1	2 167 413,00	-	-
REPLACEMENT OF AC PIPES	REPLACEMENT OF AC PIPES	WTR2304	ALL WARDS	2 000 000,00	2 000 000,00	2 100 000,00
WATER DEMAND MANAGEMENT	Domestic meters and water saving devices	WTR2205	ALL WARDS	250 000,00	265 000,00	280 900,00
NATURES VALLEY RESERVOIR	NATURES VALLEY RESERVOIR UPGRADE	WAT2211	1	10 000 000,00	-	-
NATURES VALLEY WTW	NATURES VALLEY WTW UPGRADE - CAPITAL REPLACEMENTS	WAT2212	1	1 300 000,00	8 000 000,00	10 000 000,00

Upgrading of the bulk water supply pipeline from Plett WTP to Matjiesfontein reservoir	Construction of water pipeline and associated infrastructure.	WAT5501	1 & 2	550 000,00	550 000,00	-
Upgrading of the bulk water supply pipeline from N2 to Green Valley	Construction of water pipeline and associated infrastructure.	WAT5502	1	350 000,00	350 000,00	-
GREEN VALLEY PUMP STATION AND RESERVOIR	Construction of water pumpstation, rising main, reservoir and associated infrastructure	WAT5503	1	350 000,00	350 000,00	-
WC/WDM Projects – Bulk meters, meter replacement, network analysis, air valves and PRV's	Installation of bulk meters, meter replacement, network analysis, installation of air valves and pressure reducing valves	WAT5505	ALL WARDS	500 000,00	1 500 000,00	1 500 000,00
Upgrading of the Bulk Water and Sewerage Infrastructure in the Greater Keurbooms Area (Water)	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WRT5556	1	-	400 000,00	650 000,00
Upgrading of the Kurland Bulk Water Sources, Treatment Works, Reservoir and Bulk Supply Pipelines	Construction of reservoirs, pipelines, pumpstations and associated works	WRT555	1	-	1 000 000,00	1 000 000,00
Groundwater exploration Kurland Groundwater Refurbishment and Augmentation	Drilling and equipping of new boreholes including delivery pipelines and associated infrastructure	WRT5502	1	2 500 000,00	7 500 000,00	5 000 000,00
Planning Studies for the Bitou Bulk Water Supply Scheme (Wadriest Dam)	Construction of Wadriest dam and associated infrastructure	WTR2318	1	3 300 000,00	4 800 000,00	2 600 000,00
1 X NEW TLB	1 X NEW TLB WATERSERVICES	FLT2402	ADMINISTRATIVE	-	-	1 500 000,00
1 X NEW LDV WITH SERVICE CANOPY	1 X NEW LDV SERVICE CANOPY - FLEET MANAGEMENT	FLT2308	ADMINISTRATIVE	-	600 000,00	-
WATER SERVICES, FURNITURE & EQUIPMENT	Chairs, desk, book racks, whiteboards, etc.	WRT5502	ADMINISTRATIVE	50 000,00	50 000,00	50 000,00
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADING OF WATER	Construction of water reticulation for one hundred erven	WTR2311	3	1 350 000,00	1 600 000,00	-

EBENEZER (PORTION 3) 725	Construction of water reticulation for 255 erven	WTR2312	4	8 308 750,00	5 403 250,00	9 942 020,00
KURLAND 1500	Construction of water reticulation for 250 erven	WTR2315	1	-	-	3 784 000,00
KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF WATER RETICULATION FOR 100 ERVEN	WTR2316	5&6	-	-	2 814 020,00
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF,,,,,	UPGRADING OF WATER INFRASTRUCTURE	WTR2317	2	300 000,00	-	-
ELECTRICAL AND MECHANICAL ENGINEERING SERVICES				30 499 449,59	43 262 707,67	13 644 347,83
MACHINERY AND EQUIPMENT	Supply and Delivery of Extension Ladders, Proximity Testers, Bag Switches, Earthing Kits, Megger, Cable Locator, Digital Flukes, Cutting Torch, Hydraulic Crimpers, Cordless Grinders, Rotary Drill, Chain Saws, Pole Pruners	ELE2220	ADMINISTRATIVE	490 000,00	200 000,00	-
PLETT: ASSET REPLACEMENT	Capital spares: replace defective mini-sub and transformer and RMUs in all areas	ELE2301	ADMINISTRATIVE	1 500 000,00	1 500 000,00	1 500 000,00
SCADA SYSTEMS	Master Plan Project: Supply and Install Scada Systems at various substations to facilitate effective Outage Management the future Smart Grid Automation for Renewable Energy Projects	ELE2303	ALL WARDS	-	-	500 000,00
REPLACE FAULTY MV METER UNIT	Maintenance Related: Replacing faulty metering units - to enhance revenue collection	ELE2304	ALL WARDS	-	950 000,00	-
BRAKKLOOF NEW 20MVA 66/11KV TRF	Masterplan Project: Brakkloof 66kV New 20MVA Transformer for firm capacity and allow for	ELE2206	MULTIPLE WARDS (2., three & 4)	12 272 000,00	15 117 784,58	-

	maintenance on existing Transformers					
PLETT: UPGRADE O/H TO U/G NETWORK (LV)	Ageing Low Voltage Networks to be upgraded with underground	ELE2307	MULTIPLE WARDS (1,2 & 4)	-	2 000 000,00	2 000 000,00
ELECTRIFICATION OF INFORMAL SETTLEMENT	New/Upgrade of Electrical Networks in Informal Settlements in the Greater Bitou Area	ELE2204	MULTIPLE WARDS (1,3,5 &6)	1 741 329,80	800 000,00	-
ELECTRIFICATION OF INFORMAL SETTLEMENT	New/Upgrade of Electrical Networks in Informal Settlements in the Greater Bitou Area	ELE2204	MULTIPLE WARDS (1,3,5 &6)	-	800 000,00	-
ELECTRIFICATION OF 204 HOUSEHOLD FOR EBENEZER PHASE A	ELECTRIFICATION OF 204 HOUSEHOLD FOR EBENEZER PHASE A	EBER2024	4	1 188 293,71	-	-
NEW HIGH MAST LIGHTS	High Mast Lights with Backup Supply In greater Bitou Area	ELE2309	MULTIPLE WARDS (1,4,5&6)	700 000,00	720 000,00	-
SECURITY KEY SITES	Provision of security at various key sites to prevent theft and vandalism	ELE2208	MULTIPLE WARDS (2,4,5&6)	-	200 000,00	-
NEW STREETLIGHTS	New Streetlights	ELE2210	ALL WARDS	3 000 000,00	500 000,00	-
11KV LINKS KWANO AND SS1 SUB STATIONS	Masterplan Project: New MV Feeders between SS New Horizons and Erf 34/438.	ELE2214	MULTIPLE WARDS (4,5&6)	-	3 796 000,00	-
11kv LINKS KWANO TO LADYWOOD	Masterplan Project: Upgrade Golf Course and Ladywood 11kv Overhead Lines to SS Kwano, MV Cable and Circuit Breaker	ELE2315	MULTIPLE WARDS (4,5&6)	-	1 194 097,00	-
KEURBOOMS: UPGRADE NETWORK	Create Additional Feed Supply for Keurbooms to allow contingency and continuity of supply	ELE2218	1	1 900 000,00	-	-
ELECTRIFICATION OF EBENEZER	ELECTRIFICATION OF EBENEZER	ELE2319	4	1 279 130,43	4 347 826,09	4 544 347,83
ELECTRIFICATION OF QOLWENI	INEP RE-IMBURSEMENT FOR QOLWENI ELECTRIFICATION	ELE2325	3	1 608 695,65		
ELECTRIFICATION OF EBENEZER	ELECTRIFICATION OF EBENEZER	ELE2317	4	4 720 000,00	-	-

KWANO ADDITIONAL 20 MVA TRANSFORMER FOR FIRM CAPACITY	Masterplan:	ELE2320	5.6 &7	-	600 000,00	5 000 000,00
REPLACE PMT CHRISTIE WITH 315 MINISUB TO CATER FOR ADDITIONAL HOUSING UNITS	Replace PMT Christie with 315 minisub to cater for additional housing units	ELE2321	ALL WARDS	-	772 000,00	-
REPLACE PMT STEYN WITH 500 KVA MINISUB FOR ADDITIONAL RESIDENTIAL LOAD	Replace PMT Steyn with 500kva minisub for additional residential load	ELE2322	2	-	965 000,00	-
INSTALL NEW 1 MVA 22/11 TRANSFORMER AT NATURES VALLEY	INSTALL NEW 1 MVA 22/11 transformer at Natures Valley	ELE2323	ALL WARDS	-	8 100 000,00	-
TOOLS AND EQUIPMENT	2 POST LIFT, VEHICLE DIAGNOSTIC KIT, TOOLS-MECHANICAL WORKSHOP	FLT2301	ADMINISTRATIVE	100 000,00	100 000,00	100 000,00
1 X NEW LDV WITH SERVICE CANOPY	1 X NEW LDV SERVICE CANOPY - FLEET MANAGEMENT	FLT2405	ADMINISTRATIVE	-	600 000,00	-
PROJECT MANAGEMENT UNIT (PMU)				50 000,00	50 000,00	50 000,00
PMU FURNITURE & EQUIPMENT	Chairs, desk, book racks, whiteboards, etc.	PMU5501	ADMINISTRATIVE	50 000,00	50 000,00	50 000,00
PUBLIC SAFETY: FIRE & DISASTER MANAGEMENT				500 000,00	4 550 000,00	6 200 000,00
ESSENTIAL TOOLS, LOOSE GEAR & EQUIPMENT FOR FIRE SERVICE & RESCUE OPERATIONS	SCBA's, Compressor, Generators, PTO pumps, Water Pumps, Tools, and Loose Gear	FIR2406	ADMINISTRATIVE	200 000,00	250 000,00	200 000,00
HAZMAT PPE & DETECTION	Equipment essential in hazmat response for spills, leaks, and releases	FIR2407	ADMINISTRATIVE	200 000,00	-	-
OFFICE FURNITURE & APPLIANCES	12 Mattresses, twenty stacker chairs, industrial washing machine and tumblers dryer	FIR5501	ADMINISTRATIVE	100 000,00	-	-
1X NEW RESCUE PUMPER	REPLACE RESCUE PUMPER CX 3857(14yrs old) FIRE	FLT2415	ADMINISTRATIVE	-	1 500 000,00	1 500 000,00
1 X NEW 4X4 SKID UBITS	REPLACE CX 48251(10yrs) AND CX 36097(14yrs) FIRE	FLT2416	ADMINISTRATIVE	-	800 000,00	-

1 NEW 4X4 TANKER	REPLACE SAMIL CX12077(30 YRS OLD) FIRE	FLT2418	ADMINISTRATIVE	-	2 000 000,00	2 500 000,00
1 NEW 4X4 TANKER PUMPER	REPLACE TANKER PUMPER CX 10568 (scrapped 2017/18) FIRE	FLT2419	ADMINISTRATIVE	-	-	2 000 000,00
PUBLIC SAFETY: LAW ENFORCEMENT SERVICES				580 000,00	600 000,00	600 000,00
3 X BULLET PROOF VESTS	This is protective equipment for Law Enforcement Officers, Close protection, and traffic officers when operational, this is required as tools of trade and OHS requirement.	LAW2301	ADMINISTRATIVE	260 000,00	-	-
20X PORTABLE TWO WAY RADIOS	portable radios are used as communication devices when officers are outside vehicle or office	LAW2302	ADMINISTRATIVE	120 000,00	-	-
30X 9MM HANDGUNS (FIREARMS)	Firearms are tools of trade for personnel protection and are for law enforcement, Close protection and traffic officers, the current firearms are not enough for all the officers.	LAW2304	ADMINISTRATIVE	200 000,00	-	-
2X NEW LDV WITH POLICE CANOPIES -LAW ENFORCEMENT	2X NEW LDV WITH POLICE CANOPIES -LAW ENFORCEMENT	FLT2302	ADMINISTRATIVE	-	600 000,00	600 000,00
PUBLIC SAFETY: TRAFFIC MANAGEMENT SERVICES				915 000,00	900 000,00	900 000,00
FURNITURE & EQUIPMENT FOR TRAFFIC SERVICES	FURNITURE & EQUIPMENT FOR TRAFFIC SERVICES	TRF2425	ADMINISTRATIVE	115 000,00	-	-
2x NEW SEDANS FOR TRAFFIC	2 X NEW TRAFFIC SEDANS	FLT2421	ADMINISTRATIVE	800 000,00	800 000,00	900 000,00
1 X LDV E/CAB WITH ROADBLOCK TRAILER	1 XNEW LDV & TRAILER -TRAFFIC DEPT	FLT2422	ADMINISTRATIVE	-	100 000,00	-
PUBLIC SAFETY: COMMUNICATIONS & CUSTOMER RELATIONS MANAGEMENT				452 000,00	-	-
1 CAMERA	1 CAMERA	CUST550	ADMINISTRATIVE	30 000,00	-	-

2 x PORTABLE LOUDHAILERS	2 x PORTABLE LOUDHAILERS	CUS5502	ADMINISTRATIVE	12 000,00	-	-
INDOOR AND OUTDOOR COMPATIBLE SOUND SYSTEM	INDOOR AND OUTDOOR COMPATIBLE SOUND SYSTEM	CUS5503	ADMINISTRATIVE	120 000,00	-	-
FURNITURE FOR COMMUNICATIONS & CUSTOMER CARE	FURNITURE FOR COMMUNICATIONS & CUSTOMER CARE	CUS5504	ADMINISTRATIVE	60 000,00	-	-
3 x GAZEEBOS	3 x GAZEEBOS	CUS5505	ADMINISTRATIVE	30 000,00	-	-
1 X NEW LOUD HAILING SYSTEM	BUILD IN SOUND AND LOUDHAILING SYSTEM FOR PUBLIC MEETINGS AND MUNICIPAL EVENTS	CUS5506	ADMINISTRATIVE	200 000,00	-	-
HORTICULTURE & RECREATIONAL SERVICES				7 700 000,00	14 585 863,48	5 062 502,61
CONSTRUCTION OF REGIONAL CEMETRY	CONSTRUCTION OF REGIONAL CEMETRY AT EBENEZER SANRAL ROAD	HOR2207	4	600 000,00	3 500 000,00	3 500 000,00
UPGRADING AND FENCING AT KWANOKUTHULA CEMETRY	UPGRADING AND FENCING AT KWANOKUTHULA CEMETRY	HOR2303	5	1 200 000,00	-	-
UPGRADING OF GREENVALLEY SPORTFIELD FLOODLIGHTING	UPGRADING OF GREENVALLEY SPORTFIELD FLOODLIGHTING	HOR2209	7	3 500 000,00	2 488 000,00	-
UPGRADING OF KWANO SPORTFIELD FLOODLIGHTING	UPGRADING OF KWANO SPORTFIELD FLOODLIGHTING	HOR2230	5&7	-	5 247 863,48	1 562 502,61
WARD 1-UPGRADING OF KURLAND SPORTSFIELDS	UPGRADING OF SPORTSFIELDS - KURLAND	HOR2305	1	1 800 000,00	-	-
WARD1 -UPGRADING OF KURLAND SPORTSFIELDS	UPGRADING OF SPORTSFIELDS - KURLAND	HOR2305	1	-	2 400 000,00	-
RIDE ON LAWNMOWER	3 X NEW LAWNMOWERS -PARKS	HOR5501	ADMINISTRATIVE	300 000,00	-	-
1 X NEW TRACTOR	1 X NEW TRACTOR -PARKS	HOR5502	ADMINISTRATIVE	300 000,00	-	-
1 X NEW 3TON TIPPER TRUCK	1 X NEW 3 TON TIPPER TRUCK - PARKS	HOR5503	ADMINISTRATIVE	-	950 000,00	-
COMMUNITY HALLS, SPORTFIELDS & SERVICES CENTRES				100 000,00	2 000 000,00	-
CONSTRUCTION OF QOLWENI HALL	Replacement of aluminium doors and windows at Qolweni	FAC2223	3	100 000,00	2 000 000,00	-

INTERGRATED WASTE MANAGEMENT				7 100 000,00	3 000 000,00	3 000 000,00
KURLAND VILLAGE-WASTE DROP- OFF FACILITY	New Drop-off facilities at Kurland	WAS202	1	5 600 000,00	-	-
1x NEW SKIP TRUCK	1 X NEW SKIP TRUCK WASTE MANAGEMENT	FLT2401	ADMINISTRATIVE	1 500 000,00	-	-
1X NEW HOOKLIFT TRUCK-WASTE MANAGEMENT	1 X NEW HOOKLIFT TRUCK & TRAILER	FLT2304	ADMINISTRATIVE	-	3 000 000,00	3 000 000,00
INFORMATION & COMMUNICATION TECHNOLOGY				2 252 000,00	1 106 000,00	746 000,00
BITOU LAPTOP REPLACEMENT	Replacement of equipment older than 5 Years and not fit for purpose	ICT2301	ADMINISTRATIVE	756 000,00	402 000,00	85 000,00
BITOU COMPUTER OPERATIONAL SPARES & LOANS	Operational in nature / Loans while servicing or repairing	ICT2302	ADMINISTRATIVE	150 000,00	300 000,00	257 000,00
BITOU HANDHELD DEVICES	For paperless agenda, workforce, and meter reading readers	ICT501	ADMINISTRATIVE	220 000,00	38 000,00	38 000,00
BITOU REPAIRS MAINTENANCE & EQUIPMENT	Operational in nature / Replacement of failed capital item in the field	ICT2304	ADMINISTRATIVE	265 000,00	23 000,00	53 000,00
BITOU NEW USERS	BITOU NEW USERS	ICT2305	ADMINISTRATIVE	396 000,00	232 000,00	232 000,00
DEPARTMENTAL REQUESTS	DEPARTMENTAL REQUESTS HUMAN RESOURCE MANAGEMENT	ICT116	ADMINISTRATIVE	102 000,00	24 000,00	24 000,00
BITOU MONITORS	DEPARTMENTAL REQUESTS HUMAN RESOURCE MANAGEMENT	ICT117	ADMINISTRATIVE	22 000,00	27 000,00	27 000,00
LAW ENFORCEMENT 2-WAY RADIOS	TRAFFIC 2-WAY RADIOS	ICT2331	ADMINISTRATIVE	56 000,00	-	-
BEACH CONTROL ENFORCEMENT 2-WAY RADIOS	BEACHES 2 WAY RADIOS	ICT505	ADMINISTRATIVE	63 000,00	-	-
ICT OFFICE FURNITURE & EQUIPMENT	ICT OFFICE FURNITURE & EQUIPMENT	ICT2337	ADMINISTRATIVE	12 000,00	-	-
SCADA CONNECTIVITY	SCADA CONNECTIVITY	ICT2406	ADMINISTRATIVE	90 000,00		-

BITOU BIOMETRIC DEVICES	New devices / Replacement of aged or faulty devices for Time & Attendance	ICT2511	ADMINISTRATIVE	120 000,00	60 000,00	30 000,00
				181 908 452,59	180 363 096,09	183 490 354,62

Table 15: Bitou municipality capital budget for the 2025/2025 MTREF

LIST OF FUNDED PROVINCIAL INFRASTRUCTURE INVESTMENT PROJECTS AND PROGRAMMES IN THE MUNICIPALITY FOR THE MTEF PERIOD 2024/25 – 2025/27

The list below shows the MTEF budget allocation by the provincial government for programs in the Bitou municipal area. Please note that this table could not be updated due to issues related to the national budget. Therefore, provincial colleagues have advised to retain this table as is to avoid any potential impact on the municipal budget.

DEPARTMENT	PROJECT / PROGRAMME NAME	TYPE OF INFRASTRUCTURE	TOTAL PROJECT COST	MAIN APPROPRIATION (24/25)	MAIN APPROPRIATION (25/26)	MAIN APPROPRIATION (26/27)	TOTAL MTEF
Department of Environmental Affairs & development Planning (DEA&DP)	Robberg	Nature Reserve	500000	500000	0	0	500000
Department of Infrastructure (DoI)	Bitou Municipality: Solar Geysers Ebenezer (2024/25 154)	0	3388000	3388000	0	0	3388000
Department of Infrastructure (DoI)	C1103 Grootriver & Bloukrans	Road - Tarred	118000000	3000000	0	0	3000000
Department of Infrastructure (DoI)	C1215 Reseal Plettenberg Bay Airport Road and others	Road - Tarred	144000000	5000000	37000000	1000000	43000000
Department of Infrastructure (DoI)	C1290 Plettenberg Bay	Road - Tarred	30000000	0	5000000	20000000	25000000
Department of Infrastructure (DoI)	EHP Fire Damage Houses Kwanokuthula	0	208000	208000	0	0	208000
Department of Infrastructure (DoI)	Green Valley Sportsfield (Transfers 20)	0	27000	27000	0	0	27000
Department of Infrastructure (DoI)	Kranshoek (450)	0	13000000	0	667000	11250000	11917000
Department of Infrastructure (DoI)	Kurland (1500)	0	8000000	6650000	0	1000000	7650000

DEPARTMENT	PROJECT / PROGRAMME NAME	TYPE OF INFRASTRUCTURE	TOTAL PROJECT COST	MAIN APPROPRIATION (24/25)	MAIN APPROPRIATION (25/26)	MAIN APPROPRIATION (26/27)	TOTAL MTEF
Department of Infrastructure (DoI)	Kwanokuthula Ph5 (914 incr to 1182)	0	26000000	0	0	25000000	25000000
Department of Infrastructure (DoI)	Kwanokuthula 441 Transfers 247	0	334000	334000	0	0	334000
Department of Infrastructure (DoI)	Kwanokuthula 641 (Transfers 300)	0	405000	405000	0	0	405000
Department of Cultural Affairs & Sport (DCAS)	Green Valley Library	0	350000	350000	0	0	350000
Department of Infrastructure (DoI)	New Horizons Ebenezer (Portion 3)725	0	143000000	60351000	39200000	42000000	141551000
Department of Infrastructure (DoI)	New Horizons Ebenezer (Portion 4) (708)	0	44000000	0	35000000	7000000	42000000
Department of Infrastructure (DoI)	New Horizons Ebenezer Portion 20	0	23000000	22000000	0	0	22000000
Department of Infrastructure (DoI)	Qolweni - Bossiegif Ph4 (350) UISP.	Serviced Sites Under Construction	28000000	10000000	8000000	8000000	26000000
Department of Infrastructure (DoI)	Qolweni Bossiesgif Phase 3A (169 of 433 units) IRDP4	Top structures	228000	228000	0	0	228000
Department of Environmental Affairs & development Planning (DEA&DP)	Robberg Sewage	Nature Reserve	2000000	1500000	0	0	1500000

Table 16: Provincial MTEF budget for 2024/2025 - 2026/2027

MAP SHOWING THE SPATIAL DISTRIBUTION OF PROVINCIAL INFRASTRUCTURE INVESTMENT PROJECTS (INDIVIDUAL PROJECTS) IN THE MUNICIPALITY FOR THE MTEF PERIOD 2025/26 – 2027/28.

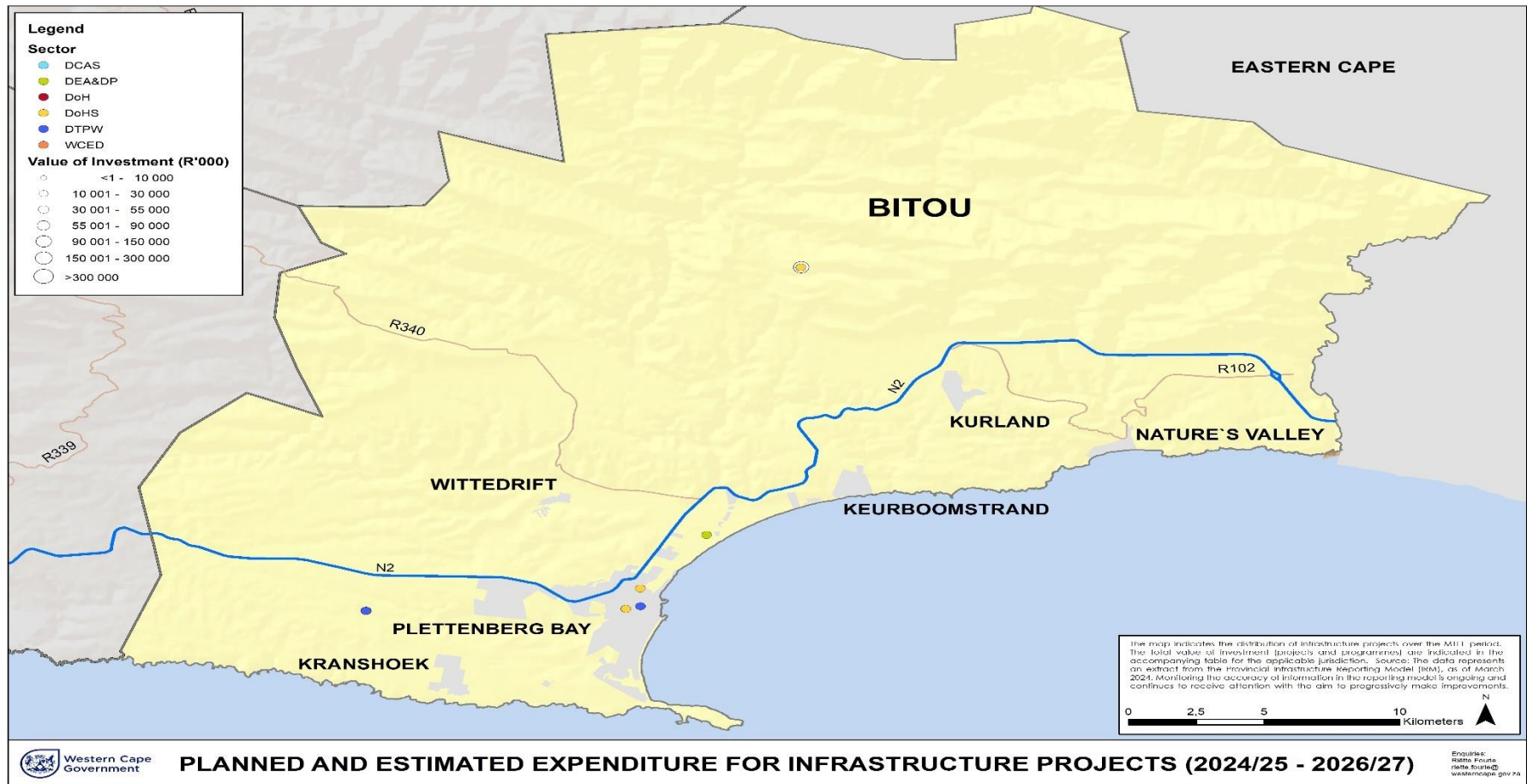


Figure 19: Spatial display of Provincial allocations

INTEGRATION AND ALIGNMENT STRATEGIES

Section 25 (1) of the MSA requires a municipal council to adopt a single inclusive and strategic plan for the development of the municipality, which must link, integrate, and coordinate plans for the development of the municipality.

Section 26 of the MSA identifies core components that must be reflected in the IDP, such as the spatial development framework, Disaster Management Plan, and financial plan.

National sector legislation contains various kinds of requirements for municipalities to undertake during the planning process. Sector requirements vary in nature in the following ways:

- Legal requirements for the formulation of discrete sector plans, e.g., NEMA requires an Integrated Waste Management Plan (IWMP) and Air Quality Management Plan (AIPM).
- Planning of all programmes like housing and Thusong programmes must be an integral part of the IDP.

The municipal challenges and programmes cut across several internal and external sectors. The municipal strategies must align vertically and horizontally back-to-back with neighbouring municipalities, the Garden Route District Municipality's IDP or One Plan, and legislative and policy prescripts.

Finally, Bitou Municipality has most of the sector plans, even though some are outdated. Below is a table with the sectoral requirements:

CATEGORY OF REQUIREMENT	SECTOR REQUIREMENT	NATIONAL DEPARTMENT	LEGISLATION / POLICY	STATUS
Legal requirement	Water Services Development Plan (WSDP)	Department of Water (DoW)	Water Services Act, Act 30 of 2004	Need revision or update
	Integrated Transport Plan (LITP)	Department of Transport (DoT)	National Land Transport Act, No 5 of 2009	Draft form
	Integrated Waste Management Plan (IWMP)	Department of Environmental Affairs (DoEA)	White Paper on Waste in South Africa, 2000	IWMP and AQMP are revised and valid
	Spatial Planning Requirements	Department of Rural Development and Land Reform (DoRDL)	Development Facilitation Act, No 67 of 1998	Spatial Development Framework (SDF) revised.
Requirements for sectoral planning	Housing Strategy and Targets	Department of Human Settlements (DoHS)	Housing Act, Act No 107 of 1997	The Integrated Human Settlement Plan (IHSP) is revised
	Coastal Management	Department of Environmental Affairs (DoEA)	National Environmental Laws Act, Act No 14 of 2009	Outdated

CATEGORY OF REQUIREMENT	SECTOR REQUIREMENT	NATIONAL DEPARTMENT	LEGISLATION / POLICY	STATUS
	Local Economic Development (LED)	Department of Local Government and Traditional Affairs (DoLTA)	Municipal Systems Act, Act 32 of 2000	LED plan is revised
	Integrated Infrastructure Planning (IIF)	Department of Local Government and Traditional Affairs (DoLTA)	Municipal Systems Act, Act 32 of 2000	Updated and approved by council
	Spatial Framework	Department Cooperate Government and Traditional Affairs (DoLTA)	Municipal Systems Act, Act 32 of 2000	SDF Revised
	Integrated Energy Plan	Department of Energy (DoE)	White Paper on Energy	Updated
	Disaster Management Plan	CoGTA	Disaster Management Act,	Being updated

Table 17: Sectoral requirements

ECONOMIC DEVELOPMENT STRATEGY

The onset of COVID-19 in South Africa has emphasised the need for the municipality to focus on how to build a resilient enabling environment that will allow the local economy to develop mechanisms on how best to deal with catastrophic economic shocks. During the past few years, the Economic Development and Tourism section has been involved in several short-term interventions to deal with the immediate effects of the implementation of the lockdown.

The MERO report gives a detailed breakdown of the impact of COVID-19 on the economy of Bitou:

- Unemployment has risen sharply, more so amongst the youth in the restaurant and entertainment business;
- There are also major job losses in the Agriculture, Tourism, Retail, and Logistics sectors;
- There are some job losses in the Manufacturing sector due to a decrease in exports as well.
- There are several job losses in the Informal Sector – gardeners, fixer-uppers, etc.
- Poverty and inequality have increased, and this means that the municipality’s poverty interventions will have to increase.
- Food security remains a challenge, even though many initiatives, like the Plett Food fund among a few, do exist.
- Businesses will rely more on municipalities to provide support and guidance;
- Fiscal pressure for municipalities remains a matter of thoughtful consideration; and
- Socio-economic challenges may result in civil unrest unless the above is paid attention to.

The section’s key strategies and policies will continue to serve as a solid foundation; however, the municipality will have to review the relevant policies to see how they can be more innovative to embrace the new norm in the workplace. Key to the implementation of the proposed medium to long interventions will be the development of sustainable partnerships.

Below are some of the interventions that will reignite the economy:

INTERVENTIONS

a) Immediate interventions

- Updated Job Seekers database in collaboration with Engineering Services, Community Services, and HR;
- Updated and consolidated existing SMME, House shop, and Informal Trader Database;
- Publish an online business support toolkit (See doc attached) for SMMEs;
- A deeper focus on providing more targeted business support to the Informal Sector, e.g., payment holidays for tariffs, facilitating access to relief support from the national Department of Small Business Development (item on business relief was developed for council attention)
- Develop and submit funding proposals to implement targeted business support interventions to promote SMME development in our priority sectors (as above)
- Provide regular updates to our business community to ensure business confidence in the area, using the existing infrastructure of the business chamber and Plett Tourism.
- With Bitou LED office support, 50 per cent of small-scale anglers received their fishing permits.

Medium Term Interventions

- Developed a “Buy and Employ” proudly local campaign;
- Developed a local supplier database to facilitate local procurement opportunities;
- Provided inputs to develop micro-finance solutions to support beneficiaries in the informal sector and micro-entrepreneurs;
- Facilitate the implementation of a business incubation programme with existing strategic partners; and
- Collaborate with sector industry bodies to establish sector-specific advisory committees to assist the municipality in providing the required enabling environment to restart the economy.
- Providing safety kits to informal traders and taxis.

Long-term Interventions

- Providing an environment and process approvals for events happening in December
- Beach safety project proposal submitted to the community services section: Law Enforcement.
- More safety kits were distributed to businesses on Main Road and SMMEs at taxi ranks and elsewhere.
- Alternative trading options are provided for beach traders.
- Negotiate guaranteed SCEP support to facilitate an environment to promote new potential sectors, e.g. Health manufacturing and production of Personal Protection Equipment (PPE), as this has been identified to be a key challenge in Bitou.
- Collaborate with the district municipality to establish an entrepreneurial support fund; and
- Review of Incentives to accelerate economic growth in Bitou;
- Collaborate with strategic partners to re-skill some of Bitou’s workforce to meet the new demands of the potential growth sectors;
- Facilitate investment in technology and connectivity through partnerships (this may require new policy development in the e-governance and ICT space)
- Establish a one-stop business support centre.
- Develop a business integration model for the business chamber and Plett Tourism

INTEGRATED HUMAN SETTLEMENT PIPELINE REPORT

It is important to note that the municipality is not a housing authority and, therefore, relies on provincial government allocations. The municipality is in the process of drafting a human settlement development plan to provide a comprehensive strategy for housing development in the Bitou area. This plan will not only focus on housing development but also allocate land for social amenities such as playgrounds, sports fields, and churches.

CHARACTERISTICS OF A GREAT HUMAN SETTLEMENT PLAN

1. **Inclusivity:** Ensures that all community members, including marginalised groups, have access to housing and amenities.
2. **Sustainability:** Promotes environmentally friendly practices and the efficient use of resources.
3. **Resilience:** Builds infrastructure that can withstand natural disasters and other emergencies.
4. **Accessibility:** Provides easy access to essential services and transportation.
5. **Community Engagement:** Involves residents in the planning process to ensure their needs and preferences are met.
6. **Economic Viability:** Supports local economic development and job creation.

BENEFITS OF A GREAT HUMAN SETTLEMENT PLAN

- **Improved Quality of Life:** Enhances living conditions by providing safe, affordable housing and access to essential services.
- **Environmental Protection:** Reduces the environmental impact through sustainable practices.
- **Social Cohesion:** Fosters a sense of community and belonging among residents.
- **Economic Growth:** Stimulates local economies by creating jobs and attracting investment.
- **Disaster Preparedness:** Ensures communities are better prepared for emergencies and can recover quickly.

LEGISLATION RELEVANT TO HUMAN SETTLEMENTS DEVELOPMENT

- **Housing Act, 1997:** Provides the framework for housing development and the responsibilities of various government entities.
- **Spatial Planning and Land Use Management Act, 2013:** Regulates land use planning and development to ensure sustainable and equitable growth.
- **National Environmental Management Act, 1998:** Ensures that environmental considerations are integrated into planning and development processes.
- **Municipal Systems Act, 2000:** Outlines the responsibilities of municipalities in service delivery and development planning.

ESSENTIAL AMENITIES IN A HUMAN SETTLEMENT PLAN

- **Housing:** Affordable and diverse housing options.
- **Healthcare Facilities:** Hospitals, clinics, and pharmacies.
- **Educational Institutions:** Schools, colleges, and libraries.
- **Recreational Areas:** Parks, playgrounds, sports fields, and community centres.
- **Religious Institutions:** Churches, mosques, temples, and other places of worship.
- **Commercial Areas:** Shops, markets, and business centres.
- **Transportation:** Public transport systems, roads, and pedestrian pathways.
- **Utilities:** Water supply, sanitation, electricity, and waste management services.
- **Safety and Security:** Police stations, fire stations, and emergency services.

The table below provides a detailed report of the housing pipeline:

PROJECT DESCRIPTION		PROJECT PROGRESS				PROJECT FUNDING PROJECTION
		PROJECT INITIATION REPORT	PROJECT FEASIBILITY REPORT	PROJECT READINESS REPORT	PROJECT IMPLEMENTATION	
1	Shell Ultra City	<u>Registered and approved. by Province</u>	<u>Registered and approved. by Province</u>	<p><u>Not registered:</u> The council took various decisions regarding the Shell Ultra City development.</p> <ol style="list-style-type: none"> 1. Council Item C/6/88/06/19: FLISP related project 2. Council Item C/6/130/02/21: FLISP and/or Social Housing project 3. Council Item C/4/48/01/23: Social Housing related project 4. Council Item C/4/89/05/23: Middle Income housing related project 5. Council Item C/1/180/11/23: Middle-Income Housing Housing-Related Project (Council conditions) <ul style="list-style-type: none"> • This stage confirms that the project planning stages are complete, and that the construction phase may commence. 	<ul style="list-style-type: none"> • Bid-requesting proposals have been advertised (SCM/2024/11/EDP) • Bid awarded, construction to commence 	±R240,000,000.00

PROJECT DESCRIPTION		PROJECT PROGRESS				PROJECT FUNDING PROJECTION
		PROJECT INITIATION REPORT	PROJECT FEASIBILITY REPORT	PROJECT READINESS REPORT	PROJECT IMPLEMENTATION	
				<ul style="list-style-type: none"> The Shell Ultra City Project Readiness Report may not be submitted since the considered project falls outside the scope of the Department of Human Settlements 		
2	Qolweni/Bossiesgif Phase 4B (ISUPG)	<u>Registered and approved by Province</u>	<u>Registered and approved by Province</u>	<u>Registered and approved by Province:</u> <ul style="list-style-type: none"> Town Planning plans not approved. Street names outstanding Site Development Plan in place General Plan not registered due to planning approvals. The development of Minaar Land will be a challenge due to several relocations that would be required 	<ul style="list-style-type: none"> Qolweni/Bossiesgif Phase 4B comprise of 325 sites to be developed. Project SCM/2024/44/COMM funding will develop thirty sites and relocate about 15 informal structures. Tender is currently at the evaluation stage; it closed on 19 January 2024 The project is estimated to be completed in about 26 weeks from the contract commencement date. SCM/2023/99/COMM was awarded to SC Housing, but the service provider declined the offer 	±R89,154,208.00 (±R23,434,775.00 Services and ±R58,880,900.00 Top Structures)
3	Qolweni Phase 4B – FLISP Housing (Ferdinand Street)	<u>Registered and approved by Province</u>	<u>Registered and approved by Province</u>	<u>Registered and approved by Province</u>	<ul style="list-style-type: none"> Departure application was submitted to our Town Planning Section for approval in September 2023 (Not concluded) Site Development Plan and General Plan outstanding due to delayed Town Planning layouts approval Site has been identified as one of the possible decanting sites. The site is projected to yield twenty-eight sites for FLISP-related projects 	±R2,018,996.00 (engineering services only)

PROJECT DESCRIPTION		PROJECT PROGRESS				PROJECT FUNDING PROJECTION
		PROJECT INITIATION REPORT	PROJECT FEASIBILITY REPORT	PROJECT READINESS REPORT	PROJECT IMPLEMENTATION	
4	Qolweni Phase 5 – Infill	<u>Registered and approved by Province</u>	<u>Registered and approved by Province</u>	<u>Registered and approved by Province:</u> <ul style="list-style-type: none"> Town Planning layouts submitted in March 2023 (not approved yet) General Plan outstanding due to outstanding Town Planning layouts approval The project is estimated to yield one hundred sites 	<ul style="list-style-type: none"> Environmental authorisation in place until February 2032 	±R25,327,900.00 (±R7,201,700.00 – Services and ±R18,117,200.00 Top Structures)
5	Kwa-Nokuthula Phase 5 (Green Fields)	<u>Registered and approved by Province:</u> <ul style="list-style-type: none"> Revised PID yielding 1182 sites from 914 was submitted 	<u>Registered and approved by Province:</u> <ul style="list-style-type: none"> Revised PFR yielding 1182 sites from 914 was submitted. Claim based on the revised submission was also submitted. R2m has been into the account of the Municipality 	<u>Not registered:</u> <ul style="list-style-type: none"> Pegging of erven commenced but could not be concluded due to forest that needs to be cleared. Site Development Plan concluded, General Plan not finalized due to incomplete pegging and outstanding Street Names 	<ul style="list-style-type: none"> Pegging will be concluded once the forest area has been cleared by our Parks and Recreation Section 	±R299,375,778.00 (±R85,230,474.00 Services and ±R214,145,304 Top Structures)
6	Ebenezer Portions 3, 42 & 44	<u>Registered and approved by Province</u>	<u>Registered and approved by Province</u>	<u>Registered and approved by Province</u>	<ul style="list-style-type: none"> Costed rephasing plan based on new quantum rates to be submitted to Province. General Plan application outstanding Ebenezer Phase 3, Portion 1 (SCM/2023/120/COMM) engineering services project in construction – 109 sites to be developed. 	±R362,948,807.00 (±R103,329,331.00 Services and ±R259,619,476.00 Top Structures)

PROJECT DESCRIPTION		PROJECT PROGRESS				PROJECT FUNDING PROJECTION
		PROJECT INITIATION REPORT	PROJECT FEASIBILITY REPORT	PROJECT READINESS REPORT	PROJECT IMPLEMENTATION	
					<ul style="list-style-type: none"> Ebenezer Phase 3, Portion 2 (SCM/2024/45/COMM) tender is at the evaluation stage. Ebenezer Phase 3, Portion 3 (SCM/2024/46/COMM) tender is at the evaluation stage 	
7	Ebenezer Portion 20	<u>Registered and approved. by Province</u>	<u>Registered and approved. by Province</u>	<u>Registered and approved by Province</u>	<ul style="list-style-type: none"> General Plan outstanding due to existing servitudes Top Structures project implemented by Province in progress. Thirty-one (31) houses have already been allocated, including four (4) disabled units. Project yield is 154 Breaking New Ground (BNG), 25 FLISP Top Structures and 25 Serviced Sites Twenty-five (25) FLISP Top Structures will be advertised and sold by Province. Twenty-five (25) Serviced Sites will be advertised and disposed of by Bitou Municipality. Council Workshop with regards to strategy for marketing and selling is still to be planned Market values for the twenty-five (25) serviced sites are available 	±R36,959,088.00 – Top Structures
8	Green Valley Phase 2	<u>Registered and approved. by Province</u>	<u>Registered and approved. by Province</u>	<u>Not registered yet</u>	<ul style="list-style-type: none"> EIA processes commenced in January 2023, and the Scoping Report was approved. Phase 2 statutory reports are outstanding, such as the 	±R184,893,670.00 (±R52,638,110.00 Services and ±R132,255,560.00 Top Structures)

PROJECT DESCRIPTION		PROJECT PROGRESS				PROJECT FUNDING PROJECTION
		PROJECT INITIATION REPORT	PROJECT FEASIBILITY REPORT	PROJECT READINESS REPORT	PROJECT IMPLEMENTATION	
					<p>WULA application, Animal Species, Heritage, etc.</p> <ul style="list-style-type: none"> Protected species were identified and, as such Off-Set (Conversation Management) area will be determined. Conditions and costs for Conversation Management are outstanding. Site Development Plans completed for 730 	
9	Kurland Erf 940 (562)	<u>Registered and approved. by Province</u>	<u>Submitted to Province, not finalized yet:</u> Tranche two and the Planning Application entails, Pre-planning (Traffic Impact Study and EIA), Project Management, Geotechnical Evaluation, Town Planning, Civil Engineer, and Social Facilitation. The Tranche 2 application covers: <ol style="list-style-type: none"> 1. Environmental Authorisation 2. LUPA approval 3. Social Compact, Project viability – cost estimates 4. Sustainability, including typologies 	<u>Not registered yet</u>	<ul style="list-style-type: none"> Preliminary engineering designs are in place for reticulation. EIA for both reticulation and bulks and WULA processes are in progress. Bulk water project is in the implementation stage. Bulk sewer project is committed and approved through MIG. 1500 sites to be developed in at phased approach. ESKOM has confirmed not to have adequate capacity for Kurland and as such upgrades project would take about six (6) years from November 2023 	±R379,918,500.00 (±R108,160,500.00 Services and ±R271,758,000.00 Top Structures)

PROJECT DESCRIPTION		PROJECT PROGRESS				PROJECT FUNDING PROJECTION
		PROJECT INITIATION REPORT	PROJECT FEASIBILITY REPORT	PROJECT READINESS REPORT	PROJECT IMPLEMENTATION	
10	Kranshoek erven 1160 and 1217	<u>Registered and approved by Province.</u> Tranche one which comprise of Pre-planning studies (EIA and Urban design), Project Management, Geotechnical Evaluation, Contour Survey and Civil Engineering report. The Pre-planning application will cover the following: <ol style="list-style-type: none"> 1. Provisional layout with estimated yields 2. Confirmation of land ownership 3. Confirmation of Bulks and link services 4. If no bulks can be confirmed, a letter on Municipal letterhead must be written confirming future planning. 5. Indicate if TRA would be required. 6. Phase 1 Geotech 7. Environmental risks 	<u>Not registered yet</u>	<u>Not registered yet</u>	<ul style="list-style-type: none"> • Botanical assessment is underway to determine to determine the • The two erven identified will yield about 150 sites 	±R37,991,850.00 (±R10,816,050.00 – Services and ±R27,175,800.00 Top Structures)

Table 18: Human Settlement Housing Pipeline Report.

SPATIAL DEVELOPMENT FRAMEWORK

BACKGROUND

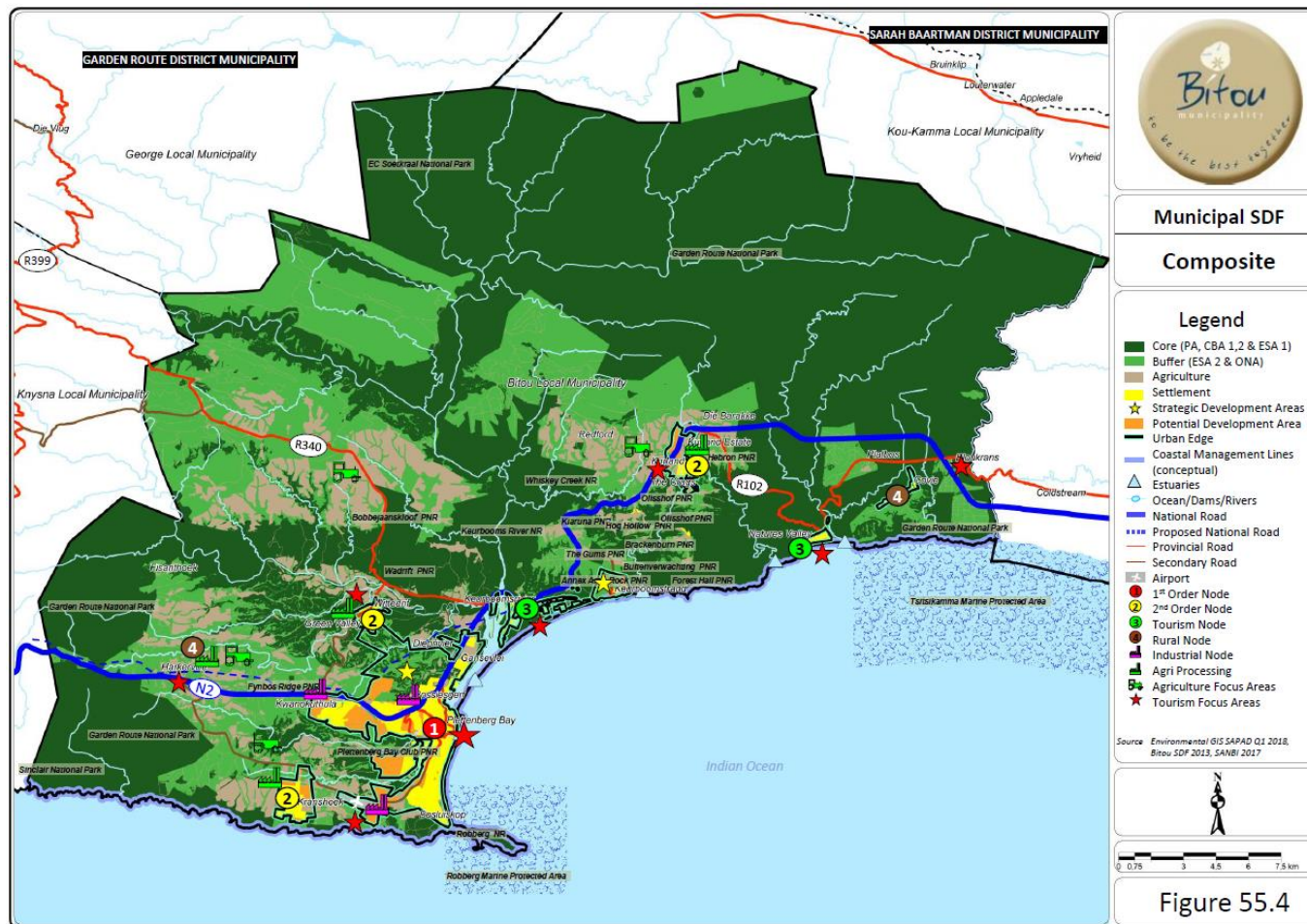
The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) requires all spheres of government to develop Spatial Development Frameworks (SDFs) to guide development and land use management across the Republic. The SDF serves as both a horizontal and vertical alignment tool by spatially coordinating the budgeting and developmental activities of all three spheres of government that deliver services in Bitou.

The Bitou Municipal Council approved the new Bitou Municipal SDF 2021 on 31 March 2022, which replaces the previous (2017) version.

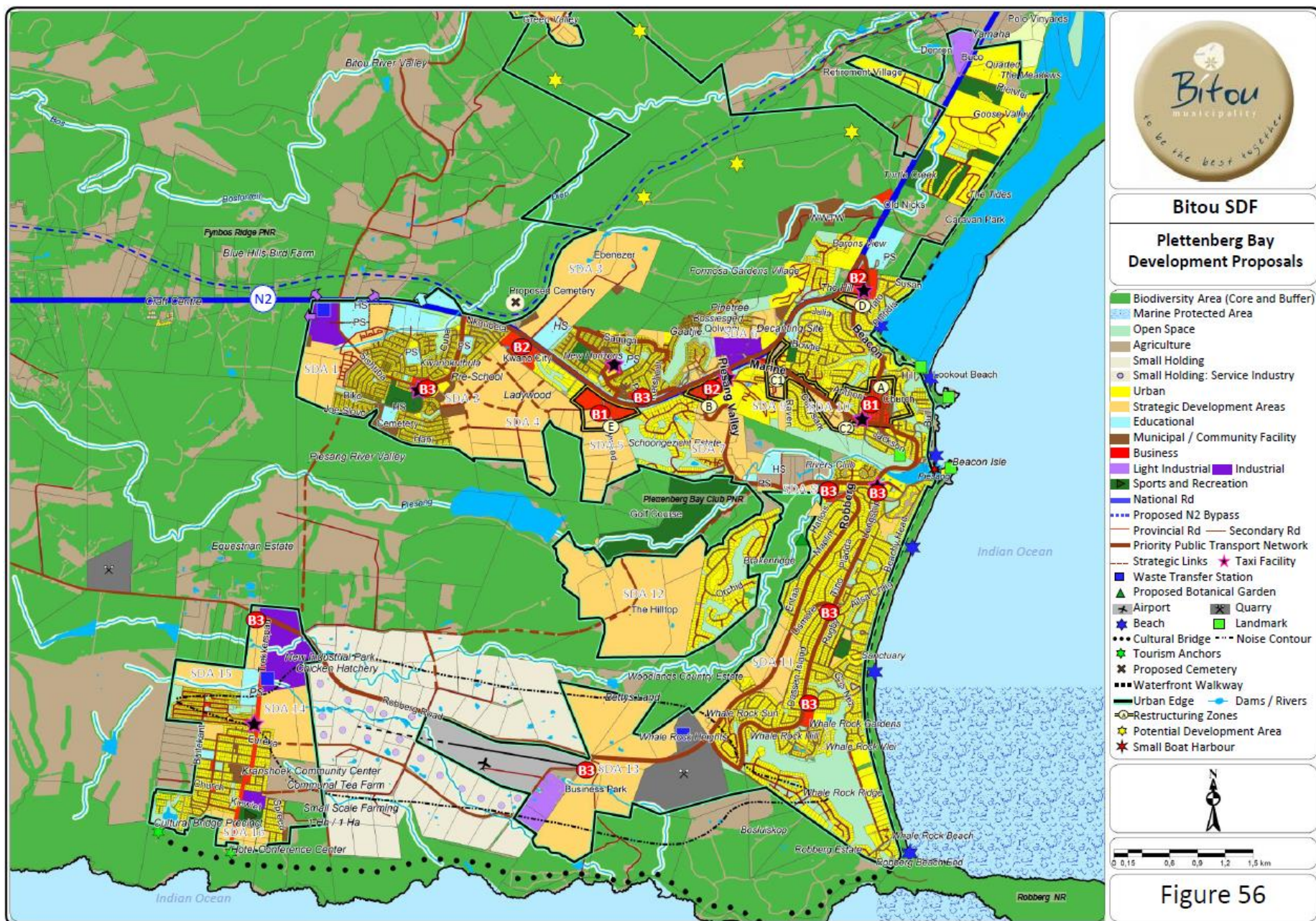
The 2021 SDF underwent an extensive public participation process, which included numerous workshops with relevant local stakeholders. The final SDF seeks to assist the Municipality in managing its current development pressures efficiently and to strategically prepare for projected future developments in the area. Hence, the SDF aims to achieve two goals: address current challenges and look ahead in terms of a long-term development vision, including formulating strategies to achieve it.

THE DESIRED SPATIAL FORM/ PATTERN OF LAND USE WITHIN THE MUNICIPALITY COMPOSITE SDF

The composite SDF (figure below) depicts the desired spatial structure of Bitou. It identifies the priority areas for urban development (including areas for residential, business, industrial and other urban expansion), as well as areas for conservation, agriculture, tourism, and other land uses.



Development proposals/ spatial reconstruction: Plettenberg Bay and surrounds



The above figure is an extract of the detailed development proposals for the Plettenberg Bay area, which is the first order node in the Municipality. Conceptually, the area is divided into the following functional areas: The Goose Valley area between route N2 and the Keurbooms Estuary, which is primarily earmarked for residential and tourism-related development; the central core area, which comprises the existing CBD with surrounding middle to high income residential use; the Schoongezicht-Ladywood-Qolweni-New Horizons area in the central part, and Kwanokuthula to the far west. This entire area is linked via route N2 and Marine Way, which function as the “integration corridor” between these historically segregated communities.

For detailed figures and guidance as to the preferred location and nature of development for the other settlements/ areas in Bitou, please refer to section 4.5 of the complete SDF, available as a separate document.

DEVELOPMENT OBJECTIVES OF THE SDF

The SDF contains six development objectives, with several priority actions per objective, as described below:

Objective 1: Facilitate the protection and sustainable management of the natural environmental resources.

Action 1.1: Contain development and manage rural areas through appropriate application of Spatial Planning Categories (SPCs)

Action 1.2: Establish ecological corridors to protect continuous biodiversity patterns and to adapt to environmental changes.

Action 1.3: Provide incentives to protect and conserve all the important terrestrial, aquatic, and marine habitats.

Action 1.4: Manage development along the coastline in a sustainable and precautionary manner and manage public access to the coastline and estuaries.

Action 1.5: Manage and mitigate flood and fire risks.

Action 1.6: Implement alien vegetation management mechanisms.

Objective 2: Direct and align growth to capacity, resources, and opportunity in relation to a regional settlement hierarchy.

Action 2.1: Prioritise development and investment in accordance with the Bitou LM settlement hierarchy.

Action 2.2: Contain settlement sprawl by means of an urban edge as a growth management instrument.

Action 2.3: Manage development in rural and agricultural landscapes.

Objective 3: Optimise regional connectivity and mobility as well as local access and accessibility via a comprehensive movement network.

Action 3.1: Capitalise on the economic opportunities posed by the N2 coastal corridor.

Action 3.2: Upgrade and maintain the secondary road network to enhance access to all areas in the Bitou LM

Action 3.3: Facilitate the establishment of a comprehensive public transport network that will serve as the backbone to spatial restructuring and integration within the municipality.

Action 3.4: Upgrade the Plettenberg Bay Airport to stimulate local economic development.

Objective 4: Facilitate the establishment of sustainable human settlements in all identified nodes.

Action 4.1: Actively promote development aligned to Smart Growth Principles in all settlements.

Action 4.2: Identify strategically located land as priority housing development areas.

Action 4.3 Promote the development of a diverse range of housing typologies offering multiple choices in terms of affordability, density, and tenure options.

Action 4.4: Rationalise and cluster community facilities in accessible Multi-Purpose Community Centres (Thusong Centres)

Action 4.5: Locate regional community facilities at higher order nodes and ensure that all nodes are provided with services and facilities appropriate to nodal function and size.

Objective 5: Manage regional infrastructure implementation and management.

Action 5.1: Align infrastructure implementation and upgrading programmes with land use development programmes.

Action 5.2: Promote the development of “green technology/energy” and incrementally implement the Smart City Concept.

Objective 6: Identify and optimally use economic development opportunities in a sustainable manner.

Action 6.1: Implement programmes aimed at promoting economic upscaling of emerging entrepreneurs as part of the “Township Economy.”

Action 6.2: Align tertiary education and skills development programmes to priority economic sectors.

Action 6.3: Promote business uses within strategically located mixed-use nodes.

Action 6.4: Facilitate limited light industrial and commercial development at designated strategic locations.

Action 6.5: Promote agriculture, focusing on priority commodities in four functional areas.

Action 6.6: Use precision farming to minimise the impact of agriculture on natural resources.

Action 6.7: Support emerging farmers to become part of the mainstream economy.

Action 6.8: Promote a comprehensive range of tourism activities based on the key characteristics of the identified functional tourism areas.

HOUSING DELIVERY

The housing department should ensure that the bulk of the subsidised housing stock is provided within the Strategic Development Areas and in accordance with the typology directives provided in the SDF (especially about higher densities). This will contribute towards the effective consolidation and restructuring of the municipal urban structure.

Table 34 below shows that the 23 Strategic Development Areas identified comprise above 936-ha of land compared to the 1 022-ha required for urbanisation purposes up to 2040 as determined from the SDF Land Use Budget. It should, however, be kept in mind that the Ganse Vallei Potential Development Area, which is currently not included as a Strategic Development Area in the SDF, could accommodate an estimated 6,000 units. This area will most probably become a Strategic Development Area during the next Bitou SDF review when detailed environmental assessments are completed.

Township	Item	Incremental Demand needed per Town (calculated from LUB)				Supply	
		Demand Database (Backlog)(ha)	Inc. 2016-2025 (ha)	Inc. 2025-2040 (ha)	2016-2040 (incl. Backlog) (ha)	SDA Areas (ha)	Planned Current Units
Kwanokuthula/ New Horizons/ Qolweni-Bossiesgif	Dwelling Units	5 347	4 489	7 655	17 491		4 425
	Land (ha)	155	176	301	632	307	
Plettenberg Bay Town	Dwelling Units	371	1 164	1 957	3 491		810
	Land (ha)	11	47	79	137	409	
Kranshoek	Dwelling Units	1 207	987	1 686	3 880		1 457
	Land (ha)	38	41	70	148	87	
Wittedrift	Dwelling Units	330	152	253	735		-
	Land (ha)	10	6	10	27	44	
Kurland	Dwelling Units	884	495	832	2 211		344
	Land (ha)	26	19	33	79	89	
Total Area	Dwelling Units	8 139	7 287	12 383	27 808		7 036
	Land (ha)	240	289	493	1 022	936	

Table 19: Demand vs. Supply

The projects planned in the Bitou Housing Project Pipeline consist of about 7,036 housing units, which is not even enough to cater to the existing backlog/demand, which is 8,139 units.

The department responsible for social services should ensure that community facilities and services are consolidated within Thusong centres or in designated mixed-use nodes/areas.

The development of community facilities should be aligned with the housing programme in consultation with the relevant provincial departments.

Engineering Services should ensure that the bulk of its capital expenditure is focused on infrastructure development and service delivery within the designated settlement areas and, more specifically, in Strategic Development Areas demarcated in the SDF.

Sector Plans like the Water Master Plan, Roads Master Plan, Integrated Transport Plan, and Electricity Master Plan must be aligned to the spatial directives and growth projections provided in the SDF when these are reviewed/updated in the future.

The Finance Department should annually assess whether the Municipality spends the bulk of its capital within the priority focus areas – i.e., the proposed corridors, activity nodes, and Strategic Development Areas identified in each settlement.

STRATEGIES AND POLICIES TO ACHIEVE SAID OBJECTIVES

table below provides an overview of the spatial strategies aimed at achieving the development objectives of the SDF. Refer to section 4.3 of the complete SDF for the objectives and actions pertaining to the various strategies.

Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6			
Environmental Management	Nodal Development	Movement Network	Sustainable Human Settlements	Infrastructure Alignment	Economic Development and Job Creation			
SPATIAL STRATEGIES								
<ul style="list-style-type: none">• SPC• Ecological Corridors• Private Protected Areas• Coastal Management• Flood and Fire Risk• Alien Vegetation	<ul style="list-style-type: none">• Spatial Targeting• Settlement Hierarchy• Urban Edge• Rural Land Use	<ul style="list-style-type: none">• Road Network• Public Transport• Airport	<ul style="list-style-type: none">• Housing Typologies<ul style="list-style-type: none">- Upgrading• Community Facilities<ul style="list-style-type: none">- Standards- Programme• Thusong Centre	<ul style="list-style-type: none">• Water• Sanitation• Electricity• Waste• ICT• Smart City Technology	Business	Industrial	Agriculture	Tourism
					<ul style="list-style-type: none">• CBD• Community Nodes	<ul style="list-style-type: none">• Areas• Functions	<ul style="list-style-type: none">• Functional Areas• Commodities• Precision Farming	<ul style="list-style-type: none">• Functional Areas• Eco Tourism• Agri Tourism• Adventure Tourism
					<ul style="list-style-type: none">• Informal / Emerging Upscaling			
					<ul style="list-style-type: none">• Tertiary Education and Skills Development			

Table 20: Spatial Strategies

GUIDELINES FOR LAND USE/ ZONING SCHEME

The SDF specifies that the Municipality should ensure that the Bitou Land Use Scheme (LUS) is properly aligned to the SDF's Spatial Planning Categories. Table 32 is the "Linkage Table" between the SDF and LUS, illustrating which LUS Use Zones are compatible (and could be considered for approval) in each of the SDF Spatial Planning Categories. Important directives about the review of the Bitou LUS include the following:

- Generally, increase densities to limit urban expansion and relax development controls to promote rather than constrain development;
- Use Zone definitions should be more inclusive to promote mixed-use development.
- Refine the "Home Enterprise" definition and parameters in the LUS to protect the Bitou CBD from the proliferation of commercial uses in the residential areas under the guise of occupational practice;
- Rezoning certain well-located "priority development areas" for human settlement provision when the new LUS is compiled;
- As part of a broader Growth Management Strategy, the LUS should comprise several Overlay Zones to inform decision-making and to direct investment, including:
 - o Environmental Overlay Zones:
 - Comprising various environmental features like areas of high biodiversity, flood-lines, fire hazard risk areas, coastal management lines, etc.
 - o Restructuring Zones:
 - Dedicated for specific housing typologies (e.g., social housing).
 - o Special Development Zones / Integration Zones:
 - Development controls are aimed at achieving specific development objectives, e.g., higher residential densities, extensive mixed land use, etc., along priority corridors or within specific nodes along the priority public transport network in Plettenberg Bay.
 - o Transitional Zones:
 - Providing for a specific Residential Use Zone for Category B informal settlements, which will be incrementally upgraded over a period in line with the UISP programme and where interim basic services should be provided.
 - o Residential Use Zones:
 - (e.g., Res 4) where uses such as a Spaza, Shebeens, taverns and certain service industries may be exempted from formal application processes (in line with Section 38(9) of SPLUMA).

CAPITAL INVESTMENT FRAMEWORK/ PRIORITY PROJECTS

Project	Responsibility	Estimated Cost	Year 1-2	Year 3-5	Year 5+
Environment					
1. Formulate policy to enhance Ecological Corridors through Conservation Estate with rate rebates, tax incentives, and sectional title schemes	BLM: Economic Development and Planning	R200,000	X		
2. Implement Coastal Management Lines (Draft)	BLM: Economic Development and Planning	In house	X		
3. Formulate/Implement Alien Invasive Management Plans	BLM: Economic Development and Planning	R150,000	X		
4. Establish Disaster Risk Management Protocol with GRDM: Flood and Fire Risk	BLM: Economic Development and Planning; BLM Branch Public Safety; Garden Route DM	In house	X		
5. Management Plan for Bay area between Robberg and Tsitsikamma MPA's	BLM: Economic Development and Planning; WC: DEADP	R300,000		X	
6. Registration of Lookout Nature Reserve	BLM: Economic Development and Planning; Cape Nature; WC: DEADP	TBD	X		
Town Planning					
7. Establish/Strengthen municipal GIS and LUS with Environmental Overlay Zones	BLM: Economic Development and Planning	R500,000	X		
8. Implement SMART City Principles: Workshops/Awareness Campaigns	BLM: Economic Development and Planning; BLM: Engineering Services	In house		X	
Compile Precinct Plans for the following priority areas:					
9. Ladywood	BLM: Economic Development and Planning	R300,000	X		
10. Piesang Valley	BLM: Economic Development and Planning	R250,000		X	
11. Beachfront precinct – Beacon Isle up to Lookout	BLM: Economic Development and Planning	R300,000	X		
12. Kurland	BLM: Economic Development and Planning	R250,000		X	
13. Forest View	BLM: Economic Development and Planning	R250,000	X		
14. Kranshoek	BLM: Economic Development and Planning	R250,000		X	
15. Goose Valley	BLM: Economic Development and Planning	R250,000			X
16. Prepare open space utilisation and densification framework per settlement	BLM: Economic Development and Planning	R400,000	X		
Housing and Social Services					

Project	Responsibility	Estimated Cost	Year 1-2	Year 3-5	Year 5+
Facilitate incremental implementation of the 3-year housing programme:					
17. Kwanokuthula IRDP Phase 4	BLM: Directorate Housing; WC: Department of Human Settlements	R37,5 million	X		
18. Kwanokuthula IRDP/UISP Phase 5 and 6 (120 UISP)	BLM: Directorate Housing; WC: Department of Human Settlements	TBD		X	
19. Kwanokuthula IRDP/UISP Phase 6 and 7	BLM: Directorate Housing; WC: Department of Human Settlements	TBD			X
20. Ebenezer IRDP/UISP Phase 1 a. Qolweni: 735 informal b. New Horizons: 735 backyards	BLM: Directorate Housing; WC: Department of Human Settlements	TBD		X	
21. Ebenezer IRDP/UISP Phase 2, 3 and 4	BLM: Directorate Housing; WC: Department of Human Settlements	TBD			X
22. Qolweni Phase 3A	BLM: Directorate Housing; WC: Department of Human Settlements	R24,5 million	X	X	
23. Qolweni Phase 4A (UISP)	BLM: Directorate Housing; WC: Department of Human Settlements	R22,9 million	X		
24. Qolweni Phase 4B (UISP)	BLM: Directorate Housing; WC: Department of Human Settlements	R17,3 million	X	X	
25. Qolweni Phase 5 (UISP)	BLM: Directorate Housing; WC: Department of Human Settlements	TBD	X	X	
26. Shell Ultra City (IRDP/FLISP)	BLM: Directorate Housing; WC: Department of Human Settlements	R3,6 million	X		
27. Green Valley Phase 2 (IRDP/UISP) (122 UISP)	BLM: Directorate Housing; WC: Department of Human Settlements	TBD		X	
28. Kurland UISP Phase 3 (UISP)	BLM: Directorate Housing; WC: Department of Human Settlements	R4,4 million	X		
29. Kurland UISP Phase 4 (UISP)	BLM: Directorate Housing; WC: Department of Human Settlements	TBD		X	
30. Kranshoek IRDP Phase 3 a. (Farms 432 Portions 7,8,9)	BLM: Directorate Housing; WC: Department of Human Settlements	TBD		X	
Land Acquisitions					
31. Portion 28: Farm 306 Wittedrift	BLM: Directorate Housing; WC: Department of Human Settlements	R5,1 million	X		

Project	Responsibility	Estimated Cost	Year 1-2	Year 3-5	Year 5+
32. Portions 3,42,44 Ebenezer	BLM: Directorate Housing; WC: Department of Human Settlements	TBD	X		
33. Erf 9834 Minnaar's Land	BLM: Directorate Housing; WC: Department of Human Settlements	R1,5 million	X		
34. Portion 20; Farm Hillview No 437 Ebenezer (Transfer Duties)	BLM: Directorate Housing; WC: Department of Human Settlements	R800,000	X		
Community Facilities					
35. Negotiate the development of community facilities aligned with the housing programme	BLM: Community Services; WC: Department of Human Settlements / Health / Education / Social Development / Community Safety / Cultural Affairs and Sport.	TBD	X	X	X
Roads and Transport					
36. Lobby for construction of N2 bypass	BLM: Roads, Transport, and Stormwater (RTS); WC: Department of Transport and Public Works; SANRAL	TBD		X	
37. Upgrade Kwanokuthula – Green Valley link	BLM: Roads, Transport and Stormwater (RTS); WC: Department of Transport and Public Works	TBD	X		
38. Bloukrans Pass upgrade (Eastern Cape)	BLM: Roads, Transport and Stormwater (RTS); WC: Department of Transport and Public Works; EC: Department of Transport and Public Works	TBD	X		
39. Ensure proper maintenance of priority secondary tourism routes: Forest Hall, Redford, Keurbooms, Harkerville, R340	BLM: Roads, Transport and Stormwater (RTS); WC: Department of Transport and Public Works	Annual Allocation	X	X	X
40. Incremental development of the priority public transport network and facilities.	BLM: Roads, Transport and Stormwater (RTS)	Annual Allocation	X	X	X
41. Upgrading of the Plett Airport	BLM: RTS, LED and LUM; ACSA	Annual Allocation	X	X	X
Engineering Services					
42. Alignment of water, sanitation, electricity, and roads as well as stormwater infrastructure construction with housing programmes:	BLM: Engineering Services; BLM: Economic Development and Planning; BLM: Division Human Settlement	In house	X	X	X
Water					
43. New Water Treatment Plant to Goose Valley reservoir pump station and bulk supply pipe	BLM: Engineering Services	R1,4 million	X		
44. New Kurland WTP	BLM: Engineering Services	TBD		X	X
45. New 3 ML reservoir at new Plettenberg Bay WTW	BLM: Engineering Services	R8,8 million	X		

Project	Responsibility	Estimated Cost	Year 1-2	Year 3-5	Year 5+
46. New 8 ML (Upper) and 5ML (lower) reservoir in Roodefontein area	BLM: Engineering Services	R17,8 million R12,6 million			X
47. New 0.5 ML Keurboomstrand (reservoir upper)	BLM: Engineering Services	R3,07 million		X	
48. New 2 ML Matjiesfontein reservoir.	BLM: Engineering Services	R6,75 million		X	
49. New Wadriest Dam	BLM: Engineering Services	R2 million p.a.	X	X	X
50. Several pump station upgrades	BLM: Engineering Services	Annual Allocation	X	X	X
Sewer Treatment Plant Upgrade					
51. Upgrade Outfall Sewer: Kwanokuthula-Gansevlei	BLM: Engineering Services	R7 million	X	X	
52. Upgrading Outfall Sewer: Dunes	BLM: Engineering Services	R4,5 million	X	X	
53. Kurland WWTW Upgrade	BLM: Engineering Services	R500,000	X		
Electricity					
54. Formulate Renewable Energy Policy	BLM: Engineering Services	R200,000	X		
55. Informal Settlement Upgrading Programme (Qolweni)	BLM: Engineering Services	Annual	X	X	X
Refuse Disposal					
56. Establish Waste Recycling Units in all Settlements	BLM: Engineering Services/LED	TBD	X	X	X
Economic Development					
57. Establish Bitou "LED Warriors" Forum	BLM: Division Economic Development	In house	X		
58. Formulate Business/Commercial/Industrial Up-scaling Policy and Pilot Projects	BLM: Division Economic Development	R200,000	X		
59. Continuously manage/monitor the development of each of the business nodes and industrial areas	BLM: Division Economic Development	In house	X	X	X
60. Enhance safety and security in all economic activity nodes/areas with a specific focus on access control in part of Plett Industrial Area	BLM: Division Economic Development; BLM: Branch Public Safety; SAPS; Local Tenants/Stakeholders	In house	X		
61. Formulate a Tertiary Education and Training Strategy	BLM: Division Economic Development; BLM: Section Social Development; WC: Education Department	R400,000	X		
62. Establish stakeholder forums for each of the functional tourism precincts and facilitate the compilation of a plan/strategy/marketing brochure for each of these	BLM: Division Economic Development; WC: Department of Economic Development and Tourism; WC: Department of Cultural Affairs and Sport	R600,000	X	X	
63. Implementation of Robberg Cultural Bridge Project	BLM: Division Economic Development; WC: Department of Economic Development and Tourism; WC: Department of Cultural Affairs and Sport	R90,000,000	X	X	X
64. Branding of tourism precincts with road signage	BLM: Division Economic Development/SANRAL	In house	X	X	X

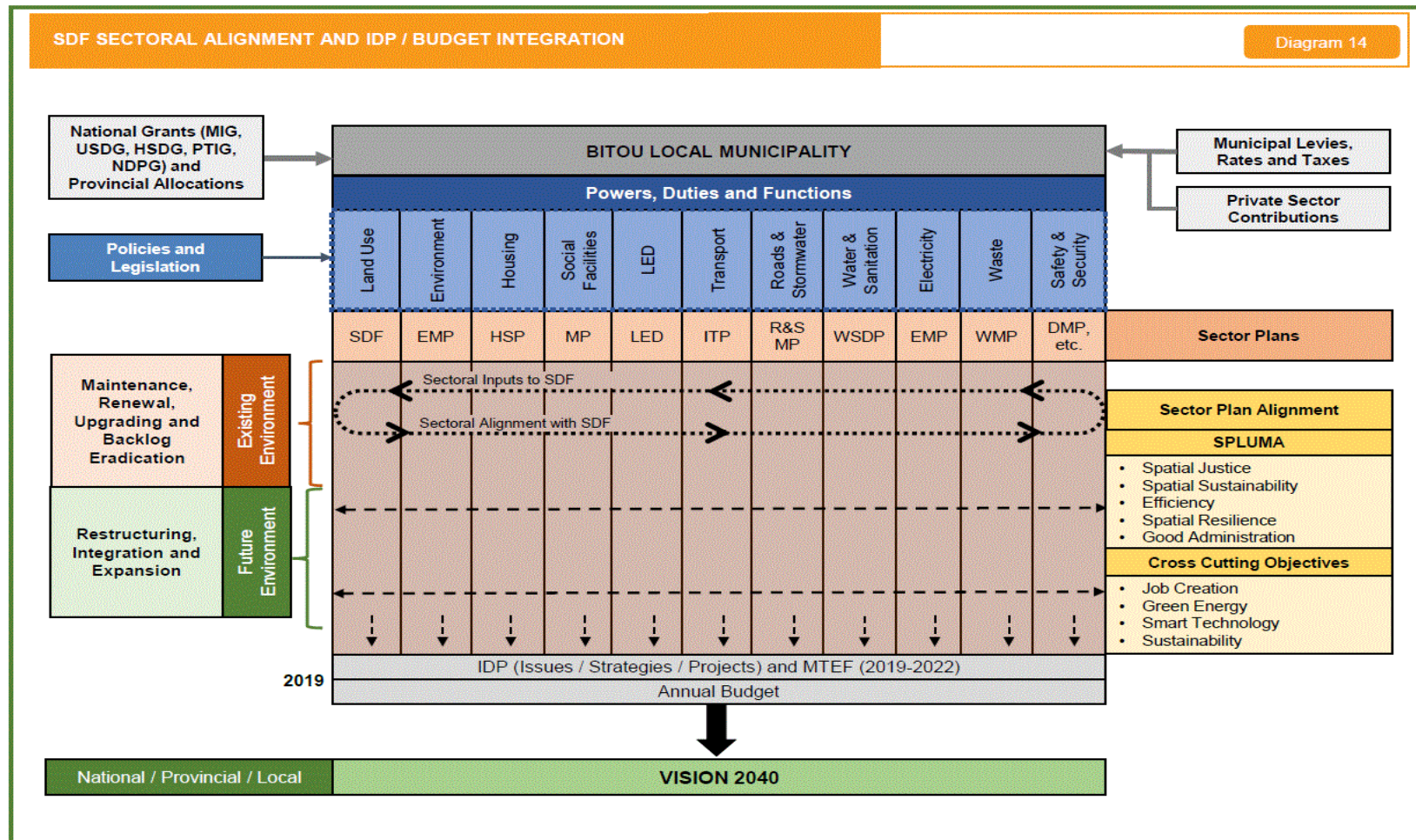
Project	Responsibility	Estimated Cost	Year 1-2	Year 3-5	Year 5+
Land Reform					
Monitor/facilitate progress with DRDLR Land Reform Initiatives in:					
65. Kwanokuthula	Department Rural Development; BLM: Economic Development and Planning	In house	X	X	X
66. Kranshoek	Department Rural Development; BLM: Economic Development and Planning	In house	X	X	X
67. Forest View/Harkeville	Department Rural Development; BLM: Economic Development and Planning	In house	X	X	X
68. Wittedrift	Department Rural Development; BLM: Economic Development and Planning	In house	X	X	X
69. Kurland	Department Rural Development; BLM: Economic Development and Planning	In house	X	X	X
70. Covie	Department Rural Development; BLM: Economic Development and Planning	In house	X	X	X

ENVIRONMENTAL MANAGEMENT

The SDF strives to facilitate the protection and sustainable management of natural environmental resources through the following actions (see section 4.3.1. of the SDF for more detail on the individual actions):

- Contain development and manage rural areas through appropriate application of Spatial Planning Categories (SPCs)
- Establish ecological corridors to protect continuous biodiversity patterns and to adapt to environmental changes.
- Provide incentives to protect and conserve all the important terrestrial, aquatic, and marine habitats.
- Manage development along the coastline in a sustainable and precautionary manner and manage public access to the coastline and estuaries.
- Manage and mitigate flood and fire risks.
- Implement alien vegetation management mechanisms.

The diagram below illustrates the context of the Bitou SDF within the broader municipal institutional environment.



HUMAN RESOURCE MANAGEMENT STRATEGY

Please note that the information that is contained in this section was extracted from the Bitou municipality's human resource management strategy. This document needs to be revised and aligned with Regulation 890 (staff regulations) and the most recent strategic objectives of the municipality.

Purpose of this Human Resource Management Strategy

The purpose of this Human Resource Strategy and Plans are to enable the Bitou Municipality's (BITOU MUNICIPALITY) Council and Executive Management Team (EMT) to align HRM practices with the strategic objectives of the municipality and to enhance the capability of the HR function to maintain effective corporate HRM services and support to line function departments.

Process applied to develop this Strategy.

The diagram below demonstrates the process and cycle for drafting the HRM strategy:

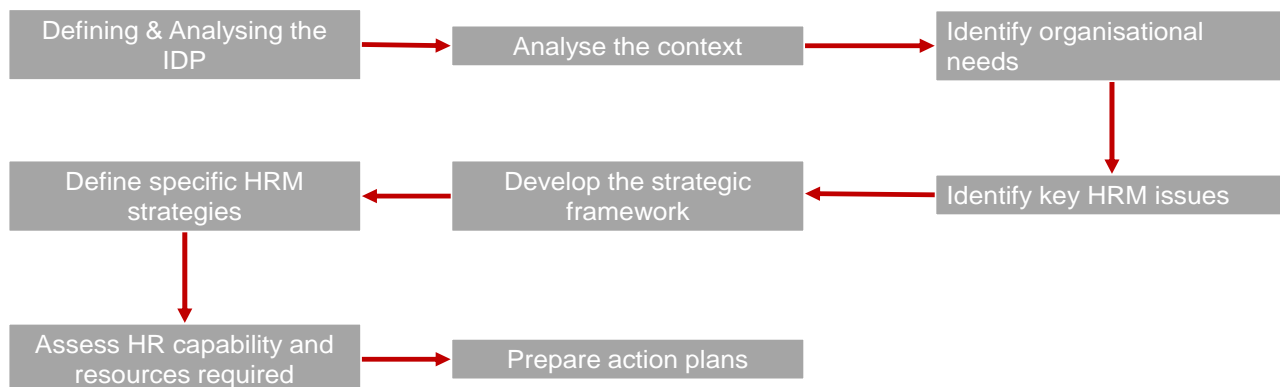


Figure 20: Human resource strategic cycle:

Statutory obligations

The BITOU MUNICIPALITY has a statutory obligation to prepare an Integrated Development Plan every five years. This plan, together with all other sector plans, must be revised on an annual basis, and the multi-year budget is also amended in accordance with the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). Chapter 5, Section 25 (1) of the Act indicates that:

“Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive, and strategic plan for the development of the municipality, which:

- (a) Align, integrate, and coordinate plans and consider proposals for the development of the municipality;
- (b) Align the resources and capacity of the municipality with the implementation of the plan;
- (c) Complies with the provisions of this Chapter; and
- (d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.”

Bitou Municipality's corporate strategic objectives

Stated in the approved fifth Generation IDP (2022-2027) is the Bitou municipality's mission statement, which reads as follows:

“We partner with communities and stakeholders to sustainably deliver quality services so that everyone in Bitou can live and prosper together.”

The municipality recognises the importance of building partnerships with communities and stakeholders for sustainably delivering services in the next five years.

Bitou municipality: hr related PDO's

- (a) HR provisioning: Municipality has skills required to complete its tasks
- (a) HR Development: A well capacitated and trained workforce
- (b) OHS: Minimise injuries on duty
- (c) Employee recognition & wellness: Employees feel valued and satisfied with work environment
- (d) Performance management: Accountability for performance throughout the institution
- (e) Labour relations: Effective prosecution of transgressions
- (f) ICT: A connected workforce able to communicate

Bitou municipality: corporate indicators relating to Human Resource Management

- (a) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan;
- (b) The percentage of a Municipality's budget actually spent on implementing its workplace skills plan.

Organisational development for continuous improvement

Organisational development within the BITOU MUNICIPALITY continuously focuses on the increase of the municipality's effectiveness and efficiency to develop to its full potential and seek to increase effectiveness in terms of the strategic objectives as defined in the Integrated Development Plan.

The objective of organisational development is to improve Bitou municipality's capacity to manage its internal and external functioning and relationships, inclusive of more effective communication, enhanced ability to cope with organisational challenges, more effective decision-making processes, more appropriate leadership styles, improved skills, and higher levels of trust and cooperation among employees.

Organisational development further focuses on improving performance at individual and organisational levels. Improving the ability to respond to changes in its external environment, increasing internal capabilities by ensuring the organisational structures, human resources systems, communication systems, and leadership/managerial processes fully harness human motivation and help employees to function to their full potential.

Bitou municipality: HR strategy framework

This section and its sub-elements contain the official perspectives and commitments of the Council and Executive Management Team about Human Resource Management at the Bitou Municipality.

Broad HR statement of intent

Bitou Municipality commits to:

- (a) Trust and respect individuals;
- (b) Develop a strong focus on the overall effectiveness of the organisation, its direction, and how it's performing;
- (c) The organisation be a place where the best people do their best work;

- (d) Have staff who are enjoying themselves, are being supported and developed, and who feel fulfilled at work and will provide the best service to customers; and
- (e) Encourage a positive employee relations climate.

HR value statement

Bitou Municipality's HR strategy resonates with the following core values:

- (a) Reach out - develop the commitment to respect all staff.
- (b) Involve and listen - recognise the contributions of individuals.
- (c) Overcome injustice - encourage fair and just processes.
- (d) Recognise and foster - provide opportunities for development.

Strategic themes and goals

Theme 1: Strategy alignment

Goal 1: Achieve strategic integration: Align HR strategies, policies, and practices to organisational strategy		
Performance Objectives: HR strategies, policies, and resource plans aligned to organisational strategy		
Goal Measure: HR strategies and policies documented, agreed, and communicated		
Strategies	So that...	Future Implications
▪ SHRM	▪ HR strategy is aligned with the organisation's objectives.	▪ A systematic approach exists to develop and implement long-term HRM strategies, policies, and plans, enabling the organization to achieve its objectives.
▪ HR Risk Management	▪ A framework for HR governance, risk, and compliance exists.	▪ Appropriate risk assessment practices and procedures relating to human factors are embedded within the organisation
▪ Workforce Planning	▪ Systematic identification and analysis of organisational workforce needs ensure sustainable organisational HR capability.	▪ A strategic workforce plan meeting the needs of the organisation exists.
▪ Organisational development	▪ Therefore, planned, and systematic practices enable sustained organisational performance through the involvement of its people.	▪ HR professionals accept the mantle as strategic change leaders

Table 21: HR strategic goal 1

Theme 2: High-performance management

Goal 2: High-performance culture embedded in the organisation		
Performance Objectives: HR practices enhance organisational performance and stakeholder value		
Goal Measure: Strategies for high-performance success factors in place, agreed upon, and communicated		
Strategies	So that...	Future Implications
▪ Individual PM	▪ A framework and processes exist to translate and cascade broad organisational performance drivers	▪ Progress measurement against agreed individual and team objectives enables attainment of organisational objectives.

	into team and individual performance targets.	
▪ HR Technology	▪ Effective use of relevant technological applications and platforms to provide accessible and accurate data and information.	<ul style="list-style-type: none"> ▪ An ability to consolidate and rapidly extract relevant data in real time that enhances effective HR decision-making. ▪ Capacity existing within HR structures to deliver value-adding activities.
▪ HR measurement	▪ Appropriate measures and metrics exist from which organisational insights can be drawn	▪ Measurement approaches, methodologies, and metrics applied to assess the effectiveness and efficiency of HR practices.
▪ HR service delivery	▪ HR's critical contribution to the creation of an innovative culture.	▪ HR identifies areas where they can make a strategic impact and solve complex problems.

Table 22: HR Strategic goal 2: Enhance organisational performance and stakeholders

AIR QUALITY MANAGEMENT PLAN

Bitou Local Municipality does have an Air Quality Management Plan (AQMP) for 2019 – 2024. The drafting of the local AQMP was funded by the Garden Route District Municipality.

Legislative and regulatory context

Before assessing the environmental impacts associated with BLM sources, it is important to reference the environmental regulations guiding the processes, i.e., emission standards and ambient air quality standards.

Air quality guidelines and standards are fundamental to effective air quality management, providing the link between the source of atmospheric emissions and the user of that air at the downstream receptor site. The ambient air quality guideline values indicate safe exposure levels for most of the population, including the incredibly young and the elderly, throughout an individual's lifetime. Air quality guidelines and standards are given for specific periods.

National Environmental Management Air Quality Act

The National Environmental Management Air Quality Act (NEMAQA) commenced on 11 September 2005 but only came into full operation on 1 April 2010 when the previous Atmospheric Pollution Prevention Act (APPA) was repealed.

NEMAQA has the aim of protecting the environment through acceptable measures of pollution prevention, reduction, and management. The Act also puts emphasis on provincial and local governments to enforce or implement it, and to design their own air quality management plans in accordance with the structure stipulated in the Act.

Local and provincial governments are tasked with the responsibility of implementing atmospheric emission licensing, management, and operation of monitoring networks, and designing and implementing emission reduction strategies.

On 24 December 2009, the National Ambient Air Quality Standards (NAAQS) were published in accordance with NEMAQA. The standards are used to regulate the concentration of a substance that can be tolerated without any environmental deterioration.

The standards are defined for different air pollutants with different limits based on the toxicity of the pollutants to the environment and humans, the number of allowable exceedances, and the date of compliance with the specific standard. Pollutants that are included in the standard are sulphur dioxide, oxides of nitrogen, PM₁₀, ozone, benzene, and lead.

Air Quality Management Plans

With the shift of the new air quality act from source control to the impacts on the receiving environment, the responsibility to achieve and manage sustainable development has reached a new dimension. The Air Quality Act has placed the responsibility of air quality management on the shoulders of provincial and local governments. These entities are tasked with baseline characterisation, management, and operation of ambient monitoring networks, licensing of listed activities, and emissions reduction strategies. The main objective of the act is to ensure the protection of the environment and human health through reasonable measures of air pollution control within the sustainable (economic, social, and ecological) development framework.

Atmospheric dispersion modelling

Dispersion modelling is the mathematical simulation of how pollutants disperse in the ambient environment; it uses mathematical formulations to characterise the atmospheric processes that disperse a pollutant emitted by a source.

Dispersion models compute ambient concentrations as a function of source configurations, emission strengths, and meteorological characteristics, thus providing a useful tool to ascertain the spatial and temporal patterns in the ground-level concentrations arising from the emissions of various sources. Increasing reliance has been placed on ground-level air pollution concentration estimates from models as the primary basis for environmental and health impact assessments, risk assessments, and determining emission control requirements. In the selection of a dispersion model, it is important to understand the complexity of the dispersion potential of the area (i.e., the terrain and meteorology) and the potential scale and significance of potential effects (i.e., other sources that might influence the ground-level concentrations). Care was therefore taken in the selection of a suitable dispersion model for the task.

Modelling for the project was done for the seven LMs within GRDM. The modelling domains were done per local municipality, except for the Bitou and Knysna municipalities; these two municipalities were grouped into one modelling domain, hereafter referred to as Knysna-Bitou.

Air Quality Management Goals

A set of goals was set for drafting and implementation of the BLMAQMP. These goals are as follows:

- i. Set air quality goals.
- ii. Develop an emission database.
- iii. Set up an air quality monitoring network.
- iv. Conduct dispersion modelling.
- v. Collect air quality information.
- vi. Conduct risk assessment.
- vii. Assess and select control measures.
- viii. Implementation of intervention and monitoring effect
- ix. Revise air quality goal.
- x. Integrate Air Quality into the IDP
- xi. Compliance monitoring
- xii. Review the Air Quality Management Plan.

Actions by the municipality

Meeting the objectives described above is not a simple task. Judging by the various objectives, an enormous amount lies ahead. Maintaining an emissions inventory is a time-consuming task. Ambient air quality data may be voluminous, and extracting air quality information and applying it effectively, disseminating information, interpreting air quality impact assessments, law enforcement, etc., are all manual activities requiring skilled human resources and much time.

While the Air Quality Act states that the Bitou must appoint an air quality officer, this officer will require a substantial support base if he is to carry out the responsibilities of his position effectively.

As can be seen from the various objectives above, a wide variety of skills are required for effective air quality management. Such skills are scarce, implying that a substantial amount of training is required before an appointed AQO can do justice to the position. Training, however, is a time-consuming and costly activity.

Effective air quality management depends heavily on the availability of suitably skilled and experienced human resources to conduct the specialised required tasks. Before any work commences, information is required.

To achieve air quality management in support of the AQMP mission and vision statements, it is necessary to expand the capacity of Bitou's Air Quality Management activities. To achieve this, some training is required, and below are the training needs:

Provide training to the municipal officials:

- Training as Environmental Management Inspectors
- Training in the compilation of emissions inventories
- Training in data analysis and risk assessments

INTEGRATED WASTE MANAGEMENT PLAN

Introduction

The Bitou Local Municipality (BLM) is required to develop an Integrated Waste Management Plan (IWMP) as per the requirements of the National Environmental Management Waste Act (59 of 2008) as amended (hereafter referred to as the Waste Act). After the municipality has adopted the IWMP, The Department of Environmental Affairs and Development Planning (DEA&DP) must endorse the municipal IWMP.

In terms of the Municipal Systems Act, a municipality must give effect to the provisions of Section 152(1) and 153 of the Constitution and must:

- a) Give priority to the basic needs of the local community;
- b) Promote the development of the local community; and
- c) Ensure that all members of the local community have access to at least the minimum level of available resources and that the quality of standards improves over time.

Legislative Requirements

South African Waste Legislation

A summary of key South African legislation governing waste management is presented in the table below.

LEGISLATION/ GUIDELINES	SUMMARY
Constitution of South Africa (Act 108 of 1996)	Section 24 of the Constitution states that everyone has the right to an environment that is not harmful to their health or wellbeing and to have an environment protected for the benefit of present and future generations through reasonable legislative and other measures
White Paper on Integrated Pollution and Waste Management for South Africa (1999)	The White Paper on Integrated Pollution and Waste Management is a subsidiary policy of the overarching environmental management and constitutes South Africa's first policy document focused on integrated waste management. This national policy sets out the Government's vision for integrated pollution and waste management in the country and applies to all government institutions and to society at large, and to all activities that impact pollution and waste management. The overarching goal of the policy is integrated pollution and waste management. The intention is to move away from fragmented and uncoordinated pollution control and waste management towards an approach that incorporates pollution and waste management as well as waste minimisation.

National Environmental Management Act (Act 107 of 1998, as amended)	The objective of NEMA is to provide for operative environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that will promote co-operative governance, and procedures for co-ordinating environmental functions exercised by organs of state. An important function of the Act is to serve as an enabling Act for the promulgation of legislation to effectively address integrated environmental management.
National Environmental Management Waste Act (Act 59 of 2008, as amended)	The act covers a wide spectrum of issues, including requirements for a National Waste Management Strategy, IWMPs, definition of priority wastes, waste minimisation, treatment and disposal of waste, Industry Waste Management Plans, licensing of activities, waste information management, and addressing contaminated land.
National Pricing Strategy (GN 904 of 2016)	The strategy aims to fund re-use, recovery, and recycling of waste through the extended producer responsibility principle.
National Waste Information Regulations (GN 625 of 2013)	These regulations give effect to the South African Waste Information System and specify registration and reporting requirements.
National Domestic Waste Collection Standards (GN 21 of 2011)	These specify methods for how domestic waste should be collected. Consideration is given to an appropriate level of service based on the nature (e.g. rural vs urban) of municipalities
Minimum Requirements for Waste Disposal by Landfill (1998)	These minimum requirements form part of a three-part series that were developed by the Department of Water Affairs and Forestry. The other documents in the series are 'Minimum requirements for the handling, classification and disposal of hazardous waste' and 'Minimum requirements for monitoring at waste management facilities. The minimum requirements for waste disposal

Table 23: Key legislation governing waste management in South Africa.

Contents of IWMP

The Waste Act outlines the minimum requirements for an IWMP. The table below outlines the requirements of the IWMP.

WASTE ACT SECTION NO.	REQUIREMENT	SECTION IN THE IWMP
12(1)(a)	Contain a situation analysis that includes-	Section 6. Situation analysis

12(1)(a)(i)	A description of the population and development profiles of the area to which the plan related	Section 6.3 Demographics
12(1)(a)(ii)	An assessment of the quantities and types of waste that are generated in the area	Section 6.6 Waste Profile and Section 6.7 Waste Generation
12(1)(a)(iii)	A description of the services that are provided, or that are available for the collection, minimisation, re-use, recycling and recovery, treatment and disposal of waste	Section 6.12 Waste Services Section 6.15 Waste Recycling Section 6.16 Management of Hazardous Waste Section 6.17 Organic Waste Management Section 6.18 Waste Management Facilities
12(1)(a)(iv)	The number of persons in the area who are not receiving waste collection services	Section 6.12 Waste Services
12(1)(b)	Within the domain of the provincial department or municipality, set out how the provincial department of municipality intends:	
12(1)(b)(i)	To give effect, in respect of waste management, to Chapter 3 of the National Environmental Management Act	Section 1.1 Definition of Waste Section 1.2 Contents of an IWMP Section 1.4 Objectives of an Integrated Waste Management Plan Section 1.5 Integrated Waste Management Plan Development Process Section 10 Implementation Plan
12(1)(b)(ii)	To give effect to the objectives of this Act	Section 3 Legal Requirements Overview Section 10 Implementation Plan
12(1)(b)(iii)	To identify and address the negative impacts of poor waste management practices on health and the environment	Section 6 Situation Analysis
12(1)(b)(iv)	To provide for the implementation of waste minimisation, re-use, recycling, and recovery targets and initiatives	Section 6.15 Waste Recycling Section 6.17 Organic Waste Management
12(1)(b)(v)	In the case of a municipal IWMP, to address the delivery of waste management services to residential premises	Section 6.4 Type of Housing and Access to Services Section 10 Implementation Plan
12(1)(b)(vi)	To implement the Republic's obligations in respect of relevant international agreements	Section 3 Legal Requirements Overview

12(1)(b)(vii)	To give effect to best environmental practice in respect of waste management	Section 6.153 Waste Recycling 6.16 Management of Hazardous Waste Section 6.17 Organic Waste Management 6.16 Waste
		Management Facilities Section 6.19 Other Waste Management Services Section 10 Implementation Plan
12(1)(c)	Within the domain of the provincial department, set out how the provincial department intends to identify the measures that are required and that are to be implemented to support local municipalities to give effect to the objects of this Act	Not applicable. This requirement applies to the Western Cape IWMP.
12(1)(d)	Set out the priorities of the provincial department or municipality in respect of waste management	Section 9 Goals and Objectives Section 10 Implementation Plan
12(1)(e)	Establish targets for the collection, minimisation, re-use, and recycling of waste	Section 9 Goals and Objectives Section 10 Implementation Plan
12(1)(f)	Set out the approach of the municipality for the planning of any new facilities for disposal and decommissioning of existing waste disposal facilities	6.16 Waste Management Facilities Section 7.1 Landfill Sites Section 7.2 Future Waste Management Facilities
12(1)(g)	Indicate the financial resources required to give effect to the plan	Section 10 Implementation Plan
12(1)(h)	Describe how the municipality intends to give effect to its IWMP	Section 10 Implementation Plan Section 11 Monitoring and Review
12(1)(i)	Comply with requirements prescribed by the Minister	No other requirements have been prescribed by the Minister

Table 24: Minimum requirements for IWMP

History of Integrated Waste Management Plans in the History of Bitou Local Municipality

This is the third generation IWMP for the BLM, and this plan will cover the period 2020 – 2025. The first generation IWMP for BLM was developed in 2006 and was subsequently revised in 2014. An IWMP is revised every five years parallel to the municipal IDP planning process. The aim is to consider changes in the status of waste management, changes in legislation, and guidelines related to waste management.

Objectives of an Integrated Waste Management Plan

The aim of an IWMP is to determine the status quo of waste management and identify measures to improve waste management in the municipality. The objective of this IWMP is to present a vision of waste management in the BLM over the next 5 years.

The National Waste Management Strategy of 2011 (NWMS) identifies the primary objective of integrated waste management planning as being to: “integrate and optimize waste management so that the efficiency of the waste management system is maximised and the impacts and financial costs associated with waste management are minimised, thereby improving the quality of life of all South Africans.”

Integrated Waste Management Plan Development Process

In addition to the Waste Act, two documents were considered when developing this IWMP. The first is the Department of Environmental Affairs (DEA) Guideline for the Development of Integrated Waste Management Plans (IWMPs). This guideline outlines the following planning process.

IWMP planning phases as per the Guideline for the Development of Integrated Waste Management Plans (DEA)

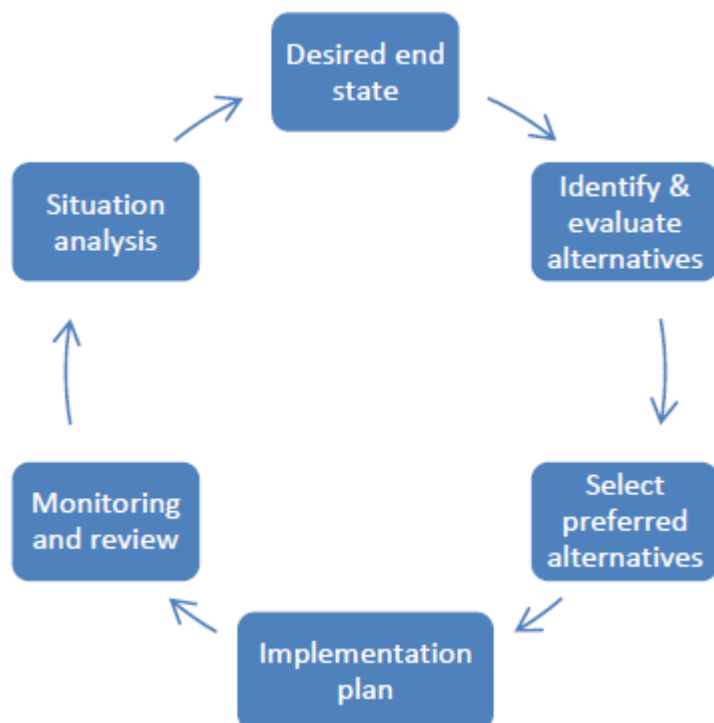


Figure 21: Integrated waste management cycle.

Scope of the Integrated Waste Management Plan

This IWMP is limited to the jurisdictional area of the BLM, which covers an area of 992 km² and is composed of 7 wards, the largest being Ward 1, which accounts for more than half the BLM area (556.5 km²). The BLM is one of seven local municipalities that fall under the Garden Route District Municipality (GRDM), formerly the Eden District Municipality, in the Western Cape Province.

The majority (61.8%) of the population is in the urban areas of Kwanokuthula, New Horizons, and Plettenberg Bay. Most of the population of the BLM is concentrated in the N2 corridor between Plettenberg Bay and Kwanokuthula (Bitou Local Municipality, 2017).

Context of Roles and Responsibilities

Local Government

The Waste Act requires local authorities to implement mechanisms for the provision of waste collection services, including collection, storage, and disposal. Furthermore, local authorities are required to facilitate recycling and waste diversion from landfills and manage waste information appropriately.

Waste Management By-Laws

A brief review of the BLM by-laws related to solid waste disposal was undertaken as part of this IWMP. The review of the bylaws identifies key gaps in the by-laws.

The solid waste disposal by-laws cover the following:

- i. Access to the disposal sites;
- ii. Offloading of waste;
- iii. Ownership of waste;
- iv. Categories of waste;
- v. Separation of waste;
- vi. Provision and location of waste bins;
- vii. Maintenance of waste bins;
- viii. Collection of waste;
- ix. Dumping and littering;
- x. Burning of waste;
- xi. Charges; and
- xii. Penalties.

Goals and Objectives

Goals are long-term aspirations for waste management, while objectives are more focused, measurable targets that, if implemented correctly, will allow the municipality to reach the identified goals.

The terminology used in the goals and objectives and implementation plan of this report have been aligned with the DEA & DP Integrated Waste Management Planning Guidelines for Waste Management Planning.

Goals and objectives terminology as per DEA&DP Guide for Waste Management Planning

TERM	DESCRIPTION	EXAMPLE
Goal	Long-term desired results that can be accomplished through various projects. Goals are not necessarily measurable but instead present a long-term desired end state for the municipality. The goals will be aligned to the NWMS and the Western Cape PIWMP.	Increased waste diversion from landfill

TERM	DESCRIPTION	EXAMPLE
Objective	Measurable outputs which, once completed, will contribute to the accomplishment of a goal. Objectives will have deadlines to drive their implementation.	An increase of diversion of recyclable waste from landfills by 5% to 10%.
Policy (target)	Smaller projects, which, when combined, will fulfil the requirement of an objective. As with the objectives, the policies will also have deadlines for implementation.	Expand the two bag system to new areas
	Develop two buy back centres in low income areas	
	Place drop-off facilities for recyclables at all existing municipal waste management facilities.	

Table 25: Goals and objectives as per DEA&DP guide for waste management planning

There may be more than one solution to address identified objectives through the IWMP. The table above presents preliminary actions and targets to meet alternatives. The following section will outline alternative actions.

Social, economic, and environmental impacts must be considered when developing alternatives (DEA & DP, undated).

Goals for the BLM

A total of seven goals were identified for the BLM. The development of these goals has been informed by the situational analysis and gap and needs assessment.

- i. Effective waste information management and reporting;
- ii. Improved waste education and awareness;
- iii. Improved institutional functioning and capacity;
- iv. Provision of efficient and financially viable waste management services;
- v. Increased waste minimisation and recycling;
- vi. Improved compliance and enforcement; and
- vii. Improved future planning.

DISASTER MANAGEMENT PLAN

The council approved a disaster management plan for the period of June 2023 to July 2025. The next review of the disaster management plan is planned for July 2025. The following summary is an extract from the Bitou Municipal Disaster Management Plan.

INTRODUCTION

Emergencies are defined as situations or the threat of impending situations abnormally affecting the lives and property of our society. By their nature, or magnitude these require a coordinated response several role players, both governmental and private, under the direction of the appropriate elected officials they are as distinct from routine operations carried out by role players as normal day to day procedures, e.g. Firefighting, police activities, normal hospital and ambulance routines.

Most peacetime natural man-made disasters/ emergencies occur in the geographical area of responsibility of the Bitou Municipality. Those most likely to occur are windstorms, floods, epidemics, transportation accidents, aircraft incidents, maritime incidents, toxic or flammable gas leaks, electric power blackouts, building or structural collapse, uncontrollable veld fires, breakdown of essential services/ supplies, or any combination thereof.

PURPOSE

This plan is designed to establish the framework for the implementation of the provisions of the Disaster Management Act, 57 of 2002, as well as the related provisions of the Municipal System Act, 2000, 32 of 2000. The purpose of this plan is to outline policy and procedures for both the initiative-taking disaster prevention and the reactive disaster response and mitigation phases of Disaster Management. It is intended to facilitate multi-sectorial coordination in both initiative-taking and reactive programs.

Figure 16 below illustrates the continuum – it should be noted that Disaster Management is not only reactive, but also involves actions aimed at preventing disasters, or mitigation the impact of disasters.

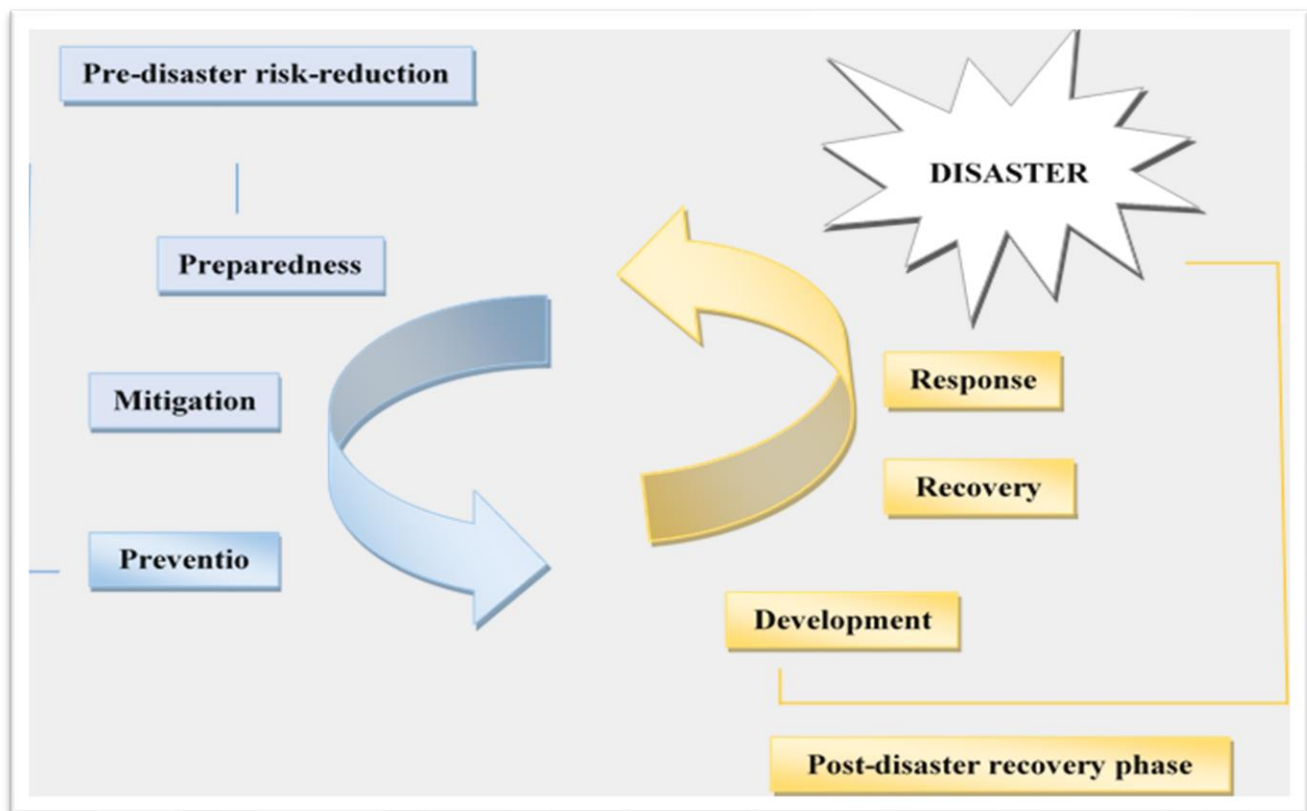


Figure 22: Disaster Continuum

Different line functions and departments must contribute in varying degrees to Disaster Management in the various phases of the Disaster Management Continuum. The needs identified in the corporate disaster management plan will indicate what line functions and departments must contribute. These contributions will then be included in the functional and departmental disaster management plans.

The continuum makes provision for planning before a disaster in the pre-disaster risk reduction phase. Here, the prevention and mitigation measures for a ward are discussed, as well as the preparedness to deal with specific emergencies or disasters. The post-disaster recovery phase discusses the procedure, response, recovery, and the development phase after a disaster.

Disaster Management plans cover the whole disaster management continuum and must address actions before, during, and after disasters. Disaster management plans are compiled based on a generic concept, including standard operating procedures and best practices, and then expanded with a risk-specific plan that addresses disaster management for exceptional circumstances where the generic plan needs to be adapted.

BACKGROUND

The Bitou Municipality is a Category B municipality, which is classified as a medium-capacity municipality with its administrative offices in Plettenberg Bay. Bitou Municipality is situated in the Western Cape Province within the jurisdictional area of Eden District Municipality. The municipality is situated in the southeastern corner of the

province, and the Bloukrans River is the boundary between the Western and Eastern Cape Provinces. Its southern border adjoins the Indian Ocean. It includes the town of Plettenberg Bay and surrounding areas such as Covie, Nature's Valley, the Craggs, Kurland, Keurbooms, Wittedrift, Green Valley, Kranshoek, Harkerville, Kwanokuthula, New Horizons, as well as Qolweni and Bossiesgif.

The Bitou Municipality consists of 7 wards:

- Ward 1: Green Valley, Kurland, The Craggs, Covie, Wittedrift and Keurbooms
- Ward 2: Plettenberg South and Plettenberg Central
- Ward 3: Bossiesgif/ Qolweni
- Ward 4: New Horizons
- Ward 5: Kwanokuthula
- Ward 6: Kwanokuthula
- Ward 7: Kranshoek and Harkerville

The N2 national road is the main transport route through the area and provides an important transit route to and from the Eastern Cape. Other important routes include the R62 to Joubertina and the R339 and R340 to Uniondale. Bitou Municipal area's economy is based on the wholesale and retail trade, catering and, accommodation; construction; finance, insurance, real estate and business services, community, social and personal services and agriculture and fisheries sectors. Tourism is the bedrock and main economic driver of the Bitou economy.

Again, quick reference is made to History and potential we need to consider and accept as possible and incidents.

2007/2008: Snow, sleet, hail, Floods.

2009/2010: Floods, wildfires, plantation fires, vegetation fires, shack fires.

2011/2012: Aircraft incident, unrest, structural fires, flooding, shack fires.

2013 / 2014: Bush fires, heavy rainfall, drought, heat waves, coastal erosion, shack fires.

2015/16/17: There was an increase in statistics to vegetation fires, rural areas, and plantations.

2021: Most recent floods, wildfires, shack fires, unrest, aircraft accident.

2022: Shack fires, shark attacks, wildfires, maritime incidents.

Climate change has been a cause of concern for the last few years and is currently as experienced in the Western Cape:

- Heavy rains/Flash floods
- Droughts, below average rainfalls
- Extremes in temperatures
- Water supply concerns rural areas
- Ocean level rise / coastal erosion
- Landslides/rockslides/trees down / electrical disruptions/communications down cellular, land line and two-way radio
- Major transport incidents – aviation / maritime / National Road
- Hazardous Material Incidents/oil spills
- Development and resources – capacity strain
- Fires: urban/rural
- Social and economic effects – protests / unrest / xenophobia

PERFORMANCE MANAGEMENT

Communities expressed their dissatisfaction with the IDP and budget processes to a point where they feel that the IDP and budget processes are a waste of energy and time. The council rededicated itself to its values and committed to utilizing its resources for the development of all communities. The council will use the planning process as defined in section 25 of the Municipal Systems Act to determine its development priorities. It is using the Budget process as expressed in the Municipal Finance Management Act, Act 53 of 2003, to align its resources to the priority areas, and it will use the performance management process as expressed in section 46 of the MSA to implement the budget and IDP.

The Performance Management System implemented at the Municipality provides a comprehensive, systematic planning system that helps the Municipality to manage the process of performance planning and measurement effectively. The PM System serves as the primary mechanism to monitor, review, and improve the implementation of the municipality's IDP and, eventually, the budget. Council approved the Performance Management Policy Framework (PMPF). This policy provides for performance implementation, monitoring, and evaluation at organisational as well as individual levels.

Below is a schematic diagram of the municipality's Performance Management Policy Framework. The municipal performance system is supported by the ignite system, which is a web-based electronic system.

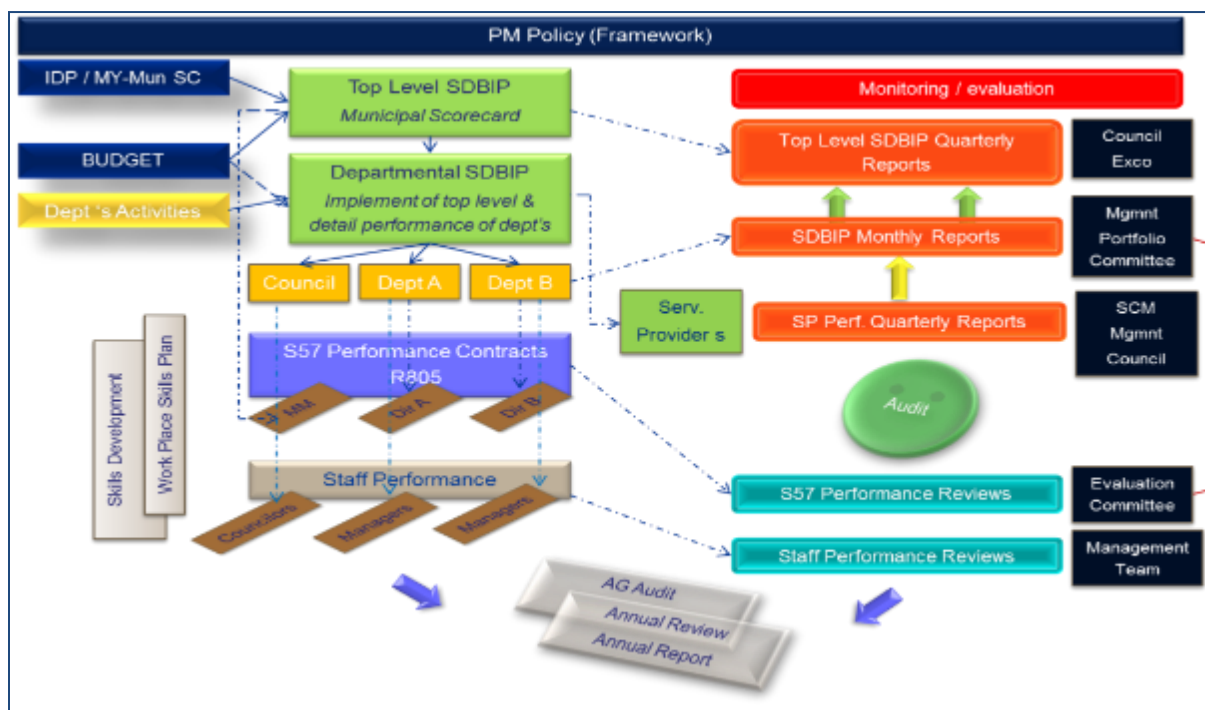


Figure 23: Bitou Municipal Performance Management Framework

ORGANISATIONAL PERFORMANCE

The organisational performance of the Municipality is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate

and departmental levels. The Top Layer SDBIP sets out consolidated service delivery targets and provides an overall picture of performance for the Municipality as a whole and reflecting performance on its strategic priorities.

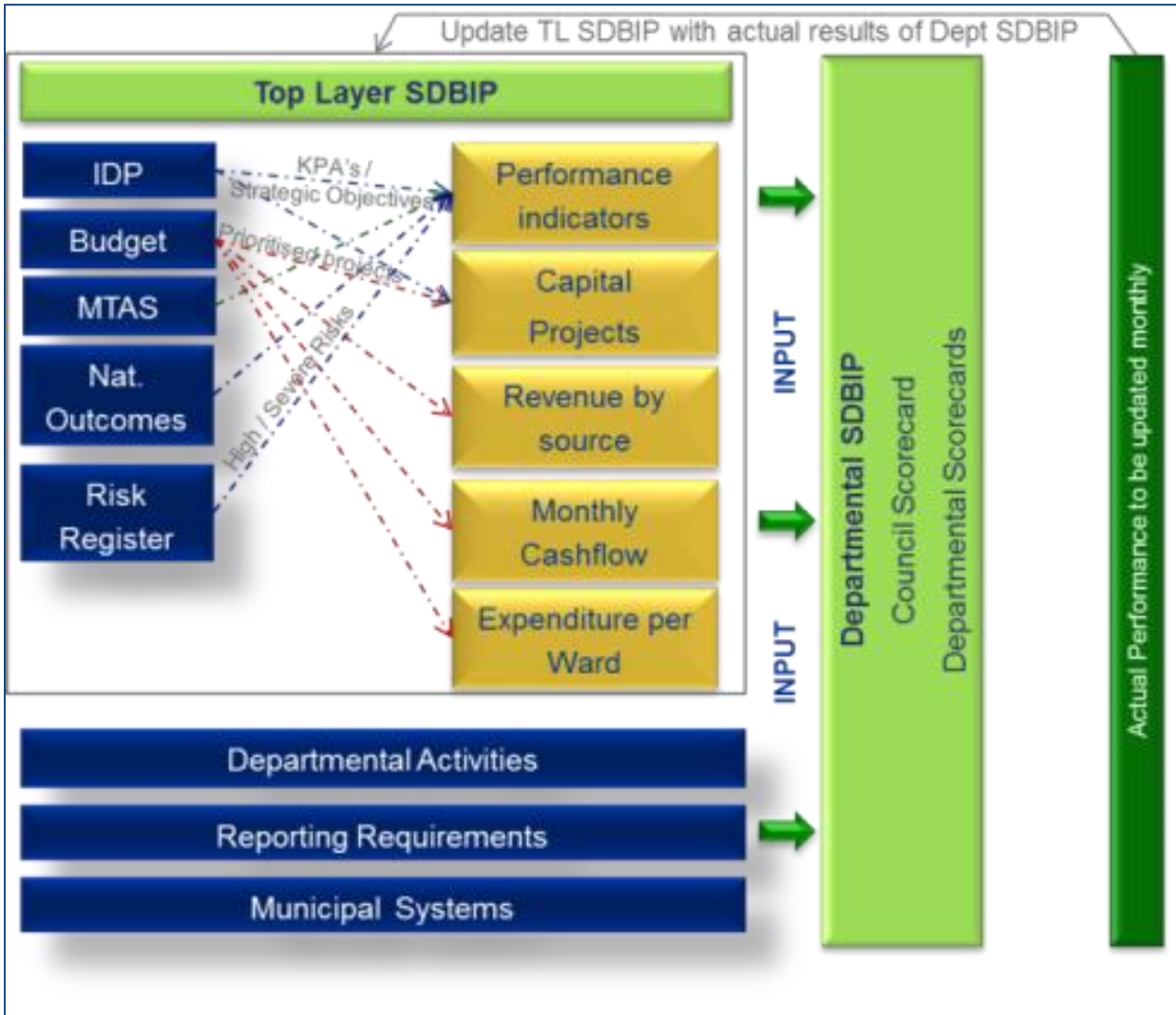


Figure 24: Bitou Performance Management Framework

The departmental SDBIP captures the performance of each defined department, which reflects on the strategic priorities of the Municipality. The SDBIP provides details of each outcome for which the senior management is responsible; in other words, a comprehensive picture of the performance of that directorate/sub-directorate.

BITOU TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2025/2026

The municipality is using the SDBIP to measure its performance. the table below is the 2025/2026 SDBIP.

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
TL1	Office of the Municipal Manager	Adhere to and implement effective and efficient governance processes	Submit the Risk-Based Audit Plan (RBIAP) for the 2026/27 fiscal year to the Audit Committee by 30 June 2026	Number of Risk-Based Audit Plans compiled and submitted to the Audit Committee	1	All	Municipal Manager	Agenda of the Audit Committee	Last Value	Number	1	0	0	0	1
TL2	Office of the Municipal Manager	Adhere to and implement effective and efficient governance processes	Complete 90% of audits as scheduled in the RBIAP applicable for 2025/26 by 30 June 2026 (Actual audits completed divided by the audits scheduled for the year) x100	% of audits completed	99%	All	Municipal Manager	Minutes of Audit Committee	Last Value	Percentage	90	0	25	45	90
TL3	Office of the Municipal Manager	Adhere to and implement effective and efficient governance processes	Complete the annual Risk assessment for 2026/27 and submit to the RMC by 31 March 2026	Number of Risk assessments completed and submitted to the RMC	1	All	Municipal Manager	Agenda and attendance register of the RMC	Last Value	Number	1	0	0	1	0
TL4	Office of the Municipal Manager	Adhere to and implement effective and efficient governance processes	Review the IDP for the 2026/27 fiscal year and submit to Council by 31 May 2026	Number of Draft IDP compiled and submitted to the Council	1	All	Municipal Manager	Agenda of the Council meeting	Last Value	Number	1	0	0	0	1

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
TL5	Office of the Municipal Manager	Adhere to and implement effective and efficient governance processes	Conduct the Mid-year Performance Evaluations of the section 57's employees by 28 February 2026	Number of evaluations completed	1	All	Municipal Manager	Evaluation reports submitted to Council	Last Value	Number	1	0	0	1	0
TL6	Office of the Municipal Manager	Adhere to and implement effective and efficient governance processes	Conduct the Final Performance Evaluation of the section 57's employees for the 2024/25 by 30 November 2025	Number of evaluations completed	1	All	Municipal Manager	Evaluation reports submitted to Council	Last Value	Number	1	0	1	0	0
TL7	Office of the Municipal Manager	Achieve long term financial sustainability	Spend 95% of the municipal capital budget on capital projects by 30 June 2026 {(Actual amount spent on projects /Total amount budgeted for capital projects) X100}	% budget spent	81%	All	Municipal Manager	Report from the financial system	Last Value	Percentage	95	10	40	60	95
TL8	Financial Services	Provide excellent and sustainable services to all residents	Provide subsidies for free basic services to indigent households as of 30 June 2026	Number of indigent households receiving subsidies for free basic services as per Financial System	5 080	All	Director Financial Services	Report from the financial system	Last Value	Number	5 000	0	0	0	5 000
TL9	Financial Services	Provide excellent and sustainable services to	Number of residential properties with piped water which are connected to	Number of residential properties billed for piped water	16 605	All	Director Financial Services	Report from the financial system	Last Value	Number	16 750	0	0	0	16 750

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
		all residents	the municipal water infrastructure network and billed for the service as of 30 June 2026												
TL1 0	Financial Services	Provide excellent and sustainable services to all residents	Number of residential properties with electricity which are connected to the municipal electrical infrastructure network (credit and prepaid electrical metering and excluding Eskom areas) and billed for the service as of 30 June 2026	Number of residential properties billed credit meter and prepaid meters connected to the network	15 120	All	Director Financial Services	Report from the financial system	Last Value	Number	15 200	0	0	0	15 200
TL1 1	Financial Services	Provide excellent and sustainable services to all residents	Number of residential properties with sanitation services to which are connected to the municipal wastewater (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as of 30 June 2026	Number of residential properties which are billed for sewerage	14 913	All	Director Financial Services	Report from the financial system	Last Value	Number	15 000	0	0	0	15 000
TL1 2	Financial Services	Provide excellent and sustainable	Number of residential properties for which refuse is	Number of residential properties which are	15 147	All	Director Financial Services	Report from the financial system	Last Value	Number	15 200	0	0	0	15 200

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
		services to all residents	removed from, once per week and billed for the service as of 30 June 2026	billed for refuse removal											
TL1 3	Financial Services	Achieve long term financial sustainability	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as of 30 June 2026 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt to revenue	17,18%	All	Director Financial Services	Report from the financial system	Reverse Last Value	Percentage	20	0	0	0	20
TL1 4	Financial Services	Achieve long term financial sustainability	Financial viability measured in terms of the outstanding service debtors as of 30 June 2026 ((Total outstanding service debtors (net debtors)/ revenue received for services) X100)	% of outstanding service debtors	9,85%	All	Director Financial Services	Report from the financial system	Reverse Last Value	Percentage	11.80	0	0	0	11.80
TL1 5	Financial Services	Achieve long term financial sustainability	Financial viability measured in terms of the available cash to cover fixed operating expenditure as of 30 June 2026	Number of months it takes to cover fix operating expenditure with	2,49	All	Director Financial Services	Annual Financial statements	Last Value	Number	2	0	0	0	2

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
			((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) as per Circular 71	available cash											
TL1 6	Financial Services	Achieve long term financial sustainability	Achieve a debtor payment percentage of 90% by 30 June 2026 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	% debtor payment achieved	96,73%	All	Director Financial Services	Annual Financial statements	Last Value	Percentage	90	0	0	0	90
TL1 7	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved	% of people employed	82%	All	Director Corporate Services	Signed-off employment equity report	Last Value	Percentage	82	0	0	0	82

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
			employment equity plan by 30 June 2026 {(Number of people from employment equity target groups/total vacant positions in terms of equity) x 100}												
TL18	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Spend 100% of the 0.20% of operational budget on training by 30 June 2026 {(Actual total training expenditure divided by total operational budget) x100}	% budget spent	0,27%	All	Director Corporate Services	Expenditure report	Last Value	Percentage	0.20	0	0	0	0.20
TL19	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Review the "System of Operational Delegations" and submit to the Council by 30 June 2026	Number of systems of operational delegations submitted to the Council	0	All	Director Corporate Services	Proof of submission to Council	Last Value	Number	1	0	0	0	1
TL20	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Spend 95% of the allocated capital budget for ICT by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted) x100}	% of budget spent	92%	All	Director Corporate Services	Expenditure report	Last Value	Percentage	95	0	40	60	95
TL21	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Review the HR Strategy and Plan and submit to	Number of HR Strategy and Plan	0	All	Director Corporate Services	Proof of submission	Last Value	Number	1	0	0	0	1

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
		ntal, transformed, and productive workforce	Council by 30 May 2026	reviewed and submitted to Council by 30 May 2026			te Services	to the Council							
TL2 2	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Review All HR Policies by 31 March 2026	Number of policies reviewed	0	All	Director Corporate Services	Proof of submission to the Council	Accumulative	Number	5	0	0	5	0
TL2 3	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Review the ICT Strategy and submit it to Council by 31 May 2026	Number of ICT Strategies reviewed and submitted	1	All	Director Corporate Services	Proof of submission to Council	Last Value	Number	1	0	0	0	1
TL2 4	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Review the Employment Equity Plan and submit to Council by 31 August 2025 (Section 9(1))	Number of Employment Equity Plans reviewed and submitted	1	All	Director Corporate Services	Proof of submission to Council	Last Value	Number	1	1	0	0	0
TL2 5	Corporate Services	Build a capable, developmental, transformed, and productive workforce	Cascade and Implement Individual PMDS 100% to all staff applicable in terms of Regulation 890 by 30 July 2025	% of agreements signed	0%	All	Director Corporate Services	System Report signed off	Last Value	Number	100	100	0	0	0
TL2 6	Engineering Services	Provide excellent and sustainable	Limit unaccounted for water to less than 30% by 30 June 2026	% water losses	37,88%	All	Director of Enginee	and Annual Financial	Reverse Last Value	Percentage	30	0	0	0	30

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
		services to all residents	{{(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100}}				ring Services	Statements							
TL2 7	Engineering Services	Provide excellent and sustainable services to all residents	Limit unaccounted for electricity to less than 9% as of 30 June 2026 {{(Number of units purchased - Number of units Sold (incl free basic electricity) / Number of units purchased) X100}}	% unaccounted electricity	6,24%	All	Director of Engineering Services	and Annual Financial Statements	Reverse Last Value	Percentage	12	0	0	0	12
TL2 8	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the approved capital budget for Wastewater services by 30 June 2026 {{(Total actual capital expenditure /Total capital amount budgeted) x100}} (excluding Fleet and Human Settlement projects)	% budget spent	77%	All	Director Engineering Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95
TL2 9	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the approved capital budget for Water services by 30 June 2026 {{(Total actual capital expenditure /Total capital amount	% budget spent	85%	All	Director Engineering Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
			budgeted) x100} (excluding Fleet and Human Settlements projects)												
TL3 0	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the approved capital budget for Electrical & Mechanical services by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted) x100} (excluding Fleet and Human Settlement projects)	% budget spent	84%	All	Director Engineering Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95
TL3 1	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the approved capital budget for Roads & Storm Water services by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted) x100} (excluding Fleet and Human Settlement projects)	% budget spent	67%	All	Director Engineering Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95
TL3 2	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the allocated capital budget for Fleet Management by 30 June 2026 {(Total actual capital expenditure /Total	% budget spent	92%	All	Director Engineering Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
			capital amount budgeted) x100}												
TL3 3	Engineering Services	Provide excellent and sustainable services to all residents	Spend 100% of MIG Funding allocation by 30 June 2026 {(Total actual MIG expenditure /Total MIG amount budgeted) x100}	% budget spent	101%	All	Director of Engineering Services	Financial Expenditure Report	Last Value	Percentage	100	10	40	60	100
TL3 4	Engineering Services	Provide excellent and sustainable services to all residents	Conduct 550 potential electricity theft investigations annually by 30 June 2026	Number of inspections conducted	1 806	All	Director of Engineering Services	Monthly Audit Report	Accumulative	Number	550	100	150	150	150
TL3 5	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the allocated capital budget for the upgrade of Brakkloof 66kV new to a 20MVA transformer from firm capacity and allow for maintenance on the existing by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted) x100}	% budget spent	0%	2;3;4	Director of Engineering Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95
TL3 6	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the allocated capital budget for the upgrade of Kurland WTW from 0.6 to 1.2 MI by 30 June 2026 {(Total actual capital	% budget spent	53%	1	Director Engineering Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
			expenditure /Total capital amount budgeted) x100}												
TL3 7	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the budget allocated for the Kurland Wastewater Treatment Works (WWTW) by 30 June 2026{(Total actual capital expenditure /Total capital amount budgeted) x100}	% budget spent	0%	1	Director Engineering Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95
TL3 8	Engineering Services	Provide excellent and sustainable services to all residents	Spend 95% of the budget allocated for the upgrade of High Street by 30 June 2026{(Total actual capital expenditure /Total capital amount budgeted) x100}	% budget spent	0%	2	Director Engineering Services	Financial Expenditure Report	Last Value	Number	95	10	40	60	95
TL3 9	Planning and Development	Provide excellent and sustainable services to all residents	Spend 95% of the budget allocated for the construction of new roads with related stormwater, sewer, and water Ebenezer for 150 erven by 30 June 2026 (Total actual capital expenditure /Total capital amount budgeted) x100}	% of budget spent	0%	4	Director Planning and Development	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95
TL4 0	Planning and Development	Provide excellent and sustainable	Spend 95% of the budget allocated for the construction of	% of budget spent	0%	3	Director of Planning and	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
		services to all residents	new roads with related stormwater, sewer, and water Qolweni for 100 erven by 30 June 2026 (Total actual capital expenditure /Total capital amount budgeted) x100}				Development								
TL4 1	Planning and Development	Provide excellent and sustainable services to all residents	Develop the LED Strategy and submit to the Council for consideration by 31 May 2026	Number of LED strategies developed	1	All	Director of Economic Development and Planning	Proof of submission to Council	Last Value	Percentage	1	0	0	0	1
TL4 2	Planning and Development	Facilitate growth and expand economic opportunities to empower communities	Create 172 job opportunities in terms of the EPWP by 30 June 2026	Number of job opportunities created	264	All	Director of Economic Development and Planning	Proof of submission to the Council	Last Value	Number	172	0	0	0	172
TL4 3	Planning and Development	Facilitate growth and expand economic opportunities to empower communities	Develop the Growth and Development Strategy and submit to Council for consideration by 31 March 2026	Number of Growth and Development Strategies developed and submitted to Council for consideration	0	All	Director Economic Development and Planning	Proof of submission to Council	Last Value	Number	1			1	

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
TL4 4	Planning and Development	Facilitate growth and expand economic opportunities to empower communities	Review and submit the Housing pipeline to Council by 31 May 2026	Number of Housing pipelines reviewed and submitted to Council	1	All	Director Economic Development and Planning	Proof of submission to Council	Last Value	Number	1	0	0	0	1
TL4 5	Planning and Development	Facilitate growth and expand economic opportunities to empower communities	Submit the reviewed Spatial Development Framework (SDF) to Council by 31 May 2026	Number of Spatial Development Framework (SDF) submitted to Council	1	All	Director Economic Development and Planning	Proof of submission to Council	Last Value	Number	1	0	0	0	1
TL4 6	Community Services	Provide excellent and sustainable services to all residents	Spend 95% of the allocated budget for the construction of a regional cemetery at Ebenezer SANRAL Road (multi-year project) by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted) x100}	% of budget spent	0%	4	Director Community Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95
TL4 7	Community Services	Provide excellent and sustainable services to all residents	Spend 95% of the allocated budget for the construction of the new drop-off facility Kurland by 30 June 2026 {(Total actual capital expenditure /Total	% budget spent	0	4	Director Community Services	Financial Expenditure Report	Last Value	Percentage	95	10	40	60	95

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
			capital amount budgeted) x100}												
TL4 8	Community Services	Provide excellent and sustainable services to all residents	Complete the Integrated Waste Management Master Plan and submit to Council by 30 June 2026	Number of Integrated Waste Management Master Plan completed and submitted	0	All	Director Community Services	Proof of submission to Council	Carry-Over	Number	1	0	0	0	1
TL4 9	Community Services	Provide excellent and sustainable services to all residents	Obtain Blue Flag status for at least 4 beaches by 30 November 2025	Number of Blue status beaches obtained by 30 November 2025	0	All	Director Community Services	x4 Blue Flag Award Certificates	Last Value	Number	4	0	4	0	0
TL5 0	Community Services	Provide excellent and sustainable services to all residents	Spend 95% of Facilities Management & Maintenance, maintenance budget by 30 June 2026 {(Actual expenditure on maintenance divided by the total approved maintenance budget) x100}	% of budget spent	0	All	Director Community Services	Financial Expenditure Report	Last Value	Number	95	10	40	60	90
TL5 1	Community Services	Provide excellent and sustainable services to all residents	Review the Sports Master Plan and submit to Council by 30 June 2026	Number of Sports Master Plan submitted to Council	0	All	Director Community Services	Proof of submission to Council	Carry-Over	Number	1	0	0	0	1
TL5 2	Community Services	Provide excellent and sustainable	Develop a Maintenance Plan for Facilities and submit to The	Number of Facilities Maintenance Plan	0	All	Director Community Services	Proof of submission to Council	Carry-Over	Number	1	1	0	0	0

KPI Ref	Responsible Directorate	Strategic Objective	KPI	Unit of Measurement	Baseline	Region	Responsible Owner	Source of Evidence	Calculation Type	Target Type	Annual Target	Q1	Q2	Q3	Q4
												Target	Target	Target	Target
		services to all residents	Municipal Manager by 30 September 2025	submitted to the Municipal Manager											
TL5 3	Public Safety	Provide excellent and sustainable services to all residents	Review the Disaster Management Plan and submit to Council by 31 May 2026	Disaster Management Plan reviewed and submitted to Council	1	All	Director Public Safety	Proof of submission to Council	Carry-Over	Number	1	0	0	0	1
TL5 4	Public Safety	Provide excellent and sustainable services to all residents	Develop a Public Safety Plan and submit to Council by 30 June 2026	Public Safety Plan submitted	0	All	Director Public Safety	Proof of submission to Council	Carry-Over	Number	1	0	0	0	1
TL5 5	Public Safety	Adhere to and implement effective and efficient governance processes	Establish the Municipal Court by 31 March 2026	Number of Municipal Courts Established	0	All	Director Public Safety	Formal Legal Authority Delegations signed off	Carry-Over	Number	1	0	0	1	0
TL5 6	Public Safety	Adhere to and implement effective and efficient governance processes	Review the Service Standard Charter and submit to Council by 31 March 2026	Number of Services Standard Charter reviewed and submitted	0	All	Director Public Safety	Proof of submission to Council	Carry-Over	Number	1	0	0	1	0
TL5 7	Public Safety	Adhere to and implement effective and efficient governance processes	Develop a Citizens Feedback Report and distribute it by 30 November 2025	Number of Citizens Feedback Report developed and distributed	0	All	Director Public Safety	Proof of distribution	Carry-Over	Number	1	0	1	0	0

Figure 25: 2025/2026 Top Layer SDBIP

INDIVIDUAL PERFORMANCE

The Municipality has implemented a performance management system for all its senior managers (Section 56 and 57 employees). This has led to a specific focus on service delivery. Each manager must develop a scorecard, which is based on the balanced scorecard model. At the beginning of each fiscal year (01 July 2023), all senior managers (Section 57 employees) and managers will sign Performance Agreements for the 2023/2024 budget year.

The Municipality has instituted all performance management committees, including the performance audit committee. The performance audit committee is given the responsibility to audit performance outcomes against the planned KPI's and Targets.

To improve service delivery and employee morale, the Municipality is planning to cascade Performance management to the lowest level in the organisation. The process has commenced with middle managers during the initial rollout. The rollout of individual performance to managers reporting to Senior Managers will be in line with the staff regulations that will commence in July 2023.

KEY PERFORMANCE INDICATORS (KPI'S)

Section 38 (a) of the Systems Act requires Municipalities to set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, regarding the community development priorities and objectives set out in its Integrated Development Plan. Section 9 (1) of the Regulations to this Act maintains in this regard that a Municipality must set key performance indicators, including input indicators, output indicators, and outcome indicators in respect of each of the development priorities and objectives.

Every year, as required by Section 12 (1) of the Regulations to the Systems Act, the Municipality also sets performance targets for each of the key performance indicators. The IDP process and the performance management process are, therefore, seamlessly integrated. To address the challenge of developing smart indicators, the following general key performance indicators are prescribed in terms of section 43 of the Act. These indicators were adopted by the Municipality as a barometer of writing smart KPI's and targets:

- a) The percentage of households with access to a basic level of water, sanitation, electricity, and solid waste removal;
- b) the percentage of households earning less than R1100.00 per month with access to free basic services;
- c) the percentage of a Municipality's capital budget spent on capital projects identified for a particular budget year in terms of the Municipality's integrated development plan;
- d) the number of jobs created through the Municipality's local economic development initiatives, including capital projects;
- e) the number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan;
- f) the percentage of a Municipality's budget spent on implementing its workplace skills plan; and
- g) Financial viability as expressed by the prescribed ratios.

PERFORMANCE REPORTING

Performance is reported on a regular basis, and it includes the evaluation of performance, the identification of mediocre performance, and corrective actions taken to improve performance. The municipality is also busy instituting consequence management.

QUARTERLY REPORTS

Quarterly reports are generated through the Service Delivery and Budget Implementation Plan (SDBIP) portal. The SDBIP reports are submitted to the Council and advertised on the municipal website.

Informal performance evaluations for the municipal manager and the heads of departments follow the adoption of the first quarter performance report. This is done in accordance with the performance agreements signed by the incumbents as well as the performance regulations governing the performance of municipal managers and managers directly accountable to the municipal manager.

MID-YEAR ASSESSMENT

The performance of the first six months of the budget year should be assessed and reported on in terms of section 72 of the MFMA. This assessment must include the measurement of performance, the identification of corrective actions, and recommendations for the adjustments of KPI's, if necessary.

The format of the report must comply with the section 72 requirements. This report is submitted to the Council for approval before 25 January of each year and published on the municipal website.

ANNUAL ASSESSMENT

The performance of the budget year should be assessed and reported on in terms of section 46 of the MSA. The Municipality will analyse its performance and report on it annually before the end of August. The performance report will be submitted to the Office of the Auditor-General for audit purposes, and it will be included in the annual report of the Municipality. The Annual Report is in the new format prescribed by the National Treasury.

SPORTS FACILITIES MASTER PLAN

OVERVIEW

The Bitou Municipal Area is home to eight (8) sports facilities, all of which are currently in a state of disrepair and urgent need of upgrades. To address this pressing issue, the Municipality seeks comprehensive assessments of each sports facility, along with tailored recommendations for short-term, medium-term (within the next five years), and long-term (spanning 10 to 15 years) enhancements. These assessments will play a crucial role in guiding future financial planning, ensuring that the necessary funding is allocated to restore and improve these vital community assets.

PROJECT BACKGROUND

Bitou Municipality has engaged IX Engineer to develop a comprehensive Sports Facilities Master Plan, recognising the unique challenges each sports facility currently faces. With the Municipality's growth and expansion, there is a rising demand for improvements to the sports fields. By upgrading the facilities to meet modern standards and regulations, Bitou Municipality will not only be able to host a variety of events but will also provide excellent venues for practice and increase community engagement in sporting activities. This initiative aims to foster a vibrant and active community around sports and recreation.

STATUS AND PLAN PESPORT FACILITY

This section will zoom into the status of each sporting facility in all wards and proposals for upgrades. These upgrades can only materialise if there is a resolute project manager for sport facilities development, and this person will be responsible for resource mobilisation either through the MIG or other donor agencies.

KWANOKUTHULA SPORTS FIELD

Overview: Kwanokuthula Stadium is a prominent sports facility located in Kwanokuthula in Plettenberg Bay, South Africa. It serves as a hub for various community and sporting events, contributing significantly to local development and engagement.

<p>Coordinates: 34° 3'14.90"S 23°19'2.14"E</p> <p>Description: Kwanokuthula Sports Field is in Ward 6 next to the Mini-bus Taxi Rank along Skosana Road.</p>	
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Figure 26: Kwanokuthula Sport facility!

Existing Conditions

At Kwanokuthula Sports Field, the following facilities are available:

- Rugby Field
- Soccer Field
- Gym
- Informal Parking
- Ablutions

In general, the facility is well-maintained and in effective use. There is enormous potential for the development of this facility as the space is open and well secured.

Current Uses:

- **Sports Events:** The stadium hosts a variety of sports events, including soccer matches featuring local teams like Oriented Birds FC. It is also the venue for the annual Kwano Easter Sports Tournament, which includes soccer, Rugby, and netball.
- **Community Celebrations:** The stadium is used for community events such as Women's Day celebrations organised by the Bitou Municipality. These events foster community spirit and provide a space for social gatherings.
- **Social Events:** The stadium is used by local social events organisers to host music festivals like the Gosper Festival, NYE, etc.

Future Activities:

- **Expanded Sports Tournaments:** The stadium can host more diverse sports tournaments, including athletics, rugby, and basketball, to cater to different interests and promote youth development.
- **Cultural Festivals:** Organising cultural festivals and concerts can attract visitors and celebrate local heritage, boosting tourism and community pride.

- **Health and Wellness Programs:** The stadium can be used for health fairs, fitness classes, and wellness workshops to promote healthy living among residents.
- **Educational Workshops:** Hosting educational workshops and seminars on topics like environmental conservation, career development, and technology can benefit the community.
- **Community Markets:** Setting up regular community markets can provide local vendors with a platform to sell their products, fostering economic growth and local entrepreneurship.

FACILITY VISION AND GOALS

A new generation sport facility for the community of Kwanokuthula should include, but not be limited to, the following features:

- Sports Fields to be brought up to regulations/standards.
- Pavilion for 550-600 spectators
- Irrigation system
- Public Ablutions to be upgraded.
- Cloakrooms
- Upgrade existing netball and include additional netball with a possible mobile pavilion.
- Clubhouse
- Vending
- Parking (inside is allocated for buses, not the public)
- Outside for the public
- Scoreboards for all fields



Figure 27: Layout design of the upgraded facility.

COST ESTIMATE

The cost estimates for the upgrading of Kwanokuthula Stadium are just above forty million Rand (R40m), and these costs are subject to price escalation. A detailed budget breakdown is in the Sport Facilities master plan.

Kwanokuthula Stadium is a vital asset to the Plettenberg Bay community, offering a versatile space for sports, celebrations, and various community activities. By expanding its use to include more diverse

events and programs, the stadium can continue to play a crucial role in enhancing community engagement and development.

NEW HORIZONS SPORTS FIELD

<p>Coordinate: 34° 2'57.51"S 23°20'13.17"E</p> <p>Description: The site is situated within the community, not on any main roads</p>	
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EXISTING CONDITIONS

At New Horizons Sports Field, the following facilities are available:

- Netball court (2)
- Soccer Field
- Rugby Field
- Cricket Pitch
- Irrigation system underground (not working)
- Clubhouse with ablutions

The facility is in fair condition however; the irrigation system is not working and needs to be rectified. The fields need repair as they are uneven. The informal structures need to be formalised or removed.

FACILITY VISION AND GOALS

The Client has requested the following to be included in the design:

- Pavilion for 550-600 spectators
- Parking
- Clubhouse
- Vending
- Add 2 more Netball Courts
- Combi court for Tennis, Hockey

- Scoreboards for all fields
- Clubhouse to be converted to caretaker's housing.



Figure 28: New Horizons Proposed New Stadium

COST ESTIMATE

The cost estimate to upgrade the New Horizon Sports field is eleven million rands (R11m). A detailed cost estimate is in the Sports Facilities Master Plan

QOLWENI BOSSIESGIF

Coordinates:

34° 2'44.98"S

23°21'28.66"

Description:

The site is located at the lower end of the development and has a steep entrance road leading to the facility



Figure 29: Qolweni sports facility site.

EXISTING CONDITIONS

At Qolweni / Bossiesgif, the following facilities are available:

- Soccer Field
- Netball Court
- Irrigation system not working.

FACILITY VISION AND GOALS



The site is envisaged to have the following assets:

- The Soccer Field needs to be converted to a multi-field for Rugby and Soccer
- Bulge in the field to be rectified.
- Scoreboards for all fields

The facility is in poor condition due to vandalism, and it is not recommended that very many upgrades continue this facility until the security conditions are resolved.

COST ESTIMATE

The total cost is estimated at R2.7m.

KRANSHOEK



Figure 30: Kranshoek Sportsfield

EXISTING CONDITIONS

At Kranshoek, the following facilities are available:

- 2 Soccer Fields
- Rugby Field
- Cricket Pitch
- Netball Court
- Caretaker's house with garage

One end of the site is underutilised and full of vegetation. The removal of the vegetation is to be confirmed by an Environmental Specialist. The usage of this area is integral in providing the full capability for facilities.

FACILITY VISION AND GOALS

The following assets are to be included in the design:

- Pavilion for at least 800 spectators
- Indoor Facility
- Clubhouse

- Vending
- Outdoor Running Track
- Outdoor Long Jump
- Outdoor Tennis Court
- Ablutions
- Irrigation
- Scoreboards for all fields



Figure 31: Proposed sports field in Kranshoek.

COST ESTIMATE

The total cost estimate for this project is 1.5 million. A full cost schedule is included in the Municipal Sports Facilities Master Plan.

PLETTENBERG BAY

Coordinates: 34° 4'42.04"S 23°22'2.99"E Description: The site is located within the community and is at a lower level than the surrounding area	
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Figure 32: Plett Sports facility.

EXISTING CONDITIONS

At Town (Plettenberg Bay), the following facilities are available:

- Rugby Field
- Netball court (not to regulations)
- Clubhouse

FACILITY VISION AND GOALS

This facility should have the following assets in the design:

- Pavilion along the Rugby Field for 600 spectators.
- Soccer Field
- Practice Fields
- Scoreboards for all fields



Figure 33: Modern design of Plettenberg Bay Sport facility.

COST ESTIMATE

The cost estimate for this sports facility is twenty-two million rands (R22m)

KURLAND (SOCCER)



Figure 34: Kurland Sports field.

EXISTING CONDITIONS

At Kurland (Soccer), the following facilities are available:

- Soccer Field
- Cloakrooms (new and locked)
- Ablutions (new and locked)
- Lighting does not work.

The facility is in good condition but requires upgrading of lighting and fencing to secure the facility.

FACILITY VISION AND GOALS

The following assets are planned for the Kurland Sport Field:

- Pavilion for 150-200 spectators
- Cricket Pitch
- Irrigation
- Fencing
- Caretakers' facilities
- Scoreboards for all fields



Figure 35: Kurland Sportsfield

COST ESTIMATE

The total cost estimate to upgrade the soccer fields is twenty-three million rands (R23m).

The site has the potential to be a larger facility if the extent is increased to the surrounding area, which is owned by the municipality. It is recommended that the facility be extended into a multipurpose field, which would eliminate the need for two facilities in the same area (i.e. Kurland Soccer). Amalgamating the two facilities has benefits for maintenance and security of the facilities for the Client, as well as drawing larger use by the community and providing benefits further than the current facilities can accommodate.

KURLAND (RUGBY) FACILITY

Overview: The Kurland Rugby Facility is situated in the Kurland community in Plettenberg Bay. This Sports Field serves as a host for sporting events and various other social activities, contributing significantly to local development and engagement.


<p>Coordinates: 33°57'15.83"S 23°29'27.35"E</p> <p>Description: The site is located on a main road and has good access to a formal road on level ground.</p>	
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Figure 32: Kurland Rugby Sports field

Existing Conditions

At the Kurland (Rugby) Facility, the following facilities are available:

- Rugby Field
- Ablutions
- Cloakroom

The site has the potential to be a larger facility if the extent is increased to the surrounding area, which is owned by the municipality. It is recommended that the facility be extended into a multipurpose field, which would eliminate the need for two facilities in the same area (i.e., Kurland Soccer). Amalgamating the two facilities has benefits for maintenance and security of the facilities for the Client as well as drawing larger use by the community and providing benefits further than the current facilities can accommodate.

FACILITY VISION AND GOALS

A new generation sports facility for the community of Kurland (Rugby) should include but not be limited to the following features:

- Pavilion for 150-200 spectators
- Ablutions upgrade.
- Scoreboards for all fields



Figure 31: Layout design of the upgraded facility

COST ESTIMATE

The cost estimates for upgrading the Kurland (Rugby) Facility are just above forty-four million Rand (R44m), and these costs are subject to price escalation. A detailed budget breakdown is in the Sport Facilities master plan.

WITTEDRIFT



Figure 36: Wittedrift local plan.

EXISTING CONDITIONS

At Wittedrift, the following facilities are available:

- Soccer Field (not being used)
- Rugby Field
- Ablutions (not being used – dangerous)
- Netball Court

The facility is well used by the community, however, there are safety concerns as the ablution facility is unsafe for use, and the Rugby field contains stones and divots in the field that render it unsafe for play.

FACILITY VISION AND GOALS

- Pavilion for 150-200 spectators
- Caretaker facilities
- New Ablutions
- Parking
- Fencing
- Resurface Netball Court
- Redo the Soccer Field as it cannot be used due to settlement issues.
- Lights for Soccer Field
- Subsoil drainage under Rugby Field
- Scoreboards for all fields



Figure 37: Wittedrift Sports Field concept design.

COST ESTIMATE

The cost to upgrade Wittedrift stadium is estimated at twenty-three million rands (R23M)

CONCLUSION

A comprehensive sports facilities strategy is in the Sports Facilities Master Plan.

EARLY CHILDHOOD DEVELOPMENT

INTRODUCTION

Early Child Development is a sector within the country that is always experiencing rapid growth. This is because the population of the country is ever-growing. According to Statistics South Africa (2024), the country experienced a growth in population of 1.33% (835,513 persons) from July 2023 to July 2024. South Africa is constantly growing, and thus, the need for more ECD facilities and centres will always be a priority for the country.

According to the South African Government, Early Childhood Development (ECD) takes place from the birth of a child up to the age of 9. The Education White Paper 5 on Early Child Development (2001) states that a child grows physically, mentally, emotionally, spiritually, morally, and socially within this stage in their lives, which enforces the notion of how important this phase within a child's life is. The South African Government also states that the facilities where ECD takes place are day care centres, after-school care, crèches, playgroups, and pre-schools. This report on ECDs will focus on the Bitou area and answer the questions presented in the headings of the report.

HOW MANY CHILDREN ACCESS ECD

The 2021 ECD Census reported that there were at least 42,420 Early Learning Programmes available for children to enrol on. These programmes are made so that practitioners can measure the pace and difficulty to which a child is progressing in their early development phase. The 2021 ECD Census also reports that of the 42,420 Early Learning Programmes, around 1,660,316 children were enrolled on these programmes. While these numbers create a promising picture of the growing ECD sector, the issue it creates is that the ratio between children and teachers will be significantly imbalanced. The 2021 ECD Census reported that there are around 3.9 teaching staff for every ECD programme and around 39 children per ELP programme.

Data from 2023, provided by the National Department of Basic Education of South Africa, indicates that the numbers mentioned above have increased significantly. With around 7 million children in South Africa aged 0 to 5 years old and according to the 2030 ECD Strategy Summary (2023) 3 million of these children attend an Early Learning Programme or Grade R. With the findings from 2021, combined with that of 2023, it becomes clear that the ECD sector will continue to grow and the provision of ECD will have to grow as well.

FEES

The 2021 ECD Census reports that the average monthly fee per child in South Africa was R509, and for the Western Cape, the average maximum fee was around R835. While this figure has increased since then, it can be noted that there are many parents who could not afford to pay the amount. This would mean that many children would not be able to access ECD centres or enrol into Early Learning Programmes.

POVERTY

There are many impoverished areas throughout the country, and with that comes the challenge of creating quality ECD programmes as well as the enrolment of children into the programmes. These areas are a symptom of a lack of support, resources, and income inequality. This affects how children can get access to ECD programmes, as in many cases, there would not be provisions made for them.

HOW MANY ECD PRACTITIONERS DO WE HAVE IN THE AREA?

ECD practitioners are an integral part of the development process. These practitioners hold the very future of the country in their hands, as they are responsible for the education and nurturing of the children. As such, there will always be a need for practitioners in the country.

With the growing population of the country, this would mean that the need for more ECD centres and facilities will rise, and so will the need for more practitioners. Bitou is experiencing a massive population boom, with the current growth rate being around 2.5% (Western Cape Government, 2023). As of 2022, the population of the area was around 65,240 and is estimated to rise to 80,268 by 2027 (Western Cape Government, 2023). This indicates that there will indeed be a need for not only more ECD facilities, or the expansion of current facilities, but also a need for more practitioners within the area.

With over 40+ ECD facilities within Bitou, it can be estimated that Bitou would have at least 200 practitioners in the area. With facilities such as First Step Educare (60 children), Mona's Educare (50 children), Kwamdlezana Bay Care Centre (65 children), Building Blocks Educare (58 children) and Look and Learn Educare (72 children), all the facilities would need at least 3 practitioners at each ECD to function properly and provide a quality environment for the children to develop in.

WHAT IS THE EDUCATION LEVEL OF ECD PRACTITIONERS?

The education level of ECD practitioners proves to be a cause for concern as a substantial number of the practitioners lack the relevant skills and knowledge to perform this duty. The 2021 ECD Census Report states that approximately 52% of all ECD teaching staff have the relevant NQF Qualification, while around 22% have no qualification at all, and around 26% of ECD teaching staff have attended skills training programmes.

The Department of Basic Education views NQF level 4 as the long-term goal for the base qualification for practitioners, however, the highest NQF level one can achieve for the field of ECD is the NQF level 5.

WHAT IS THE SKILLS GAP IN THE ECD SECTOR?

While most practitioners do have qualifications or a form of training, many other practitioners within the sector do not have any. Practitioners with no or any form of training remain a challenge within the sector and is one of the main priorities that the 2030 ECD Strategy seeks to address.

The skills gap within the sector is created by a lack of funds, resources, and the general environment. The lack of funds causes people who take an interest in being ECD practitioners to not be able to gain the relevant qualifications or to attend any training programmes. This results in ECD centres having practitioners without the relevant tools and skills to educate the children and give them a quality education.

Lack of resources and lack of access to resources make it difficult for practitioners to do their jobs efficiently. These resources will make it easier for practitioners to plan out their lessons in a manner that will be beneficial for the children. The continued use of these resources will eventually be beneficial for the practitioners as well, as this would make the practitioners better educators. This would mean that practitioners who do have access to these resources will have an advantage over those who do not have access to them. This would then mean that the difference in skills the practitioners have between one another will continue to grow, as those with resources will remain ahead of those who do not possess it.

The environment in which the practitioners are situated and where the ECD centre/facility is located also plays a role in why there is a growing skills gap within the ECD sector. ECD facilities located in rural or isolated areas suffer from poor service delivery, support, and funding. Rural areas tend to be the poorest areas, and that can affect ECD's greatly. Fees are what the ECD centres mostly rely on to keep the business running, and in these rural areas, people do not have the money to enrol or keep their children enrolled in these programmes. This would mean that the centres would not have enough resources to create a stimulating environment to grow. This would also mean that, because of the lack of funds that the centre is generating, there will also be fewer opportunities for further learning and training for the practitioners to partake in, which would lead to them falling behind other practitioners in more well-off areas.

WHAT ARE THE CHALLENGES FACED BY THE ECD SECTOR?

ECD remains an especially important sector within the country as it seeks to grow and nurture the future of the country. In every area of the country, there are Early Child Development facilities/centres, and with each of these facilities, there are challenges that they face. These challenges include lack of funding, lack of resources, lack of facilities (facilities are not up to standard) and lack of qualified ECD practitioners.

LACK OF FUNDING

The challenges that the ECD sector faces are narrowed down to a lack of funding, as most of the ECD institutions rely on fees that are paid to keep the children enrolled. While this may stimulate some of the needs of the facilities, it leaves other aspects with a lack of funding. This results in the institution not receiving enough funds to they may provide the children with an appropriate education.

NON-HUMAN RESOURCES

Educational toys, books, and playground facilities are all integral for the development of children in the preliminary stages, as these are all tools to ensure that children's need for learning and curiosity to learn are stimulated. Without these tools, it makes it much harder to create an environment for children to learn to integrate and assimilate into society in later stages. Creating an interaction with these tools is thus essential for the growth of not only the children's minds but also a stimulant for their growing bodies. To stimulate a child's growth in these preliminary stages of their lives, quality ECD programmes would have to be introduced to cover all bases that influence their growth.

INCOME INEQUALITY

Income inequality is a massive challenge that the country faces. Bitou especially faces a severe income inequality problem. The economic climate in Bitou is not diverse enough for it to improve at a significant rate and create various more jobs in the different sectors. Along with that, it means that the average person in Bitou is living on the poverty line and thus cannot afford to further their education and create more job opportunities for themselves. This can be linked to why the ECD sector has so many practitioners without the correct training and qualifications and why some of the facilities do not meet the requirements to operate.

ACCESSIBILITY

Accessibility to ECD programmes is a major issue within the sector and is mostly influenced by poverty. Poverty restricts children from receiving quality education, and as a result, they receive either no education or education that is subpar, which affects their later stages of life. By receiving an education that does not stimulate their development, their potential becomes stunted, and thus, they get left behind by those who do receive a quality education.

Another accessibility issue that the ECD sector faces is the inclusivity of disabled children and children with special needs. With many ECD centres not being able to accommodate special needs children, it also puts them at a disadvantage, as their development is also stunted. Having the appropriate facilities and resources for special needs children will enable them to unlock their potential and will be advantageous for them in the future. It will also be advantageous for them if ECD practitioners have also been trained to accommodate special needs children, as it would benefit both parties.

THE ROLES OF THE RELEVANT STAKEHOLDERS

The ECD sector is a nationwide effort to provide children with quality early development and education. This is to prepare them for life within society by giving them the correct tools and skills to integrate into society when they eventually leave this stage in their lives. To provide a quality education for the children, an effort by various actors within the country will have to work together to achieve this goal. These actors each have their own roles and responsibilities to fulfil to achieve this.

NATIONAL GOVERNMENT

The Department of Basic Education within the country has the responsibility of creating and implementing the appropriate policies and procedures relevant to the ECD sector, as well as developing the curriculum to which South African ECDs should adhere. The Department of Basic Education forms part of the National Government system and thus has the resources to plan and fund South Africa's ECD sector going forward. The Department of Health also has a role to play in the registration of ECDs, as it dictates the standards of the centres so that children, as well as practitioners and staff, do not succumb to illnesses due to a lack of quality facilities.

The Project Preparation Trust of KZN (2019) states that the National Department of Social Development has the responsibility of ensuring that every child from birth to the year before they are entered into formal schooling has access to quality and inclusive learning opportunities. In 2022, however, the Department of Social Development was removed from overseeing the ECD sector, and the responsibilities were then transferred to the Department of Education (DBE). The responsibilities mentioned before had thus become those of the DBE. The DBE is thus now responsible for future policy development, national planning, regulation and development of norms and standards for service provision and evaluation of efficiency and effectiveness of ECD programmes.

PROVINCIAL GOVERNMENT

Every province within South Africa has their own Education Department that has the responsibility of implementing and facilitating the ECD strategy put forward by the National Government's Department of Basic Education. Funds received by the National Government will have to be divided into the province's ECD initiatives and facilities. The Provincial Government and their Education Department also have the responsibility of monitoring ECD sites.

According to the Project Preparation Trust of KZN (2019), District Municipalities have the responsibility of overseeing ECD services within each district. This means that District Municipalities must put in place structures that will support the monitoring, planning, and coordination of ECD services at a district level. The Project Preparation Trust of KZN (2019) also states that planning and reporting are expected to be recorded in the District Growth and Development plans that will, in turn, feed into the Provincial Growth and Development Plans.

Another part of the provincial government that the Project Preparation Trust of KZN (2019) mentions is that of the Department of Social Development (DSD). The Department of Social Development on a provincial level, according to the Project Preparation Trust of KZN (2019), is responsible for provincial population-based planning and management of the registration, services and quality improvement and monitoring of programmes. They are also responsible for short course training that forms part of programme funding, contracting with private service delivery providers and where service personnel are appointed directly by the department, where they are also responsible for the management and supervision of these personnel. However, as mentioned under the previous heading, the Department of Social Development is no longer overseeing the ECD sector, and the Department of Education is now undertaking that role.

LOCAL GOVERNMENT

According to the National Integrated ECD Policy (2015), municipalities have three responsibilities to fulfil. These responsibilities are planning, infrastructure and regulation. Regarding planning, municipalities are tasked with providing and gathering data relevant to the ECD sector. This is done to calculate how the sector is growing and how to facilitate that growth by planning on how to address the challenges the area is facing. Population-based ECD planning is done to gather data around the local demographics, the scope of the existing services provided and how they can improve, as well as the correct measures to remedy the shortcomings. Local government is also tasked with compiling an ECD sector plan and strategy (5-year plan) for inclusion in the IDP and to evaluate it annually.

The Municipalities have the responsibility of providing infrastructure for basic services to ECDs. To improve the quality and scope of ECD services in low-income, under-resourced communities, municipalities can use funding from municipal infrastructure grants, such as the Municipal Infrastructure Grant (MIG) and the Urban Settlements Development Grant (USDG), to provide basic services like electricity, water, and sanitation; to expand and improve existing ECD canter (owned by the state or municipality or registered by NPOs), as this is known to be a major obstacle to registration; and to conduct feasibility studies, plan funding, and build new CENTRES with features like outdoor play equipment and fencing the CENTRES. In 2017/18, a Conditional Grant, introduced by the Department of Social Development, was implemented for the maintenance, improvement, and construction of new affordable ECD centres.

For the regulation responsibility, the municipalities are tasked with inspections and provision of environmental inspection reports as well as certificates for ECD partial care facilities (by the municipality's environmental health practitioners (EHPs). By doing so, they must also take the new incremental ECD Registration Framework of gold-silver-bronze into consideration. The process of registering ECD partial care facilities remains an imperative endeavour, and by following the framework, they can ensure that quality ECD services are provided. In terms of flexibility, the municipality can ensure that ECD facilities, which cannot afford certain resources, are still supported and have the appropriate assistance in matters with which they cannot deal.

ROLE OF IDP

Municipalities have the responsibility of including ECD in the Integrated Development Plan (IDP) and the budget. The IDP can then highlight what is occurring in the ECD sector within the area by naming any challenges that the sector is facing and then suggesting ways to further develop the sector. By putting forward a plan for the ECD sector, a foundation is thus built for the future of the sector.

NON-GOVERNMENTAL ORGANISATIONS

Non-governmental organisations are typically referred to as an actor that provides support within the ECD sector. This support can entail actions such as providing guidance, assistance, and training within the sector. This role is of importance as it can alleviate some of the pressures and challenges that the sector faces. Government actors can use NGOs to provide data and information to the relevant entities so that they may identify the problems within certain areas and then be able to devise solutions for them. NGOs can thus help ensure that ECD facilities operate without any serious problems.

NON-PROFIT ORGANISATIONS

Non-profit organisations seek to assist in bringing a quality education to every child. These organisations help by providing access to ECD and creating an environment for children to learn, grow and develop in. These organisations do not pocket any of the funding and typically use the funding to improve the environment for the children. These organisations are not limited to providing education but also involve feeding schemes for children who are in need. NPOs also seek to train practitioners and provide various programmes for practitioners, as well as children, to participate in and to further their skills.

All the actors mentioned above have their role to play in ensuring that the ECD sector functions as intended within South Africa. To do so, it is of much importance that each of these actors cooperate and assist one another. South Africa's 2030 Strategy for Early Child Development Programmes is one of the methods used to ensure that each of the actors is aware of the goal for ECD within South Africa.

WHAT IS THE LEGAL FRAMEWORK GOVERNING THE ECD SECTOR?

According to the Constitution of South Africa, every child has a right to basic nutrition, shelter, basic health care services and social services. These sentiments are echoed in the legal framework that governs the ECD sector. Numerous policies were created to aid in the conducting of this constitutional right.

The South African National Curriculum Framework from Birth to Four was put in place as a guide for developing ECD programmes. This framework is aimed at babies and children up to the age of four. The Education White Paper 5 of 2001, National Integrated Early Childhood Development Policy (NIECDP), National Plan of Action for Children (NPAC) and The Basic Education Laws Amendment Bill (BELA) also play integral roles in the legal framework that governs the South African ECD sector.

Several other legal frameworks are relevant to the ECD sector, these frameworks are not only limited in South Africa, but also applies internationally namely The United Nations (UN) Convention on the Rights of the Child (CRC) (ratified in 1995), The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) (ratified in 1995), The African Charter on the Rights and Welfare of the Child (ACRWC) (ratified in 2000), The UN Convention on the Rights of Persons with Disabilities (CRPD) (ratified in 2006), The UN Millennium Development Goals (MDGs) (adopted in 2000), The UN Sustainable Development Goals (SDGs) (adopted 2015), UNESCO Dakar Framework of Action for Attaining Education for All (EFA) (adopted in 2000), The UN World Fit for Children

(adopted in 2002), UNESCO Moscow Framework of Action and Cooperation: Harnessing the Wealth of Nations (2010), The Paris Declaration on Food Security and the Rome Declaration on Nutrition (November 2014).

These frameworks are aimed at the welfare and security of children and should be taken into consideration when developing new programmes going forward.

The ECD sector also has various role players in the implementation of new policies and strategies for new policies. These role players are the Department of Health (DOH), the Department of Basic Education (DBE), Non-governmental organizations (NGO's) and registered training organizations (RTO's), Department of Higher Education and Training (DHET), Health and Welfare Sector Education and Training Authority (HWSETA), Department of Cooperative Governance and Traditional Affairs (COGTA), Department of Social Development (DSD), South African Council for Educators (SACE) (ETDP SETA, 2023:10). Each one these role players have their own responsibility in strategizing, developing and implementation of ECD policies for the betterment of the system.

HOW MANY ECD FACILITIES DO WE HAVE IN BITOU MUNICIPALITY?

ECD facilities are pivotal for the education and development of children. These are spaces where the children will spend the most of their time in their development phases. These spaces will always be in demand, especially with the rising population in Bitou.

As of 2023, the Bitou Municipality has approved and provided grants to 9 Early Child Development projects, namely Bitou Rise and Shine Enrichment Centre, Sweet Heavens Day Care, Wonder Kids Educare, Bitou 10 Foundation, New Life Centre, Pinelands Creche, Singatha Educare, Kwezi Lokusa Educare Centre and Jack and Jill Daycare.

According to the Knysna-Plett Herald (Mayne, 2023), during 2023, there were at least 47 ECDs listed within the Bitou area, with at least 28 being officially registered. These 28 officially registered ECDs fulfil all the requirements of being fit to operate the facilities, while the other 19 have failed the requirements to become fully registered. The ECDs that have failed to register are typically found in informal settlements and do not have sufficient resources or funds to register fully.

The Plett - Bitou ECD Forum Needs List, have mentioned the following ECD's that are in need in Bitou, namely First Step Educare Centre, Bongolethu, Singatha Educare Centre, Mona's Educare, Siyakula Pre School, Flinkie Vlinders, Kwamdlezana Bay Care Centre, Building Blocks Educare, Rainbow Steppers, Kwezi Lokusi, Mietas, Playgroup, Wonder Kids Educare Centre, Sizanani Day Care Centre, Flamingo Educare, Elrin's Playgroup, Kurland Educare, Angels of Joy, Philiso Educare, Ethembeni Children Centre, Pinelands Creche, Look and Learn Educare, Theodora Creche, Bright Stars Educare, Jack & Jill, Learn and Play, Sakhikama Educare, Sakhingomso Day Care Centre, New Life Centre, Alucedo Day Care, Greenhill Educare Centre, Vuyuni Educare Centre, Lulonke Playgroup, Solakha Creche, Ilitha Lobomi Creche, Zodwa's Daycare, Eyethu Creche, Sophumelela Creche, Sizanani Educare and Lukhanyo Creche.

It should be noted that the ECDs mentioned above are not all the ECDs within the Bitou area, but only those who are on the Needs List. This list comprises 38 different ECDs throughout the different wards within Bitou.

What can the municipality and government do to address this sector's challenges?

As previously mentioned, children have a constitutional right to receive social services. These social services include that of education. The government and municipalities have an obligation to provide these services for the children. Quality service delivery would then be the most important thing for municipalities to do as this would ensure that the children, as well as practitioners, would have an environment where they can thrive.

As service delivery falls to the municipality's duties, it is then the responsibility of the government to put in place policies to ensure that there are quality ECD programmes put in place.

The government has already begun the process of developing a solution for the sector's challenges, namely the 2030 ECD Strategy. This strategy, developed by the Department of Basic Education, has identified 5 priorities to address for the ECD sector to improve. The priority is that every child may receive ECD education and learning that are appropriate to their current age, which is affordable to them, and that may be adaptable to them. This priority fulfils a child's constitutional right to receive an education.

The second priority that the 2030 ECD strategy addresses is to put in place a system where the government can co-ordinate ECD and ELP policies and create an environment where the government and the different departments within government can work together with one another as well as with the practitioners and staff of Early Child Development and Early Learning Programmes. This would be done so that the ECD policies may be conducted efficiently and ethically. Efficiency has much importance in this priority as it would enable everyone involved in the policy to be on similar pages, it would save time as well as resources, and it would enable the goals of the policies to be achieved much quicker.

The third priority mentioned by the strategy is to make sure that funds and resources are allocated and used correctly. Having the funds and resources being used correctly it assures that the children, who are enrolled, receive a quality education. By having the funds and resources used correctly, it can also ensure that the children's growth and development are stimulated.

The fourth priority that the strategy mentions is the creation and implementation of a competent and qualified ECD workforce. This workforce will play the most significant role in the development of the children, and as such it should be heavily emphasised that they should be well equipped to take on the role of the nurturers and cultivators of the future of the country.

The fifth and last priority that the 2030 ECD Strategy mentions is the implementation and creation of quality programmes that receive the appropriate support, as well as the close monitoring of the programme and how the children progress within these programmes. It will be imperative to monitor these programmes as it will track how the children progress through it and how they can better it for the children that struggle. The programmes that would be put forward are to be adaptable for every age group and their progression through. It will be imperative to monitor these programmes as it will track how the children progress through it and how they can better it for the children that struggle.

CONCLUSION

It becomes clear that the ECD sector is indeed a growing sector within the country. It is also one of the most important ones, as it lays the foundation for the next generation of active citizens within the country. As such, it remains imperative that quality ECD programmes will have to be made and implemented to ensure that the future of the country will be in capable hands. This sector also has its challenges and goals. The Department of Basic Education is currently working alongside various departments within the government to solve the challenges that

the sector faces. The goal remains to provide quality and well-structured ECD programmes to every child, as it is their constitutional right to receive them.

SECTION 2

FINANCE

Section 2: Finance

ITEM C/2/284/05/25

UPDATED REPORT – This report replaces previous version

TABLING OF ANNUAL BUDGET: 2025/26 TO 2027/28 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

Portfolio Com: Finance and Corporate Services

Demarcation: All Wards

File Ref: 5/7/1/1

Delegation: Council

Attachments:

- Annexure A – Budget Narrative Report
- Annexure B – Detailed 2025/26 Capital Budget
- Annexure C – 2025/26 A- Schedule and Supporting Documents
- Annexure D – Municipal Rates, Tariffs and fees 2025/26
- Annexure E – Budget Related Policies
- Annexure F – Service Delivery Standards
- Annexure G – Quality Certificate
- Annexure H – Draft Service Delivery & Budget Implementation Plan 2025/26
- Annexure I – Long-Term Financial Plan
- Annexure J – mSCOA Implementation Roadmap
- Annexure K – Demand Management Plan 2025-2028
- Annexure L – Public Input and responses
- Annexure M – Natures Valley SRA budget 2025/2026
- Annexure N – SIME assessment report Provincial Treasury
- Annexure O – Municipal Response to SIME assessment
- Annexure P – Tariff Tool

Report from: Acting Director: Financial Services

Author: Manager Budget

Date: 30 May 2025

PURPOSE OF THE REPORT

To table the Final Multi-year Operating and Capital Budget for the 2025/26; 2026/27 and 2027/28 MTREF, Tariffs, budget related policies and resolutions before Council for consideration and approval.

BACKGROUND

In terms of the MFMA (Section 16)

- (1) The Council of a Municipality must for each financial year approve an annual budget for the Municipality before the start of the 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.

Section 2: Finance

In order to ensure compliance with the legislative framework in this regard the budget for the 2025/2026 financial year and MTREF was prepared in accordance with the provisions of the MFMA as well as the Municipal Budget and Reporting Regulations (MBRR) and is submitted by the Mayor in council after the public participation process was completed for final adoption.

Financial Implication

As per the report.

Relevant Legislation

Compliance with Municipal Finance Management Act (Act 56 of 2003), Municipal Budget and Reporting Regulations, Municipal Systems Act (Act 32 of 2000) and Municipal Budget Circulars.

RECOMMENDATIONS BY THE MAYOR

1. That the Council of Bitou Municipality, acting in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted summary as per Table A1
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) – Table A2;
 - 1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) – Table A3;
 - 1.1.4. Budgeted Financial Performance (revenue by source and expenditure by type) – Table A4; and
 - 1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source – Table A5.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position – Table A6;
 - 1.2.2. Inventory – Table A6;
 - 1.2.3. Budgeted Cash Flows – Table A7;
 - 1.2.4. Cash backed reserves and accumulated surplus reconciliation – Table A8;
 - 1.2.5. Asset management – Table A9; and
 - 1.2.6. Basic service delivery measurement – Table A10.
2. The Council of Bitou Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2025:
 - 2.1. the tariffs for property rates as per Annexure “D”,
 - 2.2. the tariffs for electricity as per Annexure “D”,
 - 2.3. the tariffs for the supply of water as per Annexure “D”
 - 2.4. the tariffs for sanitation services as per Annexure “D”
 - 2.5. the tariffs for solid waste services as per Annexure “D”
3. The Council of Bitou Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2025 the tariffs for

Section 2: Finance

miscellaneous and other services as contained in the tariff list that is included in the budget document as per Annexure “D”.

4. That Council specifically take note of the fact that the proposed electricity charges and tariff structure contained in the tariff schedule as well as the cost of supply study is subject to NERSA approval that may change from that stated in the tariff listing.
5. To give proper effect to the municipality’s annual budget, the Council of Bitou Municipality approves:
 - 5.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of Section 8 of the Municipal Budget and Reporting Regulations.
 - 5.2. That the municipality be permitted to enter into long-term loans for the funding of the capital programmes in respect of the 2025/26 financial year limited to an amount of R 64 400 000 in terms of Section 46 of the Municipal Finance Management Act.
 - 5.3. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.
6. That the Council of Bitou Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts the following existing and revised policies:
 - 6.1. Accounts payable policy
 - 6.2. Budget Implementation and Monitoring policy
 - 6.3. Cost Containment policy
 - 6.4. Petty Cash Policy
 - 6.5. Subsistence and Travelling allowance policy.
 - 6.6. Borrowing Policy
 - 6.7. Tariff policy
 - 6.8. Supply Chain Management policy
 - 6.9. Property Rates policy
 - 6.10. Liquidity Funding and Reserves Policy
 - 6.11. Investment and Cash Management policy
 - 6.12. Customer care, credit control, debt collection, indigent and tampering policy
 - 6.13. Writing -off of irrecoverable debt policy
 - 6.14. Preferential Procurement Policy
 - 6.15. Infrastructure Procurement and Delivery Management Policy
 - 6.16. Asset Management Policy
7. That the service level standards attached as Annexure “F” be approved.
8. That the draft SDBIP as per Annexure “H” be submitted to the mayor for final consideration and approval.
9. That the Long Term Financial Plan attached as Annexure “I” be approved
10. That the mSCOA roadmap attached as Annexure "J" be approved .
11. That the demand management plan attached as per Annexure “K” be approved
12. That the Public Input and responses on the Budget as per Annexure “L” be noted

Section 2: Finance

13. That the Natures Valley SRA budget 2024/2025 as per Annexure “M” be approved
14. That the SIME Budget assessment as well as municipal response thereon attached as Annexure “N” and Annexure “O” be noted.
15. That the Tariff tool Annexure “P” be noted
16. That where the tariff and other policy revisions necessitate amendments to relevant By-laws, the amendments be effected and made public in accordance with Section 75A of the Municipal Systems Act, (Act 32 of 2000)

ANNUAL BUDGET OF BITOU MUNICIPALITY



2025/26 TO 2027/28 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

1	PART 1 – ANNUAL BUDGET	5
1.1	MAYOR’S REPORT	5
1.2	COUNCIL RESOLUTIONS	10
1.3	EXECUTIVE SUMMARY	13
1.4.1	<i>Property Rates</i>	22
1.4.2	<i>Sale of Water and Impact of Tariff Increases</i>	25
1.4.3	<i>Sale of Electricity and Impact of Tariff Increases</i>	27
1.4.4	<i>Sanitation and Impact of Tariff Increases</i>	29
1.4.5	<i>Waste Removal and Impact of Tariff Increases</i>	30
1.4.6	<i>Overall impact of tariff increases on households</i>	33
1.5	OPERATING EXPENDITURE FRAMEWORK	35
1.6	CAPITAL EXPENDITURE	37
1.7	ANNUAL BUDGET TABLES	39
2	PART 2 – SUPPORTING DOCUMENTATION	49
2.1	OVERVIEW OF THE ANNUAL BUDGET PROCESS	49
2.1.1	BUDGET PROCESS OVERVIEW	49
2.1.2	IDP AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN	54
2.2	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	55
2.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	63
2.4	OVERVIEW OF BUDGET RELATED POLICIES	65
2.5	OVERVIEW OF BUDGET ASSUMPTIONS	69
2.5.1	COLLECTION RATE FOR REVENUE SERVICES	71
2.5.2	SALARY INCREASES	71
2.5.3	ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMMES	71
2.5.4	COST CONTAINMENT MEASURES	71
2.6	OVERVIEW OF BUDGET FUNDING	72
2.6.1	MEDIUM-TERM OUTLOOK: OPERATING REVENUE	72
2.6.2	MEDIUM-TERM OUTLOOK: CAPITAL REVENUE	73
2.6.3	CASH FLOW MANAGEMENT	76
2.6.4	CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION	78
2.6.5	FUNDING COMPLIANCE MEASUREMENT	78
2.7	EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	81
2.8	COUNCILLOR AND EMPLOYEE BENEFITS	82
2.9	MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	82
2.10	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	83
2.11	CAPITAL EXPENDITURE DETAILS	83
2.12	LEGISLATION COMPLIANCE STATUS	88
2.13	OTHER SUPPORTING DOCUMENTS	96
2.14	MUNICIPAL MANAGER’S QUALITY CERTIFICATE	97

List of Tables

Table 1	Consolidated Overview of the 2025/26 MTREF	16
Table 2	Consolidated Overview of the 2025/2026 MTREF	20
Table 3	Growth in revenue by main revenue source	21
Table 4	Major sources of revenue	21

Table 5 Comparison of Assessment rate tariff.....	25
Table 6 Comparison of Commercial water tariffs.....	26
Table 7 Comparison of Residential water tariffs.....	27
Table 8 Comparison of Sanitation tariffs.....	29
Table 9 Comparison between current waste removal fees and increases.....	31
Table 10 MBRR SA14 – Household bills.....	34
Table 11 A4 – Budgeted Financial Performance.....	35
Table 12 2025/2026 Medium-term capital budget per vote.....	37
Table 13 MBRR A1 - Budget Summary.....	39
Table 14 MBRR A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	40
Table 15 MBRR A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote).....	41
Table 16 MBRR A4 - Budgeted Financial Performance (revenue and expenditure).....	42
Table 17 MBRR A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	43
Table 18 MBRR A6 - Budgeted Financial Position.....	44
Table 19 MBRR A7 - Budgeted Cash Flow Statement.....	45
Table 20 MBRR A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation.....	46
Table 21 MBRR A9 - Asset Management.....	47
Table 22 MBRR A10 - Basic Service Delivery Measurement.....	48
Table 23 MBRR SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue.....	61
Table 24 MBRR SA5 - Reconciliation between the IDP strategic objectives and budgeted operating Expenditure.....	62
Table 25 MBRR SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure).....	63
Table 26 MBRR SA7 - Measurable performance objectives.....	64
Table 27 MBRR SA8 - Performance indicators and benchmarks.....	64
Table 28 Breakdown of the operating revenue over the medium-term.....	72
Table 29 MBRR SA15 – Detail Investment Information.....	73
Table 30 MBRR SA16 – Investment particulars by maturity.....	73
Table 31 Sources of capital revenue over the MTREF.....	73
Table 32 Detail of borrowings.....	74
Table 33 MBRR SA17 Borrowing.....	75
Table 34 MBRR A7 Budgeted cash flow statement.....	77
Table 35 MBRR A8 - Cash backed reserves/accumulated surplus reconciliation.....	78
Table 36 MBRR SA10 – Funding compliance measurement.....	79
Table 37 MBRR SA36 Detailed capital budget.....	84
Table 38 MBRR SA37 - Projects delayed from previous financial year.....	88

List of Figures

Figure 1 Major revenue sources over the MTREF.....	22
Figure 2 Growth in major own revenue sources over a 7 year horizon.....	33
Figure 3 Depreciation compared to repairs and maintenance.....	36
Figure 4 Major expenditure categories over a 7 year horizon.....	37
Figure 5 Infrastructure Capital spending trend over a 7 year horizon.....	38
Figure 6 Main operational revenue per category.....	72

Figure 7 Main sources of capital revenue	74
Figure 8 Growth in borrowing 2020/2021 to 2027/2028	75

List of Annexures

Annexure B - Detailed Capital Budget
Annexure C - Main budget schedules and supporting schedules.
Annexure D - Municipal Rates, Tariffs, fees, including cost of supply electricity tariffs.
Annexure E - Budget related policies
Annexure F - Service Delivery Standards
Annexure G - Quality Certificate
Annexure H - Draft Service delivery and budget implementation plan
Annexure I – Updated Long term financial plan
Annexure J - mSCOA implementation roadmap
Annexure K – Demand Management plan
Annexure L – Public Input and responses
Annexure M – Natures Valley SRA draft budget 2025/2026
Annexure N – SIME Assessment
Annexure O – Municipal response to SIME assessment
Annexure P – National Treasury tariff tool results

1 Part 1 – Annual Budget

1.1 Mayor's Report

Honourable Speaker, Deputy Mayor, Members of the Mayoral Committee, Councillors, Municipal Manager, Directors, guests, ladies and gentlemen, good morning.

It is my honour to submit the 2025/2026 budget in Council today for consideration and approval, the budget that I am presenting has gone through a rigorous process of deliberation, negotiation, prioritisation, public participation and careful consideration of the needs of the community and especially the impact that the financial decisions will have on the livelihood of our communities.

The budget that I am presenting was drafted as an instrument of hope through which we aim to ensure that we address the basic service delivery needs of the communities that we serve and whereby we strive to enhance our service delivery offering to include all communities, and especially those that have been marginalised and neglected over a number of years in respect of access to basic services and dignity as enshrined in the constitution of the Republic of South Africa.

The budget has a primary focus towards enhanced service delivery through addressing infrastructure backlogs and creating an environment for investment, that would ultimately lead to economic progression of the citizenry, something that the state has unfortunately dismally failed with over the last three decades.

We have been fortunate in having experienced a period of just more than 300 days without loadshedding, yet our concerns were confirmed as electricity grid again buckled under pressure and load shedding once again returned to haunt us serving as a reminder of the unreliability of the electricity network and the risk that it poses to the economy and investor sentiment.

We have managed to regain momentum after the political instability and the current coalition remains steadfast and resolute to maximise the opportunity granted to us to make a positive impact on the livelihood of our communities.

The budget submitted here today is my first budget as the Mayor of Bitou Municipality, but also a first for the all-female executive and indeed a historic event.

It is important that we consider the current state of the economy in our budgetary considerations and acknowledge the fact that we still find ourselves in an economy that remain suppressed through political decisions that have caused immense harm to economic growth, and which continues to cause fiscal constraints.

There has been very little economic growth post the Covid-19 pandemic and the national budget decisions are not aiding in growing the economy. We are still at risk of an economic recession as national economic growth forecasts are barely reaching one percent. The

unemployment rate remains at an all-time high and it seems that we continue taking one step forward and two steps back.

We have, despite all the challenges, still managed to deliver on our commitment to provide our communities with top class and reliable services whilst striving to create an environment suitable for investment and economic progression of our residents and visitors alike.

The 7th democratic national election has brought us the government of national unity which is indicative of the fact that we need to rethink and reset our way of doing business, it is out with the old and in with the new towards a better future for all.

We appreciate the contribution that our community makes to the municipality, its processes and its finances, and I can assure you that we, as the custodians of public funds, will continue to exercise the utmost care when utilising financial, and other public resources in the delivery of services to our communities.

Economic growth forecasts for 2024 remain bleak and the National Treasury has forecasted an optimistic average GDP Growth of 1.8% over the next 3 years. A significant reduction in interest rates in the near future seems to be unlikely and only moderate reduction in the repo rate for the next 12 months is expected, this was confirmed in the last meeting of the monetary policy committee as an interest rate reduction was pushed out for future consideration. The impact of the decisions by the United States in respect of South-Africa is not to be brushed aside as various financial holes now needs to be plugged through own resources.

Inflation has eased to its lowest rate in 3 years and is expected to stabilise between 3 and 6 percent. It is forecasted to average between 4.4% and 4.5% over the MTREF and continues to put pressure on input prices of materials, supplies, goods and services necessary in the rendering of municipal services.

The struggling economy and associated economic performance have led to grant funding to municipalities diminishing and is therefore causing the municipality to absorb the cost associated with projects and programs that were supposed to be funded from either National or Provincial allocations, this is evident in the loss of R14 Million in the WSIG grant where contractual obligations that exist now needs to be fulfilled from municipal funds. In spite of the fiscal constraints, the municipality continues to deliver on unfunded and underfunded mandates in the interest of its communities.

In this budget year the municipality will aim to further improve on its financial performance and position and to be more resilient to tackle the challenges that lie before us as we need to continue to improve service delivery through the focussing financial resources where it is needed most.

Allow me to provide a brief summary of the Bitou Municipality's budget:

The operating revenue budget (excluding capital transfers and contributions) amounts to R 1 072 557 106 . (One billion, seventy two million, five hundred and fifty seven thousand,

one hundred and six rand) The bulk of the income is derived from assessment rates and user charges. Operational expenditure from own funds amount to R 1 072 309 647 (One billion, seventy two million three hundred and nine thousand six hundred and forty seven rand) with the main two categories of operational expenditure being salary related expenditure and bulk purchases. These account for 60.81 percent of total operational expenditure.

The municipality is eager to enhance its service delivering offering to its communities and is therefore focussing on basic service delivery and the upliftment of the poorest of the poor as our core mandate in the budgetary allocations.

The following is budgeted for service delivery:

Electricity service receive R 303 121 074 , water services receive R 67 543 539 , waste water management receive R 56 785 877 , roads and stormwater receive R 37 480 150 and solid waste management receive an allocation of R 65 401 834 for the 2025/2026 financial year, community, general services, social services, sport and recreation, public safety and housing are allocated a combined total of R 214 765 949 for the financial year ahead. **This direct allocation to service delivery departments, account for 73.27 per cent of the total annual budget.**

The capital budget amounts to **R 181 908 452**, (one hundred and eighty one million nine hundred and eight thousand four hundred and fifty two rand) the capital budget once again focusses on infrastructure development and 93.05 percent of the capital budget is therefore allocated to community and engineering services infrastructure and related projects which include the municipal vehicle fleet. We are continuing to direct the capital investment towards the creation of capacity for future development and to replace ageing infrastructure and most importantly to provide basic municipal services to those that have been denied these basic rights in the past, this is evident in the human settlements spending of R 40 735 000 included in the capital budget. We are also again investing in the vehicle fleet to ensure that service delivery disruptions are minimised.

Infrastructure spending in the capital budget will be allocated as follows: Water services infrastructure R 54 263 753; Electricity infrastructure R 30 399 449; Sanitation services R 39 727 250 and roads infrastructure R 37 769 000.

Sport, recreation, community and social projects are allocated R 7 700 000 and the remainder of the capital budget consists of machinery, computers, backup power systems, furniture and equipment which is needed in the delivering of services to our communities amounting to R 2 954 000.

In accordance with the capital funding mix strategy, loan funding in the amount of R 86 920 919 will be used in the 2025/2026 financial year, of which R 64.4 million is new borrowing raised and R 22.52 million relate to rollover projects from the previous loans raised. Further own funding through the Capital Replacement Reserve in the amount of R 28 399 707 will be added to fund the capital budget in addition to the amount of R 66 587 826 in grant receipts for the 2025/2026 financial year.

The operating budget is essential in ensuring day-to-day operations and that high quality basic services are provided to all communities, the main expenditure components necessary to achieve this goal are allocated budget amounts as follows:

Employee related cost absorbs R 393 990 910 or 36.74 percent of the budget, electricity purchases from Eskom amount to R250.4 million or 23.35 percent of the budget, debt impairment and depreciation charges combined amount to R 66.7 million or 6.22 percent of the budget. Contracted services amount to R135.5 million or 12.64 percent of the budget and other operational expenditure items amount to R105.1 million or 9.8 percent of the budget. The operational budget increases with 8.38 percent when compared to the 2024/2025 final budget.

Employee related cost remains a major component of the municipal budget; the municipality has taken note of the current economic environment as well as the affordability threshold with which consumers and ratepayers are confronted and will do its utmost to curb this expenditure category from escalating further. The municipality is bound by the collective bargaining process and considering current inflationary trends, provision for a 5.05% general salary adjustment is made in the budget.

Employee related cost as a percentage of total expenditure, inclusive of a R 7.5 million allocation to the EPWP program of which R 1.59 million is subsidised, equals 36.74 % and is within the norm for this category of expenditure, if the EPWP portion is excluded the percentage equals 36.04 %, it will be carefully managed over the MTREF to ensure that it remains within acceptable limits.

The aftermath of the pandemic coupled with the prolonged energy crises has placed pressure on the municipal budget, and it is evident that revenue streams, especially electricity continue to diminish, it furthermore remains difficult to collect as there is a lack of economic opportunity to enable the community to pay for services rendered.

National Treasury directs municipalities to motivate tariff increases that are higher than the upper end of the estimated inflation rate, and we have therefore included a comprehensive paragraph for each tariff increase in the executive summary of the main budget document.

The operational revenue is budgeted to grow with 8.80 percent and tariff decisions were extremely difficult to make in the current economic environment. To ensure the financial viability of the services rendered, proposed tariff increases for service charges increase on average by 5.4% as a result of the cost drivers impacting on the cost of rendering the services, the only exception is electricity where tariff increases are largely influenced by the Eskom tariff increase and NERSA tariff guidelines and a provisional 9.9% increase is proposed.

The continued increase in the price of electricity remain a huge concern and NERSA has confirmed that the Eskom increase to municipalities will be 11.32 percent which is resulting in the tariff increase of 9.9 percent to the end user.

The municipal cost of supply study was revised and the tariff structure was included in the tariff annexure for public scrutiny as part of the budgeting process. The study as well as the tariff approval is currently under consideration by the national energy regulator.

We remain resolute in our focus on the delivery of the core municipal services through the application of efficient and effective service delivery mechanisms and the application of management strategies to continue improving our service delivery offering and to make Bitou a destination of choice for our communities, visitors, and investors alike.

The application of prudent financial management principles in the compilation of the municipality's financial plan is not only essential, but critical to ensure that Bitou Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities. The municipality has made great strides in improving the financial position over the last 3 years and we will continue to apply financial best practices as custodians of the public funds.

The economic reality has led us to ensure that the most vulnerable are taken care of, not only through the provision of basic services and the restoration of dignity in our communities, but also through the indigent subsidization program.

I would once again like to invite everyone that qualify for indigent subsidy to apply for the assistance that is available. Qualifying indigent households will receive an indigent support package consisting of 50 units of free electricity, 6000 litres of free water as well as a 100% subsidy on a standard household refuse and sewerage tariff per month, basic charges in respect of these services will also be exempted. Households with a combined household income of less than R5000 per month will qualify for the subsidy. In addition thereto households with a municipal property valuation of R350,000 or less will be exempted from the payment of assessment rates.

We continue to pursue and encourage community participation in programmes, plans and strategies to ensure that our plans are in line with community needs, we have consulted through IDP process to determine the community needs and I would like to thank all stakeholders, members of the public, organisations and interested parties that have participated with input in the budget process.

In conclusion, I would like to thank the members of the budget steering committee, the municipal manager, the acting chief financial officer, and the staff in the IDP and budget offices, directors and other personnel who have contributed to the preparation and finalisation of the budget submitted here today.

Speaker, I therefore present the annual budget for Bitou Municipality for the 2025/2026 financial year and MTREF as well as the budget related documents for consideration and approval.

COUNCILLOR JESSICA KAMKAM
EXECUTIVE MAYOR

1.2 Council Resolutions

1. The Council of Bitou Municipality, acting in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2025/2026 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted summary as per Table A1
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) – Table A2;
 - 1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) – Table A3;
 - 1.1.4. Budgeted Financial Performance (revenue by source and expenditure by type) – Table A4; and
 - 1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source – Table A5.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position – Table A6;
 - 1.2.2. Budgeted Cash Flows – Table A7;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation – Table A8;
 - 1.2.4. Asset management – Table A9; and
 - 1.2.5. Basic service delivery measurement – Table A10.
2. The Council of Bitou Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2025:
 - 2.1 the tariffs for property rates as per Annexure “D”,
 - 2.2 the tariffs for electricity as per Annexure “D”,
 - 2.3 the tariffs for the supply of water as per Annexure “D”
 - 2.4 the tariffs for sanitation services as per Annexure “D”
 - 2.5 the tariffs for solid waste services as per Annexure “D”
3. The Council of Bitou Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2025 the tariffs for miscellaneous and other services as contained in the tariff list that is included in the budget document as per Annexure “D”.
4. That Council specifically take note of the fact that the proposed electricity charges and tariff structure contained in the tariff schedule as well as the cost of supply study is subject to NERSA approval that may change from that stated in the tariff listing.
5. To give proper effect to the municipality’s annual budget, the Council of Bitou Municipality approves:

- 5.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of Section 8 of the Municipal Budget and Reporting Regulations.
- 5.2. That the municipality be permitted to enter into new long-term loans for the funding of the capital programmes in respect of the 2025/2026 financial year limited to an amount of R 64 400 000 in terms of Section 46 of the Municipal Finance Management Act.
- 5.3. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.
6. That the Council of Bitou Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts the following existing and revised policies as per Annexure “E”:
 - 6.1. Accounts payable policy
 - 6.2. Budget Implementation and Monitoring policy
 - 6.3. Cost Containment policy
 - 6.4. Petty Cash Policy
 - 6.5. Subsistence and Travelling allowance policy.
 - 6.6. Borrowing Policy
 - 6.7. Tariff policy
 - 6.8. Supply Chain Management policy
 - 6.9. Property Rates policy
 - 6.10. Liquidity Funding and Reserves Policy
 - 6.11. Investment and Cash Management policy
 - 6.12. Customer care, credit control, debt collection, indigent and tampering policy
 - 6.13. Writing -off of irrecoverable debt policy
 - 6.14. Preferential Procurement Policy
 - 6.15. Infrastructure procurement and delivery management policy
 - 6.16. Asset management policy
7. That the service level standards attached as Annexure “F” be approved.
8. That the draft SDBIP as per Annexure “H” be noted and submitted to the mayor for final consideration and approval.
9. That the revised Long Term Financial Plan attached as Annexure “I” be approved
10. That the mSCOA roadmap attached as annexure “J” be approved.
11. That the demand management plan attached as per Annexure “K” be approved.
12. That the public input and responses as per annexure “L” be noted.
13. That the Natures Valley Special Rating Area budget 2025/2026 as per Annexure “M” be approved.

14. That the SIME Budget assessment as well as municipal response thereon attached as Annexure “N” and Annexure “O” be noted.
15. That where the tariff and other policy revisions necessitate amendments to relevant By-laws, the amendments be made and made public in accordance with Section 75A of the Municipal Systems Act, (Act 32 of 2000)
16. That the National Treasury tariff tool results attached as Annexure “P” be noted.

1.3 Executive Summary

The budget for the 2025/2026 financial year and Medium-Term Revenue and Expenditure Framework (MTREF) was again challenging as the economy remain subdued by various factors, the latest being the impact of decisions from the USA under the Trump administration highlighting the fact that the South Africa and the South African economy is an integral part of the global economy and that that local and international political decisions have economic impact on local communities.

The tourism and construction sector are still recovering post Covid, and the recent festive period has been the best since the pandemic. The increase in the approval of building plans remains a positive indicator of the recovery of the sector and various new developments in the Bitou area provides hope for the construction sector. The tourism sector has been resilient and a recovery to pre-pandemic levels will hopefully be reached soon. The monetary policy decisions of the reserve bank are however still strangling households in respect of freeing up disposable household income.

We have been spared from more than 330 days of loadshedding, yet as soon as we get comfortable, loadshedding seems to rear its head again. The failure of the state and all associated state-owned entities and the high commodity prices are still hampering the economic progression.

The basket of real economic achievements and growth seems to remain empty, confirming the inability of the state to create real economic growth and opportunity for its citizens, especially those that need it the most. Economic sentiment remains negative and the “new dawn” that the President promised in the beginning of his first term of office seems to have vanished into thin air.

The national budget remains under strain and the consolidated fiscal deficit is expected to improve slightly from 5% in 2024/2025 to 4.6% of revenue for 2025/2026. The budget deficit is expected to reduce to 3.8% by 2026/2027 and is predicted to reach 3.5% by 2027/2028.

Consolidated government expenditure is budgeted at R2.59 trillion with R1.52 trillion allocated to social services. The total municipal equitable share allocation amounts to R106.1 billion representing only 4% of government expenditure, which is not enough to subsidise free basic services to the most vulnerable.

National debt is expected to peak at 76.2% of GDP in 2025/2026, up 1% from the prior year prediction. In general, government debt is very high and again at a new record level, the effect thereof is that 22% of government revenue is used to service debt cost. The gross debt stock is projected to increase to nearly R6.3 trillion in 2026/27.

National debt-service costs are projected to average R356 billion annually over the medium term, reaching approximately R478.6 billion in 2027/28. These are resources that could otherwise have been used to address pressing social needs or to invest in our future.

The effect of the Corona Virus remains relevant, the war in the Ukraine as well as the middle east crises continue to impact on the global as well as South African economy. It is expected that the

price of commodities will remain high, especially the oil price that have caused a significant increase in the cost-of-service delivery and have further prolonged the economic recovery period necessary to reach pre-pandemic levels of activity in the local economy.

Economic growth estimates for have been revised upward to 1.9 per cent for the 2025/2026, 1.7% for 2026/2027 and 1.9% for 2027/2028 on the back of possible interest rate cuts, a more stable electricity supply and inflation remaining in a narrow band over the MTREF. Economic growth over the MTREF is not sufficient to ensure economic sustainability and create much needed employment opportunities, economic empowerment of the citizenry seems to remain far on the horizon.

The headline inflation forecast for 2025 is 4.3%, remaining between 4.3 and 4.6 per cent over the MTREF. The recovery of the economy is anticipated to remain slow over the MTREF. The South African economy is not performing well when compared to its peers being other developing countries.

Considering the prevailing economic circumstances, it remains necessary to continue applying prudent financial management principles in the budget process of Bitou Municipality thereby ensuring that the Municipality become financially viable and that municipal services are provided sustainably, economically, and equitably to all communities.

The Municipality's business and service delivery priorities were again reviewed as part of this year's planning and budget process. Where appropriate, funds were focussed to address high-priority programmes to ensure that we address the most critical service delivery needs. It was decided that basic service delivery to the poorest of the poor be prioritised in the coming budget to ensure equally dignified communities throughout the Bitou are of jurisdiction.

The upliftment of the communities takes preference in this budget cycle and the municipality will therefore focus more resources to water provision and wastewater systems in the 2025/2026 as well as subsequent financial years, 51.67 percent of the capital budget is allocated for these services. A significant portion of the 2025/2026 capital budget is dedicated to the upliftment of communities, with human settlements infrastructure taking the lion's share of the funding allocation from Provincial Government.

The revenue enhancement program is starting to gain momentum, and a review of all service points is completed, the results are now processed, and it is anticipated that additional revenue streams will impact positively on future income without adding additional burden to consumers.

The municipality is striving to improve on operational efficiencies in the services that are rendered and to continue with the enforcement cost reduction and austerity measures in accordance with the cost containment regulations and operational strategies.

The Municipality was forced at the onset of the pandemic to implement lower than normal tariff increases, although the cost of rendering the services were exponentially higher than the revenue received from it. We therefore continue to be led by the principles of cost recovery and economic viability in determining tariff increases. These principles will ultimately lead to the main services being financially viable and sustainable over the short, medium, and long term.

Where tariff increases that are higher than the upper end of the estimated inflation target, we have included a comprehensive paragraph for each tariff increase in the discussion under each tariff in the main budget document hereunder.

The execution of the programs identified in the voluntary financial recovery plan are continuing and the municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. As a last resort, where debt remains outstanding for long periods of time and no suitable arrangement is made for the repayment thereof, the municipality has no alternative but to hand the debt over for collection.

Incentives are available for the settlement of debt and customers are urged to make use of the various repayment options and arrangements. The municipality will continue with various customer care initiatives to ensure that the municipality truly involves all citizens in the democratic processes.

National Treasury's MFMA Circular No. 129 and 130 as well as prior year circulars were used to guide and inform the compilation of the 2025/2026 MTREF.

The main challenges experienced during the compilation of the 2025/2026 MTREF can be summarised as follows:

- The slow recovery of the National, Provincial and especially the local economy in spite of the fact that loadshedding has diminished significantly.
- The ongoing war in the Ukraine and Gaza and the impact that it has on commodity prices such as fuel as food prices and the effect on the global markets.
- The low economic growth.
- The electricity crises that have not been permanently resolved and the lingering negative effect that it has caused to investor sentiment.
- The continued rise in unemployment.
- Interest rates that have not reduced as anticipated over the last year.
- Inflation risk that remains relevant in the current political and global economic climate.
- Ageing water, roads, stormwater, sewer and electricity infrastructure and the need to maintain current infrastructure versus the demand for new services.
- The need to reprioritise projects and expenditure within the existing resource envelope given the current cash flow reality of the municipality.
- The increase in the cost of bulk electricity from Eskom which is again placing upward pressure on service tariffs to residents and resulting in a decline in units sold.
- The need to fill critical vacancies necessary to ensure service delivery to the community.
- The demand for services that continue to outstrip the available resources.

The following budget principles and guidelines directly informed the compilation of the 2025/2026 MTREF:

- The 2024/25 Adjustments Budgets priorities and targets, as well as the base line allocations contained in the Adjustments Budget were adopted as the upper limits for the new baselines for the 2025/26 annual budget.

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals.
- Cost cutting and austerity measures have been applied in all expenditure categories and value for money considerations are made when expenditure is incurred.
- Tariff and property rate increases should be affordable and should generally not exceed the growth parameters or upper limits of inflation as measured by the CPI, except where there are price increases in the input of services that are beyond the control of the municipality, this relate to the continued escalation in the electricity and fuel price increase and the above average increase in specialized goods and services needed in service delivery that are subject to exchange rate fluctuations. The new general valuation role and the impact it may have on the incidence of rating.
- For the 2025/2026 financial year tariff increases were adjusted to ensure that the cost of the services is adequately recovered in the tariff setting.
- Operational efficiencies are implemented, and processes designed, not only to save cost but to enhance service delivery mechanisms.
- The recovery of the financial position of the municipality and ensuring optimum levels of operating reserves as well as cash backed reserves and current provisions.
- Cost reflective tariff setting and multi-year tariff strategies where tariffs are found not to cover the total cost of service rendering. (This remain a medium-term objective, and a phased approach is adopted where tariffs are found to be cost reflective)
- The cost of supply study is informing the electricity tariffs and associated tariff structuring.
- Ensuring a cash funded budget and the strict application of prudent financial management principles.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

The following table is a consolidated overview of the 2025/2026 MTREF:

Table 1 Consolidated Overview of the 2025/26 MTREF

Description	3rd Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Revenue	R 1 076 148 976	R 1 143 022 856	R 1 168 429 769	R 1 231 053 608
Total Operating Expenditure	R 985 577 636	R 1 072 309 647	R 1 091 308 199	R 1 130 712 542
Total Capital Expenditure	R 148 541 085	R 181 908 452	R 180 363 094	R 183 490 355

Total revenue increases with R 66 873 880 to an amount of R 1 143 022 856 for the 2025/2026 financial year when compared to the 2024/2025, 3rd adjustments budget. This is due to additional revenue raised through increased tariffs as well as a slight improvement in the revenue raised from the improvement in revenue generation through the revenue enhancement program. A further significant contribution is made through the human settlements grant in respect of the provision of housing infrastructure. For the two outer years, operational revenue will increase by 2.22 and increase with 5.36 percent respectively.

Total operating expenditure for the 2025/2026 financial year has been appropriated at R 1 072 309 647 and translates into a budgeted surplus of R 247 459 before capital contributions.

When compared to the 3rd adjustments budget, operational expenditure increases with R 86 732 011 in 2025/26. The expenditure for the two outer years, increases with R 18 998 552 and with R 39 404 343 respectively towards the 3rd year of the MTREF.

The capital budget of R 181 908 452 for 2025/26 increases with 22.46 per cent when compared to the 3rd adjustments budget of 2024/2025. The capital programme decreases to R 180 363 094 in the 2026/27 financial year and then increases in 2027/28 to R 183 490 355. Borrowing will contribute 47.78 percent of the capital funding for the 2025/26 financial year and will remain constant over the MTREF it will ensure that gearing remain in a narrow band for the foreseeable future and ensure that the liquidity position of the municipality is improved. This funding strategy is confirmed in the long-term financial plan that form part of the budget documents. It is envisaged that the capital funding mix will remain the same for the 1st outer year of the MTREF whereafter borrowing will decrease towards the 2nd outer year of the MTREF. The balance of capital expenditure will be funded from internally generated funds and conditional grants.

Borrowing as a funding source is recommended for capital investment in respect of the replacement and refurbishment of infrastructure to underline the user-pays principle where current and future users of the service will be required to contribute to the cost associated with the raising of funding necessary to execute the programs or projects.

It must be emphasized that the gearing ratio of the municipality (the ratio between debt and own revenue generated) remains sound at just over 18.8% and will remain in a narrow band over the MTREF. The gearing ratio remains well under the maximum of the norm of 40% and the capital funding strategy strikes a balance between affordability and the retention and improvement of the liquidity position of the municipality.

The debt service cost equals 3.4% which is further indicative of the sound financial principles supporting the funding mix strategy and the municipal lending program.

1.4 Operating Revenue Framework

For Bitou Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management principles are fundamental to the financial sustainability of every municipality. The reality is that we are faced with ageing and failing infrastructure, development backlogs, poverty, increasing unemployment and a dire need to make a difference in the lives of the poorest of the poor in the communities.

The expenditure required to address these challenges will inevitably always exceed available funding hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

In considering the aforementioned, a difficult decision had to be made in respect of proposed tariff increases to ensure the continuation of the quality of services and prevent a further breakdown in the provision of essential services.

The promotion of operational efficiencies, revenue enhancement strategies, as well as savings and austerity measures remain a priority in ensuring the availability of sufficient financial resources to fund the MTREF.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The current reality in respect of inflationary increases as well as other economic factors and price increases such as fuel price and associated taxation make it extremely difficult for municipalities to manage tariff increases within the guidelines set. It must be pointed out that the “basket of goods and services” necessary to provide municipal basic services do not necessarily correspond with the “basket of goods and services” influencing the CPI rate applicable to households in general and therefore this arbitrary prescription for tariff increases are of little value to the municipal decision-making process. The cost drivers of municipal services vary significantly from that of households and higher than inflationary tariff increases are therefore unavoidable for certain services.

Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. It is nonetheless of utmost importance to balance service delivery standards on the one hand with the appropriate tariffs to render those high-quality services on the other hand.

It is within this framework that the Municipality has undertaken the tariff setting process in respect of service charges.

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

- Strengthening the financial position of the municipality.
- Cost reflective tariff setting – The municipality is phasing in the principle of cost reflective tariffs for most services.
- The revenue enhancement program will ensure that all revenue is correctly billed in accordance with the category, user type and applicable tariffs and number of service units as determined by the municipality, if correctly applied and implemented, it will ensure that consumers across the board are saved from future above average tariff increases.
- Tariff increases for the 2025/2026 financial year are within the National Treasury prescriptions, yet tariff increases over the last 11 years have on average been less than 6% with the cost of service delivery increased on average by more than 9% annually.
- Electricity guideline increases have been determined by NERSA and a tariff increase to end users of 9.9% is proposed on the back of a 11.32% Eskom tariff increase. Appropriate tariff increases are of essence to sustain and improve service delivery standards and to ensure the long-term financial sustainability of the municipality.
- The municipal council has adopted a principle of protecting the poor from excessive tariff increases and will therefore endeavour to limit the increase to lower income consumers in accordance with the national treasury growth parameters where possible. Subsidization of free basic services is adequate to ensure access to basic services by the poorest of the poor and most vulnerable category of consumers.

- National Treasury's guidelines and growth parameters have been considered where appropriate and possible and an explanation will be provided for increases higher than inflationary predictions, the municipality is however mainly guided by the actual cost of services rendering and financial sustainability considerations in its tariff decision making process.
- Efficient revenue management, which aims to improve the debtor's collection rate to 90% for 2025/2026 and further increase the collection rate over the MTREF. A huge concern remains the Eskom distribution areas where a general unwillingness to pay for municipal services remain evident.
- Budgeting for a moderate surplus at the conclusion of the MTREF to enable the municipality to build cash reserves to back statutory funds and provisions and to build an operating as well as capital replacement reserve.

The aforementioned factors collectively contribute to the financial wellbeing of the municipality and the extent to which it is executed or concluded will either aide, or impact negatively on the long-term sustainability of the municipality.

It must be emphasized that, at the current trend, growing expenditure associated with the current quality and the ever-escalating cost of service delivery, the municipality will find it even more difficult to improve its financial position over the MTREF, unless catalytic economic investments and growth opportunities are garnered expediently.

The current rates base can no longer support the cost of services, especially considering the ageing infrastructure and the cost necessary in upgrading and refurbishing service delivery infrastructure vehicles and equipment. It is of utmost importance to factor these cost elements into the true cost of services to continue delivering high quality services to all communities.

The continued implementation of the human settlements program is providing dignity to people unable to provide housing opportunities for themselves in the past, it provides a sense of dignity to the recipients of these opportunities yet the financial burden on the municipality to continue to provide services to the beneficiaries cannot be ignored. The municipality must therefore ensure that provision for the operational and maintenance related activities associated with these opportunities is appropriately funded in future financial years. It is common cause that the equitable share allocation is insufficient to cover the cost of free services and therefore economic development will play a key role in ensuring the financial viability and sustainability of the municipality.

All role-players would need to collectively contribute to ensure not only the financial sustainability of the municipality, but also the economic progression of its citizenry.

The following table is a summary of the revenue budget over the MTREF (classified by main revenue source):

Table 2 Consolidated Overview of the 2025/2026 MTREF

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue		0	0		0	0	0	0	0	0	0
Exchange Revenue		-	-	-	-	-	-	-	-	-	-
Service charges - Electricity	2	200 313	210 201	230 904	262 129	259 136	259 136	259 136	291 114	302 005	315 893
Service charges - Water	2	85 578	86 449	87 795	90 492	92 029	92 029	92 029	101 466	106 931	112 674
Service charges - Waste Water Management	2	82 693	78 406	67 358	80 372	79 624	79 624	79 624	80 729	85 108	89 651
Service charges - Waste Management	2	33 409	45 502	44 964	53 852	50 983	50 983	50 983	52 852	55 710	58 717
Sale of Goods and Rendering of Services		7 259	6 867	7 520	9 687	10 072	10 072	10 072	8 000	8 255	8 673
Agency services		2 423	2 501	2 498	2 840	2 840	2 840	2 840	2 663	2 726	2 786
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		12 131	17 120	13 243	13 870	12 458	12 458	12 458	13 965	13 205	12 490
Interest earned from Current and Non Current Assets		3 747	8 035	13 203	12 448	12 448	12 448	12 448	12 573	12 698	13 333
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 255	1 124	1 354	2 210	1 610	1 610	1 610	1 569	1 663	1 760
Licence and permits		1 091	1 196	1 427	565	661	661	661	665	704	736
Special rating levies	0	-	-	-	-	-	-	-	-	-	-
Operational Revenue		2 082	3 683	7 415	2 800	9 667	9 667	9 667	6 728	5 572	6 378
Non-Exchange Revenue		-	-	-	-	-	-	-	-	-	-
Property rates	2	157 194	151 413	178 261	191 257	193 250	193 250	193 250	214 575	225 940	237 689
Surcharges and Taxes	-	-	-	1 420	1 589	1 441	1 441	1 441	1 547	1 861	2 213
Fines, penalties and forfeits		54 430	46 722	60 451	50 836	52 397	52 397	52 397	55 024	57 971	61 116
Licences or permits		-	-	-	796	796	796	796	819	846	854
Transfer and subsidies - Operational		141 588	155 970	166 503	176 893	187 996	187 996	187 996	211 047	205 089	209 108
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		11 486	2 064	14 750	14 835	13 953	13 953	13 953	14 788	15 555	16 381
Gains on disposal of Assets		-	441	-	3 950	3 950	3 950	3 950	-	-	-
Other Gains		-	18 011	8 370	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributi		799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420

Table 3 Growth in revenue by main revenue source

Description	2025/26 Medium Term Revenue & Expenditure Framework				
	Budget Year 2025/26	Growth %	Budget Year +1 2026/27	Growth %	Budget Year +2 2027/28
Revenue By Source					
Property rates	216 122 481	5.40	227 801 173	5.31	239 901 931
Service charges - electricity revenue	291 114 181	3.74	302 004 917	4.60	315 892 633
Service charges - water revenue	101 466 087	5.39	106 931 349	5.37	112 673 689
Service charges - sanitation revenue	80 728 986	5.42	85 107 884	5.34	89 651 170
Service charges - refuse revenue	52 852 109	5.41	55 709 671	5.40	58 716 845
Service charges - other	8 000 044	3.18	8 254 709	5.06	8 672 757
Rental of facilities and equipment	1 569 156	5.96	1 662 749	5.82	1 759 501
Interest earned - external investments	12 572 733	1.00	12 698 460	5.00	13 333 383
Interest earned - outstanding debtors	16 397 104	(6.11)	15 394 424	(6.07)	14 460 161
Surcharges and Taxes	55 023 901	5.36	57 971 042	5.42	61 115 805
Licences and permits	1 483 969	4.48	1 550 421	2.54	1 589 816
Agency services	2 662 968	2.38	2 726 229	2.18	2 785 616
Transfers and subsidies	211 047 250	(2.82)	205 088 902	1.96	209 107 733
Other revenue	21 516 137	(1.81)	21 127 089	7.73	22 759 268
Total Revenue (excluding capital transfers and contributions)	1 072 557 106	2.93	1 104 029 019	4.38	1 152 420 308

The table above illustrates the growth in sources of revenue from the first to the second and shows a further increase from the second to the 3rd year of the MTREF caused mainly by a sharp increase in grant allocations in the 3rd year of the MTREF.

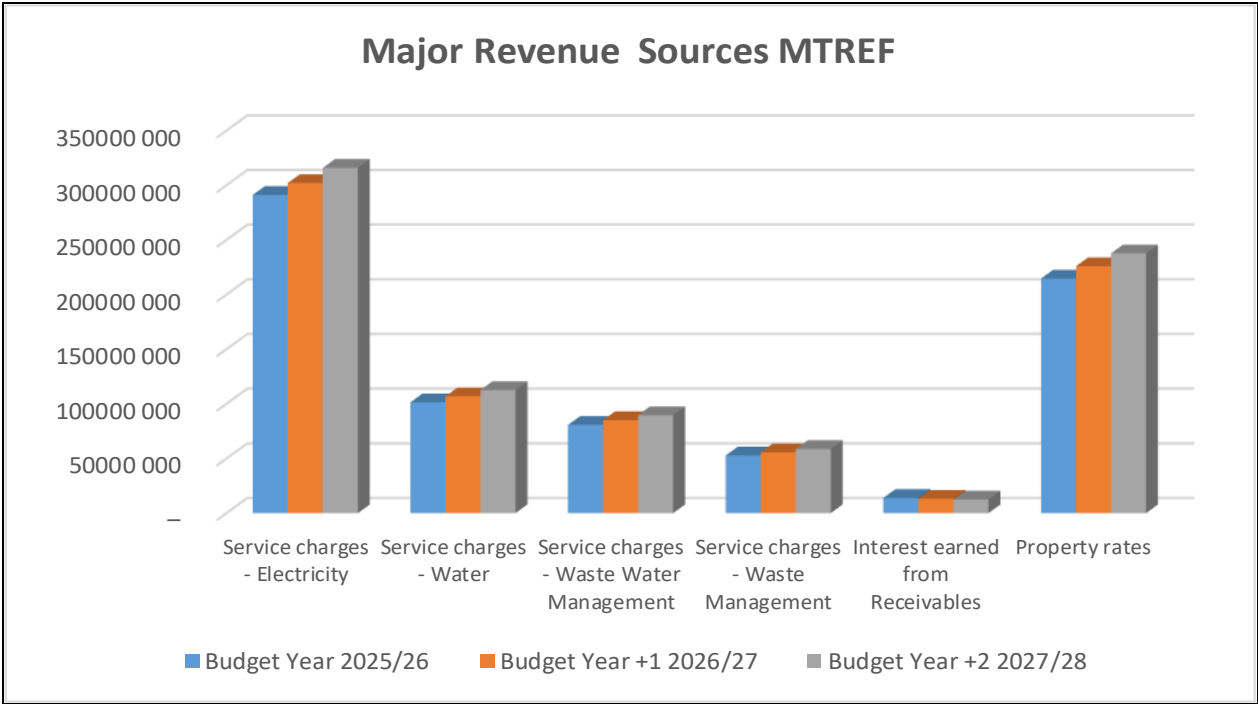
Table 4 Major sources of revenue

The major sources of revenue for the financial year can be summarised as follows:

Main Sources of revenue		
Source	Amount	%
Property rates	216 122 481	20.15
Electricity revenue	291 114 181	27.14
Water revenue	101 466 087	9.46
Sanitation revenue	80 728 986	7.53
Refuse revenue	52 852 109	4.93
Transfers and subsidies	211 047 250	19.68
Other revenue	119 226 012	11.12
Total	1 072 557 106	100.00

Revenue generated from services charges remain the major source of revenue for the municipality amounting to 49.06 per cent of total revenue. The second largest source of revenue is assessment rates with transfers and subsidies making up the 3rd highest contributor to the revenue basket.

Figure 1 Major revenue sources over the MTREF



Tariff Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges are revised under normal circumstances, local economic conditions, input costs and the affordability of services are considered to ensure the financial sustainability of the Municipality. The setting of tariffs in this budget was extremely difficult, especially considering the economic environment that we are currently in, coupled to the last few years of financial under-performance caused by a combination of an inadequate financial strategy and under-recovery of the cost associated with the rendering of services.

The municipality is continuing in its endeavour to ensure that all tariffs become and remain cost reflective thus consideration for this year’s tariff setting was once more the principle of cost recovery and setting cost reflective tariffs that will support the long-term financial sustainability of the municipality as well as quality of service rendering.

Municipalities also use benchmarking to ensure that the tariffs we apply are within the industry norm as operational requirements and service standards of comparable sizes and demographics of municipalities are similar and a deviation from this norm will give an indication of whether a municipality may be heading for disaster in the application of its tariff strategy.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rates tariff is therefore an integral part of the municipality’s budgeting process.

The municipality is implementing a new general valuation roll with effect from 1 July 2025, the valuation date determined in accordance with the prescripts of the Municipal Property Rates Act (MPRA) is 1 July 2024. Owners have been notified of the new valuations, and the objection period has lapsed and the objections are currently under consideration by the municipal valuer.

The municipality, in accordance with the MPRA performed a revenue neutrality action to mitigate the effect of the increased valuations on the amount of rates payable by customers. This principle will ensure that ratepayers are not overburdened by the tariff applied to the new valuations and will ensure only a moderate increase in the assessment rates revenue basket for the 2025/2026 financial year and beyond.

The municipality needed to make provision for objections and appeals to the valuations and had no alternative but to build in a safeguard/buffer in the tariff to ensure that revenue growth is secured and that the financial viability and sustainability of the municipality is not compromised through the implementation of the valuation roll.

A reduction in the assessment rate tariff (c/R) to be applied on the valuations is recommended for the 2025/2026 financial year, the reduction amounts to between 16.25% and 16.41% depending on the category of property and will bring the cent in the Rand rate in respect of residential properties down from 0.00638 to 0.00534.

It must be emphasized that the municipality cannot guarantee nor mitigate the effect that the increase in valuation has on each property owner individually, the rates revenue is determined as a total amount on the combined value of each category of property which could have a significantly different effect from one household to another.

Ratepayers were invited to study the newly determined valuations and if dissatisfied, lodge an objection to the valuation roll entry on the prescribed form readily available from all municipal offices and on the municipal website.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rates ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be a minimum of 0,25:1. The implementation of these regulations were done in the previous budget process and the Property Rates Policy of the Municipality was amended accordingly.

The following stipulations in the Property Rates Policy are still relevant and therefore highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- The first R 350,000 of value is exempted from the levying of assessment rates where properties are located in sub-economic areas.
- To qualify for the rebates and exemptions a property must be categorized as residential.
- The Municipality may award a 100 percent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or

organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a relief.

- Bona-fide agricultural properties will receive a rebate of 75% on assessment rates in accordance with the ratio determination between agricultural and residential properties as determined by the Minister of Local Government as per Section 83 of the Municipal Property Rates Act in 2009, being a ratio of 0.25:1 or a 75% rebate. Conditions to qualify for the rebate are set out in the municipal rates policy.
- Further ratios, rebates and tariffs are contained in the annual tariff schedule accompanying the main budget document.

The first special rating area in the history of Bitou Municipality was introduced in the 2023/2024 financial year for the area of Natures Valley, the surcharge on the current assessment rate charge will again be applied to the property owners of Natures Valley only, the additional revenue generated will be allocated for the special programs identified by the Natures Valley Special Rating Area representative body in accordance with the budget that was submitted to the municipality as required by the Special Rating area By-law. The Natures Valley SRA budget was included in the budget documents for public scrutiny.

The additional rates collected are paid over to the NVSRA on a monthly basis to fund the budget submitted to the municipality annually in accordance with the SRA By-law. Provision is made for an administrative fee and a non-payment percentage combined, estimated to be approximately 5% in total. It is proposed therefore that a surcharge of R 0.00092 in the Rand remain unchanged for the 2025/2026 financial year and be applied on the valuation of all properties in the Natures Valley area.

The Natures Valley SRA budget is attached to the budget as Annexure "M" and sets out the programs and planning in respect of the additional revenue raised through the implementation of the special rate. The budget submitted is in accordance with the Special Rating Area By-law presented for approval by council as part of the annual budget process.

To further increase and supplement revenue, additional sources of revenue must be explored on a continuous basis, the revenue enhancement strategy is designed to address this, and has already shown positive results. It is very important that an environment for economic development is created through the provision of high quality reliable municipal services and the budget strategy support this principle.

Table 5 Comparison of Assessment rate tariff

Category	Current Tariff (1 July 2024)	Tariff (From 1 July 2025)
	C	C
Residential properties	.00638	.00534
Vacant residential properties	.00829	.00693
Institutional Public Benefit Org	.00160	.00134
Agricultural	.00160	.00134
Commercial Properties	.01064	.00890
Industrial Properties	.01064	.00890

The assessment rates tariff is decreased with between 16.25% and 16.41% depending on the category of property and the rand value of additional total rates revenue is anticipated to increase just above the upper limit of inflation targets for 2025/2026 save for the allowance for objections and appeals against the valuation roll values. An increase in the amount of revenue generated from assessment rates is necessary to cover the ever increasing cost to render services, such cost include the increase in the cost of labour, the fuel price increase, the increase in the price of goods and services necessary to render essential as well as community and general municipal services, the increase in maintenance and operational cost of municipal facilities, equipment and infrastructure.

From an analysis of the cost factors that necessary to provide an array of general and institutional as well as community related services, it is evident that community and general services are still cross subsidized from service charges and the move towards cost reflective tariff setting coupled with a proper costing system will address this anomaly in future budgets.

1.4.2 Sale of Water and Impact of Tariff Increases

Although most of the summer rainfall areas received good rainfall, South Africa remains a water scarce country and faces similar challenges regarding water supply as it did with electricity, since demand growth outstrips supply. National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion.
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.
- Municipalities are urged by national treasury to limit water supplied to subsidised and indigent customers, not to exceed the free allocation.

Better maintenance of infrastructure, the replacement of failing water mains, the installation of smart metering devices and cost-reflective tariffs will ensure that the supply challenges are managed to ensure long term sustainability. To ensure the continued levels of service delivery and to prevent disruptions in supply, the municipality has decided to focus its resources for the

coming financial year on the improvement of water quality and to curb unaccounted losses, a special focus area is the replacement of old water mains that has reached the end of its economic life, and which is causing service interruptions through frequent pipe bursts.

The municipality is setting aside a budget to assist the indigent customers with small repairs and leaks that will ensure the curbing of water losses and limit consumption to within the subsidized quantities.

A water resource management plan is in development and aim to secure sufficient water resources for Bitou communities for the foreseeable future.

An initial assessment to determine whether the current water tariffs are cost reflective, indicate that they are, consideration should however still be made for the allocation of interdepartmental charges in accordance with an acceptable costing model once this is done a tariff strategy for the MTREF will further be developed.

The municipality continues to ensure appropriate accounting for revenue foregone in respect of indigent households, the basic/minimum charge that is charged and aims to recover the basic charge as well as the consumption of the first 25kl of water per month, was split in the tariff list to clearly indicate what portion can be regarded as the basic charge and what portion is regarded as being the minimum consumption charge to cover the first 25 kilolitres for non-indigent households. The splitting of the charge in 2 different cost components have no influence on the amount charged for basic/minimum as contained in the tariff listing that forms part of the budget tariff schedule.

A tariff increase of 5.4 per cent from 1 July 2025 for water is determined, this proposed increase is in line with the upper limit of the inflation target of the reserve bank and needs to cover the cost of increase in commodity prices which in turn influences the price of materials, chemicals, components, spares, plant and equipment used in operational and maintenance activities associated with the service, these elements continue to increase above CPI and the municipality has little alternative to increase the price of water to ensure protect the financial viability and ensure the sustainability of the service.

The free allocation of 6 kℓ of water per month will still only be granted to registered indigent consumers in accordance with the National Treasury guideline.

Table 6 Comparison of Commercial water tariffs

CATEGORY	CURRENT TARIFFS 2024/25 15% VAT Excl.	TARIFFS 2025/2025 15% VAT Excl.
	Rand per kℓ	Rand per kℓ
BUSINESS/COMMERCIAL/OTHER		
0 - 60 kilolitres	R 15.02	R 15.83
61 - 100 kilolitres	R 33.97	R 35.80
101 - 200 kilolitres	R 38.84	R 40.94
Above 200 kilolitres - Excluding Laundromats	R 43.66	R 46.02

CATEGORY	CURRENT TARIFFS 2024/25 15% VAT Excl.	TARIFFS 2025/2025 15% VAT Excl.
	Rand per kℓ	Rand per kℓ
Above 200 kilolitres – Laundromats	R 38.84	R 40.94

The Residential Tariff structure is as follows:

Table 7 Comparison of Residential water tariffs

CATEGORY – RESIDENTIAL AND CHURCHES	CURRENT TARIFFS 2024/25 15% VAT Excl.	TARIFFS 2025/2026 15% VAT Excl.
	Rand per kℓ	Rand per kℓ
0 - 25 kilolitres (included in minimum charge)	R -	R -
26 - 30 kilolitres	R 10.89	R 11.48
31 - 40 kilolitres	R 15.24	R 16.06
41 - 50 kilolitres	R 18.48	R 19.48
51 - 60 kilolitres	R 23.90	R 25.19
61 - 70 kilolitres	R 30.43	R 32.07
Above 70 kilolitres	R 59.79	R 63.02

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. It has confirmed that the price increase to municipalities will equal 11.32%, this will translate into an approximate increase of 9.9 % to municipal customers. The proposed tariff increase is subject to final approval from NERSA and will be implemented with effect from 1 July 2025 upon receipt of final approval from the National Energy Regulator.

The municipality has submitted the updated cost of supply study that was initially submitted to NERSA in 2023 for approval, NERSA is in process of considering the application for implementation 1 July 2025. A cost of supply (CoS) study is essential to ensure compliance with the requirements for electricity tariff setting as determined by law. The study provides an assessment of the expenditure and forecasted revenue generated by the sale of electricity. The goal of the CoS study is to fairly and as equitably as possible distribute the expenses associated with providing services to each customer group. The study aimed to do this by achieving the following objectives:

- Review the current tariff structure.
- Assess the expenses incurred in the provision of electricity services to customers.
- Determine the revenue requirement for the electricity trade service.
- Determine the cost reflective unit tariffs.
- Assess the effectiveness of the current tariff structure in recovering the revenue requirement.
- Redesign of the tariff structure where appropriate.
- Present a tariff application to NERSA for the 2025/2026 financial year.

As the updating of the Cost of Supply study as well as associated final proposed were done and the proposed tariffs after restructuring was be distributed as part of the budget documents for public input whereafter it accompanied the tariff application to NERSA for final consideration.

It must be emphasized that the tariffs contained in the COS tariff listing are final proposed tariffs and have been submitted to NERSA for consideration and approval, should the final approved tariffs be different from that in the tariff schedule, it will be made public after the NERSA tariff approval outcome.

NERSA has indicated that they will not consider tariff applications that are not supported by a Cost of Supply study, and it was therefore of essence that it once again be submitted to NERSA for consideration. Upon approval from NERSA the new tariff structure will be implemented as per the approval granted.

Consideration must be given to the fact that the continuing above normal electricity tariff increases, coupled with the prolonged loadshedding, is causing the growth in electricity consumption to diminish as municipal customers are becoming more energy wise and small scale embedded generation becomes more of a reality, this will have a negative impact on the municipality's revenue from electricity and will put further pressure on the financial performance of the municipality in these difficult economic times.

The indigent subsidy policy of the municipality allows for a subsidy of 50 kWh of free electricity per month to registered indigents and households with 30 Ampère lifeline connections. The municipality has however, as a past practice continued to provide customers residing in defined sub-economic areas with 50 units of free electricity per month, this is done in contradiction of the National Treasury guide on the subsidization of indigent households through the equitable share and is costing the municipality an amount of R 2,005,211 per annum from own resources.

There was no appetite to deviate from this policy determination in the past, yet a serious consideration needs to be done in future budget cycles in the interest of the financial sustainability of the municipality.

Only indigent households will be exempted from the payment of basic charges with the requirement that the connection be downgraded to a 20 Ampere lifeline connection in accordance with the National Treasury prescription, all other customers, inclusive of those in previously defined sub-economical areas will be charged a basic charge based on the size of the circuit breaker/customer type.

An extract from the division of revenue bill is included hereunder, clearly indicating the intent of the equitable share to subsidise only indigent households.

"The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities with the least potential to cover these costs from their own revenues.

The basic services component This component helps municipalities provide free basic water, sanitation, electricity and refuse removal services to households that fall below an affordability threshold, in 2025 terms, this monthly income is equivalent to about R4 619 per month."

1.4.4 Sanitation and Impact of Tariff Increases

A general tariff increase of 5.4 per cent for sanitation is recommended from 1 July 2025. This is based on the input cost assumptions relating to the service and the extent to which customers make use of the service. The higher-than-average increase is necessary as the cost associated with the service have increased exponentially over the last number of financial years and tariff increases have not kept up with the actual cost of rendering the service.

Factors adding to the cost are the effect that load shedding still has and the associated cost of alternative energy sources to mitigate the risk that sporadic loadshedding has on the functioning of municipal infrastructure such as the use of generators for the pumping of effluent and the operations of the waste water treatment works, the continuous plundering and vandalism of the sewer infrastructure, especially during periods of power outages, the increase in the cost of protecting the assets, the cost of monitoring the pump stations and associated purification infrastructure as well as the continued rising in the cost of labour, chemicals and especially the rising cost of electricity necessary to provide the service within the legislative requirements.

It should be noted that energy costs contribute a significant portion of wastewater treatment input costs, therefore the electricity as well as the fuel price increase makes it necessary to increase the sewer tariffs in line with the inflationary predictions. A general tariff increase of 5.4% is therefore necessary for sustainable high-quality services.

The following factors also contribute to the tariff increase:

- Free sanitation will be applicable to registered indigents costing the municipality approximately R 33.6 million per annum.
- The total revenue that is expected to be generated from rendering this service amounts to R80,72 million for the 2025/2026 financial year.

Table 8 Comparison of Sanitation tariffs

Category – Single residential	CURRENT TARIFFS 2023/24 15%VAT Excl.	TARIFFS 2024/25 15%VAT Excl.
Sanitation	R6829 per annum	R7198.00 per annum

The tariffs for all categories of customers will be increased with 5.4% per annum.

The following relief measures are available for customers falling outside the indigent threshold:

Category A: Earnings between R 5,201 – R 6,710 - % discount on Basic Sanitation	Rebate of :	40.00%
Category B: Earnings Between R 6,711 – R 8,723 - % discount on Basic Sanitation	Rebate of :	30.00%
Category C: Earnings Between R 8,724 – R 11,340 - % discount on Basic Sanitation	Rebate of :	20.00%
Category D: Earnings Between R 11,341 – R 14,743 - % discount on Basic Sanitation	Rebate of :	10.00%

1.4.5 Waste Removal and Impact of Tariff Increases

The investment in the vehicle fleet of the solid waste removal service in the current year has paid dividends and the refuse service is starting to run smoothly, a testament to this is the fact that the municipality, for the first time in many years, experienced no backlog in refuse removals over the 2024 festive period. A further investment in the vehicle fleet will be done over the MTREF to ensure that the fleet remain in a functional condition.

Further investment in assets to continue rendering a top-class service continues, this includes the provision of wheelie bins to all customers that will ensure appropriate measurement of waste volumes collected from customers. Further development at the waste transfer station is underway and special attention is paid to the reduction of bulky as well as green waste.

The revenue enhancement program has shown that various anomalies are evident in the application of solid waste removal charges and many customers were not charged correctly for the volume of refuse generated and removed by the municipality for a number of years. The corrections to accounts are underway which will add to the revenue base of the service. It is anticipated that corrections will only be fully completed by the end of the 2025/2026 financial year.

The municipal landfill site was closed a few years ago, and in accordance with the solid waste removal strategy, waste is transported to the Gourikwa landfill site of Petro SA on a daily basis. It is common cause that the cost associated with this method of refuse disposal is very costly and unavoidable. The contract with Petro SA comes to an end in June 2025 and the waste will therefore be disposed at the Garden Route District Municipality regional landfill.

The new regional landfill site is in completion stage and Bitou Municipality will take up approximately 11% of the capacity of the landfill site. The municipality will in all probability start disposing of its refuse at the new regional landfill during the latter part of the 2024/2025 financial year upon which payment shall be made to GRDM for the provision of the service.

The actual cost associated with the regional landfill will be determined once it is operational and the exact volumes of disposal are known, it needs to be emphasized that the cost associated with the use of the regional landfill has significantly increased from earlier predictions and estimations, yet the tariff for the ensuing financial year is only increased with 5.4%.

Despite the previous increase in the tariff to cater for the disposal cost at the regional landfill, the service is still running at a deficit as a result of the under recovery of operational cost in respect of business waste, bulky waste and green waste disposal. It is common cause that these services are in addition to the household or business removal and is unavoidably subsidised through the application of the standard waste removal fees.

General tariff increases for residential and business customers of 5.4% for the 2025/2026 financial year is proposed, it must be emphasised that the current tariffs applied to the service are still not cost reflective, but considering the anomalies found through the revenue enhancement program, further tariff increases are held in abeyance.

The fees for disposing of refuse at drop-off sites, especially bulky waste as well as green waste (garden waste) are still not appropriate to cover the cost of rendering the service and a revision of the tariffs are currently underway. It is proposed that the cost reflective tariffs for refuse removal be phased in from the 2026/2027 financial year after the thorough investigation into these tariffs is completed.

The municipality is aiming to implement a tariff methodology based on the input cost data relating to the service and the extent to which customers make use of the service which would be confirmed by the volumes of refuse generated.

It must be emphasized that consumers that fall within the area in which the service is rendered must in accordance with the solid waste removal by-laws make use of the service, there will thus be a charge for the rendering of the service whether refuse is collected or not, consumers are therefore encouraged not to dispose of household or business refuse themselves as it will result in a double charge being made, once for the compulsory use of the service and once for disposal at the transfer station.

The public is urged to refrain from littering and dropping waste in public spaces, and law enforcement staff will be monitoring and acting where illegal dumping occurs. Consumers are also encouraged to recycle at source to reduce the volumes of refuse transported and disposed of at the regional landfill in an effort to limit future tariff increases.

The following table compares current and proposed amounts payable from 1 July 2025:

Table 9 Comparison between current waste removal fees and increases

Category – Domestic/Churches and crèches	CURRENT TARIFFS 2024/25 15%VAT Excl.	TARIFFS 2025/26 15%VAT Excl.
Solid Waste removal	R 4 306.78 per annum	R 4 539.35 per annum

The above tariff comparison is an illustration of the tariff applicable to a single residential consumer, The complete tariff schedule is attached as part of the budget documents.

Similar to the rebate in respect of wastewater tariffs, the following rebates, based on household income will be applied to qualifying applicants.

Relief measures according to income group categories - Domestic		
Category A: R 5,201 – R 6,710 - % discount on Basic Refuse	Rebate of :	40%
Category B: R 6,711 – R 8,723 - % discount on Basic Refuse	Rebate of :	30%
Category C: R 8,724 – R 11,340 - % discount on Basic Refuse	Rebate of :	20%
Category D: R 11,341 – R 14,743 - % discount on Basic Refuse	Rebate of :	10%

The tariff increases in respect of refuse removal are essential to ensure the recovery of all costs associated with the service over the MTREF and to ensure that the service becomes financially viable and remains financially sustainable in the long term. The reasons for the tariff increase are detailed as follows:

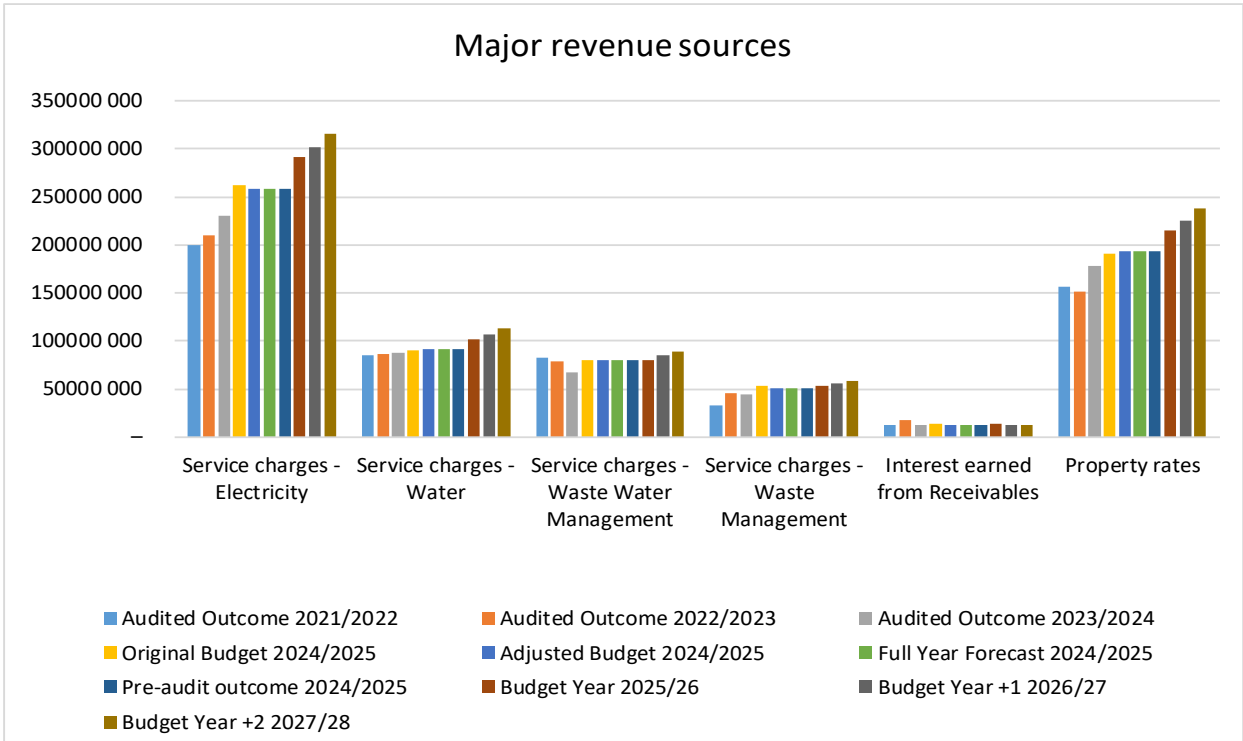
- The increase in the cost of fuel and transport of refuse to landfill sites.

- Participation in the regional landfill
- The increase in the cost of collection and recycling.
- The loan service cost to replacement of Refuse Compactor trucks necessary to ensure that the standards of service can be met.
- The cost of clean-up of illegal dumping and general littering in all areas.
- The cost of clean-up of waste transfer stations as a result of refuse being dumped in contradiction with the rules and by-laws of the municipality.
- The cost of removal of bulky waste not appropriately recovered from persons disposing thereof.
- The cost of transportation and processing garden refuse.
- The cost of security at transfer stations to protect municipal property plant, equipment, staff and the public in general.
- The increase in the general cost of materials and other related goods and services associated with refuse removal.
- The increasing cost of labour for refuse removal and clean-ups of the streets, CBD's and other open spaces on weekends.
- The increase in the cost of consumables necessary to render the service incurred by the municipality.
- The cost to procure and provide wheelie bins to allow for better measurement of waste volumes.
- The cost associated with the provision of skip bins in communities and the removal and disposal of waste collected in the skip bins

The above factors coupled with years of moderate and lower than essential increase percentages have contributed to the fact that the refuse service is still not financially viable as the actual cost of service rendering have not been recovered by the tariffs charged for several years. The completion of the comprehensive cost reflective tariff study will guide the municipality in future refuse tariff setting, especially in respect of sundry and bulk waste removals.

Refuse tariffs are charged per category of consumer as per the list of tariffs attached to the budget and it must be emphasized that customers that do not fall under the definition of single residential are to be billed in accordance with the relevant applicable tariffs in future.

Figure 2 Growth in major own revenue sources over a 7 year horizon



From the graph above, it is evident that electricity has over the 7-year horizon had the highest increases in comparison to the other municipal service charges where increases remained moderate over the 7-year period. It is evident that the electricity tariff increases annually absorbs the bulk of the additional money that household and business alike pay for municipal services.

Property rates steadily increase over the MTREF as the rates base grows coupled with the annual tariff increases.

1.4.6 Overall impact of tariff increases on households

The table following on the next page shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 10 MBRR SA14 – Household bills

WC047 Bitou - Supporting Table SA14 Household bills											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		305.97	163.84	494.14	364.19	364.19	364.19	(16.3%)	304.65	321.10	338.44
Electricity: Basic levy		352.98	379.35	436.60	436.60	436.60	436.60	9.9%	479.80	527.30	579.50
Electricity: Consumption		2 176.63	2 268.54	2 611.07	2 896.21	2 896.21	2 896.21	9.9%	3 182.93	3 498.03	3 844.32
Water: Basic levy		384.73	403.20	222.30	239.00	239.00	239.00	5.4%	251.90	265.50	279.80
Water: Consumption		45.23	47.40	50.65	278.95	278.95	278.95	5.4%	293.90	309.75	326.50
Sanitation		475.13	497.94	531.80	569.08	569.08	569.08	5.4%	599.83	632.25	666.42
Refuse removal		275.69	288.92	308.57	358.90	358.90	358.90	5.4%	378.30	398.73	420.26
Other		-	-	-	-	-	-	-	-	-	-
sub-total		4 016.36	4 049.19	4 655.13	5 142.93	5 142.93	5 142.93	6.8%	5 491.31	5 952.66	6 455.24
VAT on Services		556.56	582.80	624.15	716.81	716.81	716.81	8.5%	778.00	844.73	917.52
Total large household bill:		4 572.92	4 631.99	5 279.28	5 859.74	5 859.74	5 859.74	7.0%	6 269.31	6 797.39	7 372.76
% increase/-decrease			1.3%	14.0%	11.0%	-	-		7.0%	8.4%	8.5%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		215.38	216.63	842.60	3 094.30	-	257.86	(16.3%)	215.70	227.35	239.63
Electricity: Basic levy		352.98	379.35	436.60	436.60	-	436.60	9.9%	479.80	527.30	579.50
Electricity: Consumption		1 155.22	866.04	904.58	1 154.85	-	1 154.85	9.9%	1 269.17	1 394.81	1 532.89
Water: Basic levy		384.73	403.20	222.30	239.00	-	239.00	5.4%	251.90	265.50	279.80
Water: Consumption		-	-	-	224.50	-	224.50	5.3%	236.50	249.25	262.75
Sanitation		475.13	497.94	531.80	569.08	-	569.08	5.4%	599.83	632.25	666.42
Refuse removal		275.69	288.92	308.57	358.90	-	358.90	5.4%	378.30	398.73	420.26
Other		-	-	-	-	-	-	-	-	-	-
sub-total		2 859.13	2 652.08	3 246.44	6 077.23	-	3 240.79	(43.5%)	3 431.20	3 695.19	3 981.24
VAT on Services		396.56	365.32	360.58	447.44	-	447.44	7.8%	482.33	520.18	561.24
Total small household bill:		3 255.69	3 017.40	3 607.01	6 524.67	-	3 688.23	(40.0%)	3 913.53	4 215.36	4 542.48
% increase/-decrease			(7.3%)	19.5%	80.9%	(100.0%)	-		6.1%	7.7%	7.8%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		116.59	488.82	562.62	623.94	-	623.94	9.9%	685.83	753.72	828.33
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		264.86	-	122.19	125.72	-	125.72	5.3%	132.44	139.58	147.14
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		381.45	488.82	684.81	749.66	-	749.66	9.2%	818.27	893.30	975.47
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		381.45	488.82	684.81	749.66	-	749.66	9.2%	818.27	893.30	975.47
% increase/-decrease			28.1%	40.1%	9.5%	(100.0%)	-		9.2%	9.2%	9.2%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)
4. Note this is for a SINGLE household.

1.5 Operating Expenditure Framework

Bitou Municipality's expenditure framework for the 2025/2026 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and informed by community needs and priorities;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high-level summary of the 2025/2026 budget and MTREF (classified per main type of operating expenditure)

Table 11 A4 – Budgeted Financial Performance

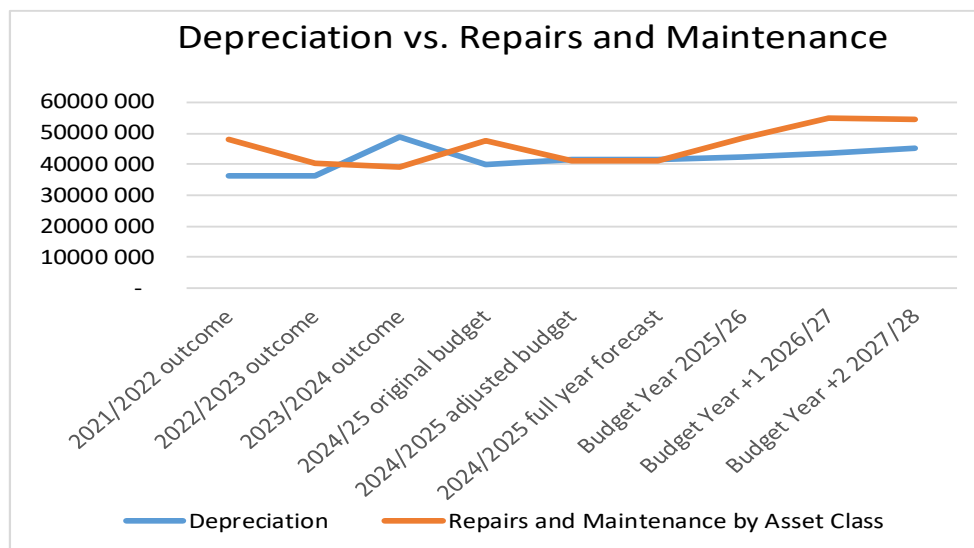
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure By Type										
Employee related costs	278 100	286 329	312 820	370 938	378 617	378 617	378 617	393 991	405 870	425 517
Remuneration of councillors	6 198	6 721	7 376	7 879	7 879	7 879	7 879	7 676	8 037	8 415
Bulk purchases - electricity	159 802	162 599	197 628	231 959	224 959	224 959	224 959	250 425	263 847	280 180
Inventory consumed	14 864	15 349	16 652	18 699	20 461	20 461	20 461	21 128	22 358	20 568
Debt impairment	33 141	28 623	28 480	19 001	19 001	19 001	19 001	24 450	24 319	32 166
Depreciation and amortisation	36 135	36 393	48 851	40 002	41 388	41 388	41 388	42 281	43 749	45 293
Interest	11 102	19 740	20 922	14 063	13 917	13 917	13 917	16 046	21 171	27 178
Contracted services	102 726	72 886	77 655	103 758	115 816	115 816	115 816	135 492	117 840	111 673
Transfers and subsidies	4 527	5 626	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997
Irrecoverable debts written off	93 735	88 945	74 426	61 150	61 150	61 150	61 150	61 650	61 550	59 880
Operational costs	57 505	72 059	76 823	91 144	91 229	91 229	91 229	105 104	108 365	108 846
Losses on disposal of Assets	1 720	1 515	3 217	-	-	-	-	-	-	-
Total Expenditure	799 555	796 787	874 059	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713

The budgeted allocation for employee related costs excluding public office bearer's remuneration for the 2025/2026 financial year totals R 393 990 910 million which equals 36.74 per cent of the total operating expenditure. A provision for a 5.05 % general salary increase is made for the 2025/2026 financial year, provision is also made for notch increases equalling approximately 2.3% and is applicable to employees who have not yet reached the maximum notch of their salary scales.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). There has been no proclamation for the future increase, yet provision is made for a 4.2% increase in the 2025/2026 financial year in accordance with prudent financial management principles and prior year trends.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy as well as the GRAP accounting principles. Budget appropriations in this regard total R 42 280 655 for the 2025/26 financial year and equates to 3.94 percent of the total operating expenditure.

Figure 3 Depreciation compared to repairs and maintenance



The figure above reflects the depreciation charges in comparison to the money spent on repairs and maintenance, it is indicative of an increase in the spending on repairs and maintenance over the 7-year budget horizon. It must be emphasized that the amount reflected above does not include the cost of labour associated with maintenance related activities, when this is added, maintenance cost would in all probability exceed 12% of the value of PPE.

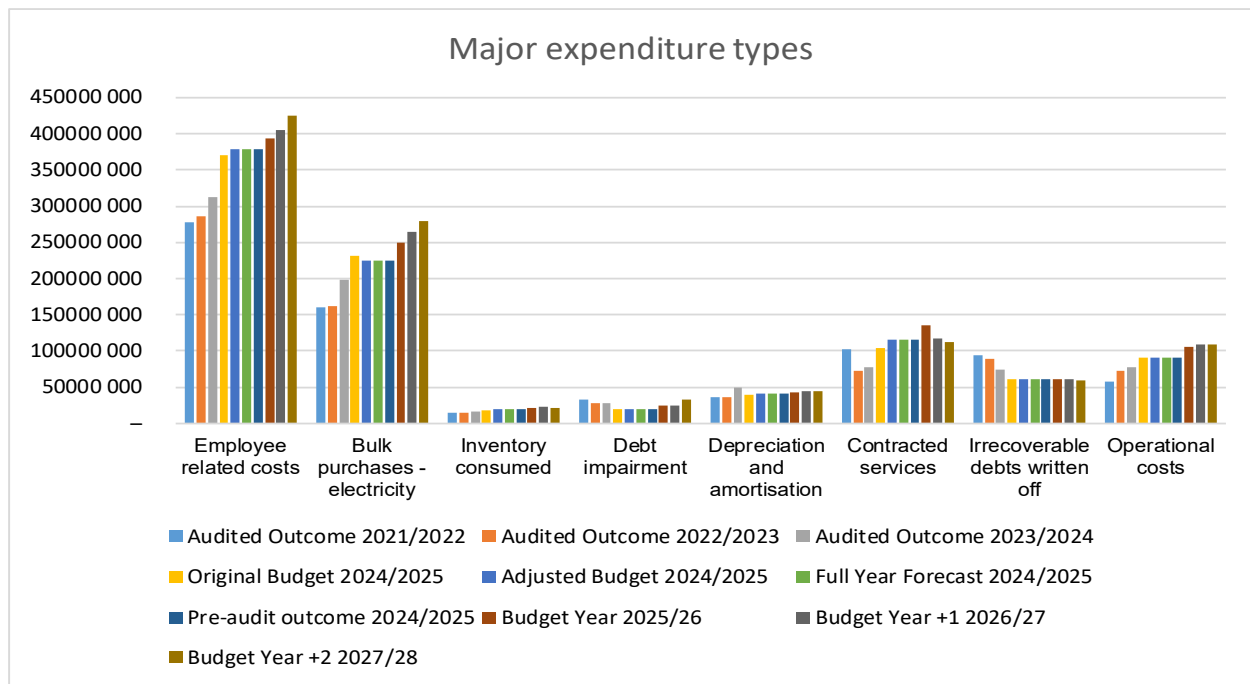
Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.50 per cent or R 16 046 284 of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increase has been factored into the budget appropriations and directly inform the revenue provisions.

A concerted effort is underway to curb electricity as well as water losses as it has a direct bearing on the revenue streams of the municipality and ultimately the financial sustainability. The revenue enhancement program will aid in ensuring accurate services and billing data and assist in the reduction of unaccounted consumption of water and electricity. Inaccessible meters are being replaced by smart meters that will enable reading to be taken without access to properties being necessary, meters will also be moved to outside property fences to ensure accessibility by meter readers, the water by-laws will be amended to include the requirement. The municipality has budgeted in excess of R 250,000 for either the replacement or installation of new and enhanced metering equipment for the 2025/2026 financial year.

Other expenditure comprises of various line items relating to the daily operations of the municipality. The graph below illustrates the major expenditure types over a 7-year horizon.

Figure 4 Major expenditure categories over a 7 year horizon



1.6 Capital expenditure

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

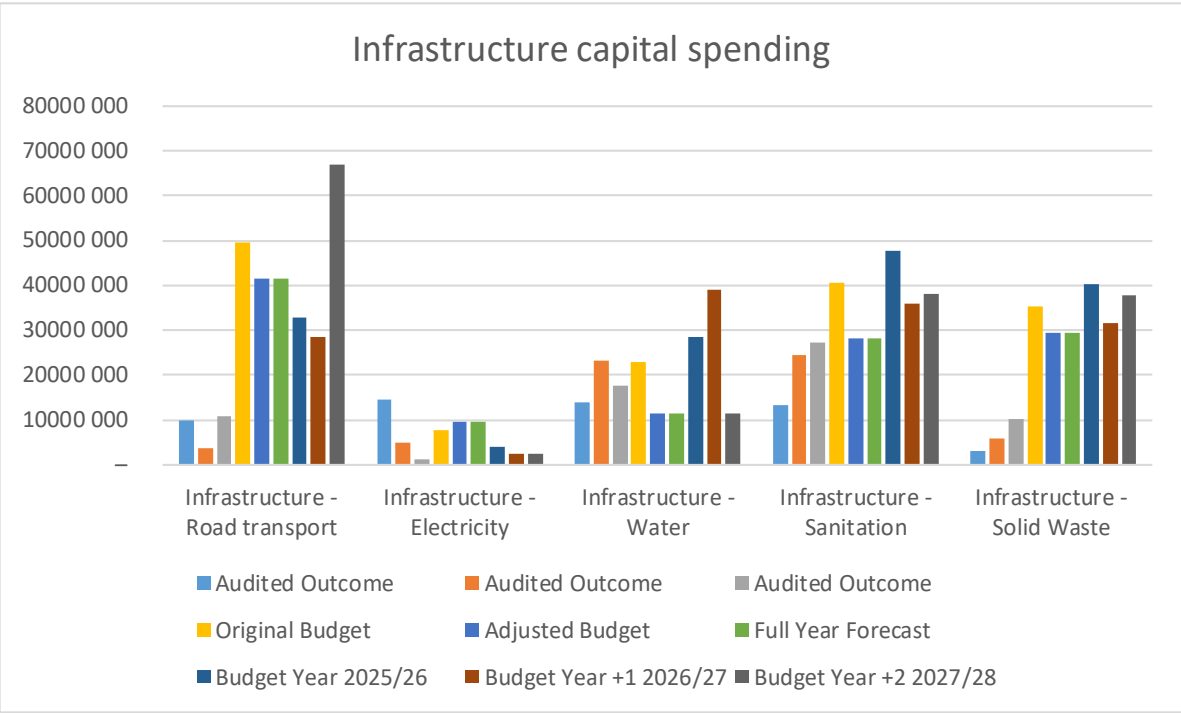
Table 12 2025/2026 Medium-term capital budget per vote

WC047 Bitou - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Capital expenditure - Vote</u>										
<u>Multi-year expenditure to be appropriated</u>										
Vote 3 - Community Services	2 194	699	3 636	4 955	5 011	5 011	3 795	700	8 500	6 500
Vote 4 - Corporate Services	520	2 086	256	868	828	828	789	239	60	30
Vote 5 - Financial Services	-	-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services	18 371	40 411	41 212	143 726	115 969	115 969	82 108	130 662	133 671	137 522
Capital multi-year expenditure sub-total	21 318	44 182	45 103	149 999	122 258	122 258	86 692	132 831	143 281	145 152
<u>Single-year expenditure to be appropriated</u>										
Vote 1 - Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	149	-	492	492	66	-	-	-
Vote 3 - Community Services	4 835	3 957	723	2 704	1 451	1 451	452	14 200	11 086	1 563
Vote 4 - Corporate Services	2 467	26	1 513	1 292	1 273	1 273	1 164	2 013	1 046	716
Vote 5 - Financial Services	2 713	1	33	-	69	69	-	-	-	-
Vote 6 - Economic Development & Planning	-	694	301	-	110	110	1	-	-	-
Vote 7 - Engineering Services	46 052	34 567	56 191	28 073	21 796	21 796	13 493	31 147	19 950	29 460
Capital single-year expenditure sub-total	58 256	40 625	59 208	33 161	26 283	26 283	15 473	48 577	37 082	38 338
Total Capital Expenditure - Vote	79 574	84 807	104 311	183 160	148 541	148 541	102 165	181 408	180 363	183 490

The Capital Budget increases from R148.5 million in 2024/25 to R181,408 million in 2025/26, thereafter it decreases to R 180,363 million for 2026/2027 and increases to R183,490 million in the 2027/2028 financial year, and the total amount of capital investment over the MTREF amounts to R 545.7 million.

Total new assets represent 62.9 percent of the total capital budget, upgrading and renewal of existing assets represent 37.1 percent or R 64.17 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management). In addition to the Table A9, Tables SA34a, b, c, d, e provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. The future operational costs and revenues associated with the capital programme have been included in Table SA35.

Figure 5 Infrastructure Capital spending trend over a 7 year horizon



1.7 Annual Budget Tables

Table 13 MBRR A1 - Budget Summary

WC047 Bitou - Table A1 Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	157 194	151 413	178 261	191 257	193 250	193 250	193 250	214 575	225 940	237 689
Service charges	401 993	420 558	431 020	486 846	481 772	481 772	481 772	526 161	549 754	576 934
Investment revenue	3 747	8 035	13 203	12 448	12 448	12 448	12 448	12 573	12 698	13 333
Transfer and subsidies - Operational	141 588	155 970	166 503	176 893	187 996	187 996	187 996	211 047	205 089	209 108
Other own revenue	94 804	103 971	120 740	105 822	112 045	112 045	112 045	108 201	110 548	115 356
Total Revenue (excluding capital transfers and	799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420
Employee costs	278 100	286 329	312 820	370 938	378 617	378 617	378 617	393 991	405 870	425 517
Remuneration of councillors	6 198	6 721	7 376	7 879	7 879	7 879	7 879	7 676	8 037	8 415
Depreciation and amortisation	36 135	36 393	48 851	40 002	41 388	41 388	41 388	42 281	43 749	45 293
Interest	11 102	19 740	20 922	14 063	13 917	13 917	13 917	16 046	21 171	27 178
Inventory consumed and bulk purchases	174 666	177 949	214 280	250 658	245 420	245 420	245 420	271 553	286 205	300 748
Transfers and subsidies	4 527	5 626	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997
Other expenditure	288 952	264 037	260 712	275 053	287 196	287 196	287 196	326 696	312 074	312 565
Total Expenditure	799 680	796 795	874 170	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713
Surplus/(Deficit)	(355)	43 151	35 558	2 389	1 934	1 934	1 934	247	12 721	21 708
Transfers and subsidies - capital (monetary allocations)	48 270	36 567	50 307	130 854	88 638	88 638	88 638	70 466	64 401	78 633
Transfers and subsidies - capital (in-kind)	325	-	33	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Capital expenditure & funds sources										
Capital expenditure	79 574	84 807	104 311	183 160	148 541	148 541	148 541	181 908	180 363	183 490
Transfers recognised - capital	60 631	33 505	44 924	107 616	84 573	84 573	84 573	66 588	59 863	104 262
Borrowing	-	32 098	35 920	50 033	35 125	35 125	35 125	86 921	72 008	39 100
Internally generated funds	18 943	19 203	23 434	25 511	28 843	28 843	28 843	28 400	48 492	40 128
Total sources of capital funds	79 574	84 806	104 279	183 160	148 541	148 541	148 541	181 908	180 363	183 490
Financial position										
Total current assets	341 997	428 615	560 528	466 245	606 716	606 716	606 716	561 364	577 632	556 787
Total non current assets	1 219 004	1 220 342	1 298 587	1 415 909	1 441 079	1 441 079	1 441 079	1 473 554	1 611 724	1 757 594
Total current liabilities	359 377	391 277	442 316	439 810	480 235	480 235	480 235	462 198	459 489	410 569
Total non current liabilities	134 689	162 293	192 078	199 510	216 846	216 846	216 846	241 864	322 330	395 934
Community wealth/Equity	1 066 943	1 151 922	1 260 061	1 242 834	1 393 387	1 393 387	1 393 387	1 330 857	1 407 978	1 508 319
Cash flows										
Net cash from (used) operating	(1 125 239)	(1 228 181)	(985 993)	153 694	116 658	116 658	116 658	114 255	114 544	142 197
Net cash from (used) investing	(39 401)	26 864	18 009	(179 210)	(150 733)	(150 733)	(150 733)	(181 908)	(180 363)	(183 490)
Net cash from (used) financing	(285)	(2 642)	(17 707)	29 662	20 141	20 141	20 141	44 060	51 881	17 728
Cash/cash equivalents at the year end	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336
Cash backing/surplus reconciliation										
Cash and investments available	58 480	95 078	165 432	60 220	149 202	149 202	149 202	125 446	107 393	54 784
Application of cash and investments	126 307	124 613	157 195	18 952	46 449	46 449	46 449	40 418	6 074	(44 759)
Balance - surplus (shortfall)	(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543
Asset management										
Asset register summary (WDV)	1 209 147	1 220 342	1 298 587	1 415 909	1 441 079	1 441 079		1 440 159	1 579 281	1 726 136
Depreciation	36 135	36 393	48 851	40 002	41 388	41 388		42 281	43 749	45 293
Renewal and Upgrading of Existing Assets	5 513	31 636	34 540	66 117	59 087	59 087		67 495	75 542	56 127
Repairs and Maintenance	47 976	40 393	39 137	47 749	41 188	41 188		48 559	54 890	54 345
Free services										
Cost of Free Basic Services provided	31 370	34 247	(7 289)	74 160	73 859	73 859		85 067	90 003	95 239
Revenue cost of free services provided	5 860	5 189	(1 628)	6 133	6 719	6 719		7 391	7 768	8 172

Table 14 MBRR A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

WC047 Bitou - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		229 606	307 186	314 966	299 323	302 486	302 486	323 396	338 743	354 573
Executive and council		51 060	131 274	101 411	69 660	69 567	69 567	72 422	75 409	77 807
Finance and administration		178 547	175 569	213 407	229 663	232 919	232 919	250 974	263 333	276 766
Internal audit		-	343	148	-	-	-	-	-	-
<i>Community and public safety</i>		83 179	75 841	92 447	170 294	142 712	142 712	144 187	121 470	141 045
Community and social services		11 957	13 318	9 717	12 854	12 862	12 862	12 958	12 985	13 763
Sport and recreation		6 508	1 079	657	301	647	647	318	335	353
Public safety		56 550	49 994	62 927	55 760	57 063	57 063	58 663	61 736	64 938
Housing		8 163	11 450	19 147	101 379	72 140	72 140	72 249	46 413	61 991
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		30 051	12 772	18 246	34 896	40 604	40 604	38 363	41 320	40 016
Planning and development		23 756	12 249	17 798	34 716	40 464	40 464	38 233	37 690	39 870
Road transport		6 295	523	447	180	140	140	130	3 630	146
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		522 425	479 221	533 037	598 522	590 067	590 067	636 335	666 392	694 885
Energy sources		237 965	224 391	250 377	290 482	289 787	289 787	324 704	338 341	353 718
Water management		129 420	113 300	136 621	124 685	123 716	123 716	129 374	137 108	140 981
Waste water management		101 628	91 365	87 815	104 393	101 766	101 766	104 327	109 332	114 610
Waste management		53 411	50 164	58 224	78 961	74 797	74 797	77 929	81 611	85 575
<i>Other</i>	4	463	1 494	1 371	1 086	280	280	741	506	536
Total Revenue - Functional	2	865 725	876 513	960 067	1 104 120	1 076 149	1 076 149	1 143 023	1 168 430	1 231 054
Expenditure - Functional										
<i>Governance and administration</i>		82 581	151 674	192 671	219 347	232 763	232 763	242 067	243 243	251 858
Executive and council		25 710	28 646	40 184	39 356	41 984	41 984	49 365	49 242	50 462
Finance and administration		52 462	118 506	147 604	171 974	184 370	184 370	185 654	187 094	194 261
Internal audit		4 409	4 522	4 882	8 018	6 409	6 409	7 048	6 907	7 135
<i>Community and public safety</i>		148 629	162 056	139 463	186 787	199 298	199 298	214 766	201 475	200 123
Community and social services		29 949	29 060	29 709	33 853	34 746	34 746	36 652	36 858	36 722
Sport and recreation		23 593	17 681	17 584	34 036	34 063	34 063	29 339	29 847	30 800
Public safety		74 765	95 327	77 118	105 313	107 552	107 552	108 748	107 187	106 387
Housing		20 322	19 988	15 052	13 584	22 938	22 938	40 028	27 583	26 214
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		77 632	78 660	76 781	88 465	90 988	90 988	104 314	108 387	107 874
Planning and development		41 841	48 114	45 089	54 048	56 642	56 642	66 834	64 856	64 542
Road transport		35 791	30 546	31 692	34 417	34 346	34 346	37 480	43 531	43 332
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		476 023	390 156	424 937	470 053	454 127	454 127	492 852	519 591	544 317
Energy sources		206 214	198 308	241 995	283 961	272 991	272 991	303 121	319 695	341 349
Water management		86 667	383	75 937	65 895	65 611	65 611	67 544	73 452	77 422
Waste water management		128 045	135 572	44 009	55 469	54 776	54 776	56 786	59 547	56 850
Waste management		55 096	55 893	62 996	64 728	60 748	60 748	65 402	66 897	68 695
<i>Other</i>	4	32 621	14 249	40 319	6 225	8 401	8 401	14 144	14 351	14 568
Total Expenditure - Functional	3	817 485	796 795	874 170	970 877	985 578	985 578	1 068 143	1 087 047	1 118 740
Surplus/(Deficit) for the year		48 240	79 718	85 897	133 243	90 571	90 571	74 880	81 382	112 313

Table 15 MBRR A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

WC047 Bitou - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		R thousand								
Revenue by Vote	1									
Vote 1 - Council		2 918	18	–	3 004	3 004	3 004	3 126	3 250	2 365
Vote 2 - Office of the Municipal Manager		47 808	131 090	101 297	66 655	66 562	66 562	69 295	72 158	75 441
Vote 3 - Community Services		72 403	64 781	68 608	92 135	88 339	88 339	91 224	94 950	99 692
Vote 4 - Corporate Services		610	3 937	2 095	1	1 140	1 140	585	610	636
Vote 5 - Financial Services		177 153	170 953	209 749	224 929	227 275	227 275	249 715	262 009	275 371
Vote 6 - Economic Development & Planning		29 162	23 354	32 427	117 155	86 900	86 900	82 184	54 821	70 876
Vote 7 - Engineering Services		479 121	432 053	482 562	544 481	545 866	545 866	588 232	618 896	641 735
Vote 8 - Public Safety		56 550	50 328	63 329	55 760	57 063	57 063	58 663	61 736	64 938
Total Revenue by Vote	2	865 725	876 513	960 067	1 104 120	1 076 149	1 076 149	1 143 023	1 168 430	1 231 054
Expenditure by Vote to be appropriated	1									
Vote 1 - Council		7 836	8 072	11 819	12 945	12 826	12 826	12 471	12 940	13 535
Vote 2 - Office of the Municipal Manager		13 894	15 948	19 647	22 357	24 125	24 125	42 887	43 733	45 060
Vote 3 - Community Services		109 780	104 707	110 370	129 459	127 352	127 352	131 488	131 012	135 627
Vote 4 - Corporate Services		71 204	64 239	71 905	83 893	96 577	96 577	105 615	107 962	112 527
Vote 5 - Financial Services		31 971	47 102	59 749	70 683	71 559	71 559	70 080	66 443	68 469
Vote 6 - Economic Development & Planning		59 306	59 062	64 455	65 207	76 507	76 507	95 472	84 184	79 542
Vote 7 - Engineering Services		413 099	385 212	413 805	461 348	450 060	450 060	484 315	516 625	540 215
Vote 8 - Public Safety		110 395	112 453	122 420	124 984	126 571	126 571	125 814	124 149	123 765
Total Expenditure by Vote	2	817 485	796 795	874 170	970 877	985 578	985 578	1 068 143	1 087 047	1 118 740
Surplus/(Deficit) for the year	2	48 240	79 718	85 897	133 243	90 571	90 571	74 880	81 382	112 313

It is evident from the table herein above that the bulk of municipal spending is aimed at basic service delivery as the Engineering Services and Community Services combined represent 73.27% of total operational expenditure, Institutional, Financial and Support Services make up the remainder of operational expenses.

Table 16 MBRR A4 - Budgeted Financial Performance (revenue and expenditure)

WC047 Bitou - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	200 313	210 201	230 904	262 129	259 136	259 136	259 136	291 114	302 005	315 893
Service charges - Water	2	85 578	86 449	87 795	90 492	92 029	92 029	92 029	101 466	106 931	112 674
Service charges - Waste Water Management	2	82 893	78 406	67 358	80 372	79 624	79 624	79 624	80 729	85 108	89 651
Service charges - Waste Management	2	33 409	45 502	44 964	53 852	50 983	50 983	50 983	52 852	55 710	58 717
Sale of Goods and Rendering of Services		7 259	6 867	7 520	9 687	10 072	10 072	10 072	8 000	8 255	8 673
Agency services		2 423	2 501	2 498	2 840	2 840	2 840	2 840	2 663	2 726	2 786
Interest earned from Receivables		12 131	17 120	13 243	13 870	12 458	12 458	12 458	13 965	13 205	12 490
Interest earned from Current and Non Current Assets		3 747	8 035	13 203	12 448	12 448	12 448	12 448	12 573	12 698	13 333
Rental from Fixed Assets		1 255	1 124	1 354	2 210	1 610	1 610	1 610	1 569	1 663	1 760
Licence and permits		1 091	1 196	1 427	565	661	661	661	665	704	736
Operational Revenue		2 082	3 683	7 415	2 800	9 667	9 667	9 667	6 728	5 572	6 378
Non-Exchange Revenue											
Property rates	2	157 194	151 413	178 261	191 257	193 250	193 250	193 250	214 575	225 940	237 689
Surcharges and Taxes		-	-	1 420	1 589	1 441	1 441	1 441	1 547	1 861	2 213
Fines, penalties and forfeits		54 430	46 722	60 451	50 836	52 397	52 397	52 397	55 024	57 971	61 116
Licences or permits		-	-	-	796	796	796	796	819	846	854
Transfer and subsidies - Operational		141 588	155 970	166 503	176 893	187 996	187 996	187 996	211 047	205 089	209 108
Interest		2 647	4 242	2 292	1 844	2 202	2 202	2 202	2 433	2 189	1 970
Operational Revenue		11 486	2 064	14 750	14 835	13 953	13 953	13 953	14 788	15 555	16 381
Gains on disposal of Assets		-	441	-	3 950	3 950	3 950	3 950	-	-	-
Other Gains		-	18 011	8 370	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420
Expenditure											
Employee related costs	2	278 100	286 329	312 820	370 938	378 617	378 617	378 617	393 991	405 870	425 517
Remuneration of councillors		6 198	6 721	7 376	7 879	7 879	7 879	7 879	7 676	8 037	8 415
Bulk purchases - electricity	2	159 802	162 599	197 628	231 959	224 959	224 959	224 959	250 425	263 847	280 180
Inventory consumed	8	14 864	15 349	16 652	18 699	20 461	20 461	20 461	21 128	22 358	20 568
Debt impairment	3	33 141	28 623	28 480	19 001	19 001	19 001	19 001	24 450	24 319	32 166
Depreciation and amortisation		36 135	36 393	48 851	40 002	41 388	41 388	41 388	42 281	43 749	45 293
Interest		11 102	19 740	20 922	14 063	13 917	13 917	13 917	16 046	21 171	27 178
Contracted services		102 726	72 886	77 655	103 758	115 816	115 816	115 816	135 492	117 840	111 673
Transfers and subsidies		4 527	5 626	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997
Irrecoverable debts written off		93 735	88 945	74 426	61 150	61 150	61 150	61 150	61 650	61 550	59 880
Operational costs		57 505	72 059	76 823	91 144	91 229	91 229	91 229	105 104	108 365	108 846
Losses on disposal of Assets		1 720	1 515	3 217	-	-	-	-	-	-	-
Other Losses		125	9	111	-	-	-	-	-	-	-
Total Expenditure		799 680	796 795	874 170	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713
Surplus/(Deficit)		(355)	43 151	35 558	2 389	1 934	1 934	1 934	247	12 721	21 708
Transfers and subsidies - capital (monetary allocations)	6	48 270	36 567	50 307	130 854	88 638	88 638	88 638	70 466	64 401	78 633
Transfers and subsidies - capital (in-kind)	6	325	-	33	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-

Table 17 MBRR A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

WC047 Bitou - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure - to be appropriated											
Vote 3 - Community Services		2 194	699	3 636	4 955	5 011	5 011	3 795	700	8 500	6 500
Vote 4 - Corporate Services		520	2 086	256	868	828	828	789	239	60	30
Vote 6 - Economic Development & Planning		12	-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		18 371	40 411	41 212	143 726	115 969	115 969	82 108	130 662	133 671	137 522
Vote 8 - Public Safety		222	987	-	450	450	450	-	1 230	1 050	1 100
Capital multi-year expenditure sub-total			21 318	44 182	45 103	149 999	122 258	122 258	86 692	132 831	143 281
Single-year expenditure - to be appropriated	2										
Vote 2 - Office of the Municipal Manager		-	-	149	-	492	492	66	-	-	-
Vote 3 - Community Services		4 835	3 957	723	2 704	1 451	1 451	452	14 200	11 086	1 563
Vote 4 - Corporate Services		2 467	26	1 513	1 292	1 273	1 273	1 164	2 013	1 046	716
Vote 5 - Financial Services		2 713	1	33	-	69	69	-	-	-	-
Vote 6 - Economic Development & Planning		-	694	301	-	110	110	1	-	-	-
Vote 7 - Engineering Services		46 052	34 567	56 191	28 073	21 796	21 796	13 493	31 147	19 950	29 460
Vote 8 - Public Safety		2 189	1 380	298	1 092	1 092	1 092	296	1 217	5 000	6 600
Capital single-year expenditure sub-total		58 256	40 625	59 208	33 161	26 283	26 283	15 473	48 577	37 082	38 338
Total Capital Expenditure - Vote	3,7	79 574	84 807	104 311	183 160	148 541	148 541	102 165	181 408	180 363	183 490
Capital Expenditure - Functional											
Governance and administration		19 190	2 549	17 223	9 350	10 440	10 440	8 287	2 904	3 806	846
Executive and council		-	-	149	-	492	492	66	-	-	-
Finance and administration		19 190	2 549	17 073	9 350	9 948	9 948	8 200	2 904	3 806	846
Community and public safety		5 665	5 607	4 207	6 302	7 253	7 253	4 073	9 695	20 636	12 763
Community and social services		605	2 352	3 909	304	1 798	1 798	470	-	-	-
Sport and recreation		2 774	921	-	4 455	4 455	4 455	3 522	7 700	14 586	5 063
Public safety		2 286	2 334	298	1 542	1 000	1 000	81	1 995	6 050	7 700
Economic and environmental services		9 984	9 570	12 288	47 401	43 636	43 636	29 894	37 819	34 046	70 163
Planning and development		-	435	301	-	110	110	1	50	50	50
Road transport		9 984	9 135	11 987	47 401	43 527	43 527	29 893	37 769	33 996	70 113
Trading services		44 734	67 081	70 593	120 108	87 211	87 211	59 931	131 490	121 875	99 718
Energy sources		19 459	25 395	19 492	26 065	14 658	14 658	6 780	30 399	41 763	13 544
Water management		17 352	25 002	33 290	45 070	32 315	32 315	23 155	54 264	42 467	44 772
Waste water management		4 273	15 302	17 811	46 673	39 488	39 488	29 546	39 727	34 646	38 402
Waste management		3 650	1 382	-	2 300	750	750	470	7 100	3 000	3 000
Total Capital Expenditure - Functional	3,7	79 574	84 807	104 311	183 160	148 541	148 541	102 165	181 908	180 363	183 490
Funded by:											
National Government		42 019	26 721	29 398	29 331	26 792	26 792	22 111	25 853	30 250	29 080
Provincial Government		18 287	6 741	15 527	78 285	57 782	57 782	46 468	40 735	29 613	75 182
District Municipality		-	43	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		325	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	60 631	33 505	44 924	107 616	84 573	84 573	68 579	66 588	59 863	104 262
Borrowing	6	-	32 098	35 920	50 033	35 125	35 125	16 878	86 921	72 008	39 100
Internally generated funds		18 943	19 203	23 434	25 511	28 843	28 843	16 708	28 400	48 492	40 128
Total Capital Funding	7	79 574	84 806	104 279	183 160	148 541	148 541	102 165	181 908	180 363	183 490

Table 18 MBRR A6 - Budgeted Financial Position

WC047 Bitou - Table A6 Budgeted Financial Position											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		48 623	95 078	165 432	60 220	149 202	149 202	149 202	125 446	107 393	54 784
Trade and other receivables from exchange transactions	1	33 291	50 064	54 528	75 841	73 047	73 047	73 047	72 190	79 755	82 300
Receivables from non-exchange transactions	1	30 951	11 418	40 213	97 230	81 355	81 355	81 355	62 108	88 692	117 729
Current portion of non-current receivables		11	9	9	11	9	9	9	9	9	9
Inventory	2	16 358	15 357	15 845	20 180	18 448	18 448	18 448	16 948	16 948	16 948
VAT		212 584	256 271	283 602	212 584	283 602	283 602	283 602	283 602	283 602	283 602
Other current assets		180	418	898	180	1 052	1 052	1 052	1 061	1 233	1 414
Total current assets		341 997	428 615	560 528	466 245	606 716	606 716	606 716	561 364	577 632	556 787
Non current assets											
Investments		9 857	-	-	-	-	-	-	-	-	-
Investment property		12 692	12 692	14 050	12 692	14 050	14 050	14 050	14 050	14 049	14 048
Property, plant and equipment	3	1 196 419	1 207 615	1 284 499	1 403 181	1 426 992	1 426 992	1 426 992	1 459 467	1 597 637	1 743 508
Heritage assets		35	35	38	35	38	38	38	38	38	38
Total non current assets		1 219 004	1 220 342	1 298 587	1 415 909	1 441 079	1 441 079	1 441 079	1 473 554	1 611 724	1 757 594
TOTAL ASSETS		1 561 001	1 648 957	1 859 115	1 882 153	2 047 795	2 047 795	2 047 795	2 034 919	2 189 356	2 314 380
LIABILITIES											
Current liabilities											
Financial liabilities		21 828	19 531	20 425	1 103	41 876	41 876	41 876	41 890	42 113	16 441
Consumer deposits		9 848	10 793	11 362	9 848	11 362	11 362	11 362	11 362	11 362	11 362
Trade and other payables from exchange transactions	4	75 213	92 091	125 575	86 278	153 519	153 519	153 519	129 577	131 265	113 405
Trade and other payables from non-exchange transactions	5	(9 496)	(17 007)	(31 403)	(13 526)	(43 017)	(43 017)	(43 017)	(37 294)	(42 234)	(47 960)
Provision		53 985	39 585	47 936	116 950	48 075	48 075	48 075	48 243	48 564	48 900
VAT		207 999	246 284	268 421	239 157	268 421	268 421	268 421	268 421	268 421	268 421
Total current liabilities		359 377	391 277	442 316	439 810	480 235	480 235	480 235	462 198	459 489	410 569
Non current liabilities											
Financial liabilities	6	66 876	82 764	107 718	130 734	106 408	106 408	106 408	130 313	182 413	225 813
Provision	7	9 358	13 052	13 801	10 320	13 801	13 801	13 801	13 801	13 801	13 801
Other non-current liabilities		58 456	66 477	70 559	58 456	96 636	96 636	96 636	97 750	126 116	156 320
Total non current liabilities		134 689	162 293	192 078	199 510	216 846	216 846	216 846	241 864	322 330	395 934
TOTAL LIABILITIES		494 067	553 570	634 394	639 320	697 080	697 080	697 080	704 062	781 819	806 503
NET ASSETS		1 066 934	1 095 387	1 224 721	1 242 834	1 350 715	1 350 715	1 350 715	1 330 857	1 407 537	1 507 878
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	1 048 393	1 121 972	1 183 380	1 167 034	1 316 706	1 316 706	1 425 898	1 254 176	1 331 297	1 431 638
Reserves and funds	9	18 550	29 950	76 681	75 800	76 681	76 681	76 681	76 681	76 681	76 681
TOTAL COMMUNITY WEALTH/EQUITY	10	1 066 943	1 151 922	1 260 061	1 242 834	1 393 387	1 393 387	1 502 579	1 330 857	1 407 978	1 508 319

Table 19 MBRR A7 - Budgeted Cash Flow Statement

WC047 Bitou - Table A7 Budgeted Cash Flows											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		26 295	433	644	175 067	174 808	174 808	174 808	193 054	203 509	214 306
Service charges		32 114	-	-	434 972	435 238	435 238	435 238	484 812	516 605	542 582
Other revenue		9 192	-	67	26 596	23 531	23 531	23 531	36 782	38 272	40 771
Transfers and Subsidies - Operational	1	120 285	462	6 262	176 723	185 015	185 015	185 015	211 047	205 089	209 108
Transfers and Subsidies - Capital	1	-	-	-	130 854	88 638	88 638	88 638	70 466	64 401	78 633
Interest		3 593	10 179	11 284	12 448	12 448	12 448	12 448	12 573	12 698	13 333
Payments											
Suppliers and employees		(1 316 717)	(1 239 255)	(1 004 250)	(776 920)	(776 920)	(776 920)	(776 920)	(866 048)	(892 360)	(920 065)
Interest		(1)	-	-	(14 063)	(13 917)	(13 917)	(13 917)	(16 046)	(21 171)	(27 178)
Transfers and Subsidies	1	-	-	-	(11 983)	(12 183)	(12 183)	(12 183)	(12 383)	(12 498)	(9 292)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 125 239)	(1 228 181)	(985 993)	153 694	116 658	116 658	116 658	114 255	114 544	142 197
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	3 950	3 950	3 950	3 950	-	-	-
Decrease (increase) in non-current investments		(750)	9 857	-	-	-	-	-	-	-	-
Payments											
Capital assets		(38 651)	17 007	18 009	(183 160)	(154 683)	(154 683)	(154 683)	(181 908)	(180 363)	(183 490)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(39 401)	26 864	18 009	(179 210)	(150 733)	(150 733)	(150 733)	(181 908)	(180 363)	(183 490)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Borrowing long term/refinancing		-	-	-	50 033	40 545	40 545	40 545	64 400	74 808	43 400
Increase (decrease) in consumer deposits		(285)	(341)	568	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	(2 300)	(18 275)	(20 372)	(20 404)	(20 404)	(20 404)	(20 340)	(22 927)	(25 672)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(285)	(2 642)	(17 707)	29 662	20 141	20 141	20 141	44 060	51 881	17 728
NET INCREASE/ (DECREASE) IN CASH HELD											
		(1 164 926)	(1 203 959)	(985 691)	4 146	(13 934)	(13 934)	(13 934)	(23 593)	(13 938)	(23 565)
Cash/cash equivalents at the year begin:	2	73 465	48 627	95 078	59 740	165 432	165 432	165 432	165 432	141 839	127 901
Cash/cash equivalents at the year end:	2	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336
References											

The cash flow budget shows that a decrease in cash held is anticipated for the 2025/2026 financial year where-after the liquidity position continues to decline over the MTREF up to the 2027/2028 financial year, a reduction in the liquidity position is anticipated over the MTREF at the current rate of expenditure and the debtor's collection rate failing to rise above 90%. The municipality will need to put in a concerted effort to collect all debt due, especially in the Eskom distribution areas. Concerted efforts are also necessary to ensure value for money spending and reducing of cost in all areas of work.

A conservative budgeting approach is used, where revenue is slightly underestimated, and expenditure is slightly over estimated resulting prudent cash flow predictions, considering the previous year's results, and if measures are implemented successfully, a cashflow surplus may be possible over the MTREF although the budget suggests otherwise.

Table 20 MBRR A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

WC047 Bitou - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336
Other current investments > 90 days		1 140 084	1 250 409	1 056 045	(3 667)	(2 297)	(2 297)	(2 297)	(16 393)	(20 508)	(49 552)
Non current Investments	1	9 857	-	-	-	-	-	-	-	-	-
Cash and investments available:		58 480	95 078	165 432	60 220	149 202	149 202	149 202	125 446	107 393	54 784
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent co		(9 496)	(17 007)	(31 403)	(14 676)	(41 202)	(41 202)	(41 202)	(37 294)	(42 234)	(47 960)
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	4 585	9 986	15 182	(26 573)	15 182	15 182	15 182	15 182	15 182	15 182
Other working capital requirements	3	67 375	92 049	125 480	(56 750)	24 395	24 395	24 395	14 288	(15 437)	(60 881)
Other provisions		53 985	39 585	47 936	116 950	48 075	48 075	48 075	48 243	48 564	48 900
Long term investments committed	4	9 857	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		126 307	124 613	157 195	18 952	46 449	46 449	46 449	40 418	6 074	(44 759)
Surplus(shortfall)		(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543

The table above indicates the cash held and the application thereof over the MTREF, from the table it is clear that there is sufficient cash resources available to cover operational as well as own funded capital expenditure over the MTREF.

It is indicative that the municipality would be able to attain a sound financial position after the conclusion of the MTREF.

Table 21 MBRR A9 - Asset Management

WC047 Bitou - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Adjusted Outcome	Adjusted Outcome	Adjusted Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	74 061	53 171	69 771	117 043	89 454	89 454	114 414	104 821	127 363
Roads Infrastructure		23 865	2 780	7 138	44 573	33 079	33 079	17 269	12 245	40 591
Electrical Infrastructure		14 211	15 975	4 169	15 241	7 165	7 165	24 768	33 382	9 544
Water Supply Infrastructure		10 972	14 445	23 214	18 043	13 915	13 915	32 446	21 568	25 257
Sanitation Infrastructure		2 733	-	4 500	21 028	16 124	16 124	21 512	14 870	35 752
Solid Waste Infrastructure		3 056	-	-	500	500	500	-	-	-
Information and Communication Infrastructure		-	43	-	-	-	-	120	60	30
Infrastructure		54 837	33 243	39 021	99 385	70 783	70 783	96 116	82 125	111 174
Community Facilities		325	435	301	3 300	1 700	1 700	6 200	3 500	3 500
Sport and Recreation Facilities		1 050	-	-	-	-	-	-	-	-
Community Assets		1 375	435	301	3 300	1 700	1 700	6 200	3 500	3 500
Operational Buildings		-	1 906	7 986	2 995	5 640	5 640	1 500	1 500	1 500
Other Assets		-	1 906	7 986	2 995	5 640	5 640	1 500	1 500	1 500
Computer Equipment		5 139	3 233	1 286	3 040	2 283	2 283	1 219	621	1 078
Furniture and Office Equipment		72	81	302	320	1 031	1 031	507	100	100
Machinery and Equipment		8 902	11 296	7 345	3 174	2 999	2 999	4 572	3 625	3 511
Transport Assets		3 736	2 978	13 530	4 830	5 017	5 017	4 300	13 350	6 500
<u>Total Renewal of Existing Assets</u>	2	5 050	6 567	4 142	5 900	6 190	6 190	3 321	12 662	9 488
Roads Infrastructure		-	-	-	-	-	-	200	1 250	1 250
Electrical Infrastructure		374	1 910	1 602	1 040	1 040	1 040	-	1 737	-
Water Supply Infrastructure		-	2 724	-	-	-	-	-	-	-
Sanitation Infrastructure		2 517	1 753	-	-	-	-	-	-	-
Infrastructure		2 891	6 387	1 602	1 040	1 040	1 040	200	2 987	1 250
Community Facilities		-	-	-	-	200	200	100	2 000	-
Community Assets		-	-	-	-	200	200	100	2 000	-
Operational Buildings		-	-	2 425	2 850	2 644	2 644	2 000	2 950	2 100
Other Assets		-	-	2 425	2 850	2 644	2 644	2 000	2 950	2 100
Computer Equipment		2 159	180	114	250	246	246	1 021	425	138
Transport Assets		-	-	-	1 760	2 060	2 060	-	4 300	6 000
<u>Total Upgrading of Existing Assets</u>	6	463	25 069	30 398	60 217	52 898	52 898	64 174	62 880	46 639
Roads Infrastructure		(13 906)	1 001	3 636	5 000	8 300	8 300	15 500	14 856	25 272
Storm water Infrastructure		-	4 875	1 213	7 620	9 558	9 558	4 000	2 500	2 500
Electrical Infrastructure		0	5 185	11 703	6 682	3 067	3 067	3 641	3 994	2 000
Water Supply Infrastructure		3 000	7 284	3 900	22 485	14 276	14 276	15 367	14 350	12 814
Sanitation Infrastructure		7 983	4 201	5 649	14 223	13 392	13 392	18 865	16 726	2 150
Infrastructure		(2 922)	22 545	26 101	56 010	48 593	48 593	57 374	52 426	44 736
Community Facilities		1 814	1 599	662	504	656	656	1 200	-	-
Sport and Recreation Facilities		1 276	666	3 636	2 955	2 955	2 955	5 300	10 136	1 563
Community Assets		3 090	2 265	4 298	3 460	3 611	3 611	6 500	10 136	1 563
Revenue Generating		-	-	-	435	435	435	-	-	-
Investment properties		-	-	-	435	435	435	-	-	-
Operational Buildings		113	259	-	-	-	-	-	-	-
Other Assets		113	259	-	-	-	-	-	-	-
Computer Equipment		183	-	-	62	44	44	-	-	-
Machinery and Equipment		-	-	-	250	214	214	300	318	340
<u>Total Capital Expenditure</u>	4	79 574	84 807	104 311	183 160	148 541	148 541	181 908	180 363	183 490
Roads Infrastructure		9 960	3 781	10 774	49 573	41 379	41 379	32 969	28 351	67 113
Storm water Infrastructure		-	4 875	1 213	7 620	9 558	9 558	4 000	2 500	2 500
Electrical Infrastructure		14 585	23 070	17 475	22 963	11 272	11 272	28 409	39 113	11 544
Water Supply Infrastructure		13 972	24 453	27 114	40 528	28 190	28 190	47 814	35 918	38 071
Sanitation Infrastructure		13 233	5 954	10 149	35 251	29 516	29 516	40 377	31 596	37 902
Solid Waste Infrastructure		3 056	-	-	500	500	500	-	-	-
Information and Communication Infrastructure		-	43	-	-	-	-	120	60	30
Infrastructure		54 806	62 176	66 725	156 435	120 416	120 416	153 689	137 538	157 161
Community Facilities		2 139	2 034	963	3 804	2 556	2 556	7 500	5 500	3 500
Sport and Recreation Facilities		2 326	666	3 636	2 955	2 955	2 955	5 300	10 136	1 563
Community Assets		4 465	2 700	4 599	6 760	5 511	5 511	12 800	15 636	5 063
Revenue Generating		-	-	-	435	435	435	-	-	-
Investment properties		-	-	-	435	435	435	-	-	-
Operational Buildings		113	2 165	10 411	5 845	8 284	8 284	3 500	4 450	3 600
Other Assets		113	2 165	10 411	5 845	8 284	8 284	3 500	4 450	3 600
Computer Equipment		7 481	3 413	1 400	3 352	2 574	2 574	2 240	1 046	1 216
Furniture and Office Equipment		72	81	302	320	1 031	1 031	507	100	100
Machinery and Equipment		8 902	11 296	7 345	3 424	3 213	3 213	4 872	3 943	3 851
Transport Assets		3 736	2 978	13 530	6 590	7 077	7 077	4 300	17 650	12 500
TOTAL CAPITAL EXPENDITURE - Asset class		79 574	84 807	104 311	183 160	148 541	148 541	181 908	180 363	183 490

Table 22 MBRR A10 - Basic Service Delivery Measurement

WC047 Bitou - Table A10 Basic service delivery measurement										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Household service targets</u>	1									
<u>Water:</u>										
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Refuse:</u>										
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	4 743	4 743	4 743
Sanitation (free minimum level service)		-	-	-	-	-	-	4 743	4 743	4 743
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	7 182	7 182	7 182
Refuse (removed at least once a week)		-	-	-	-	-	-	4 743	4 743	4 743
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	14 717	15 551	15 551	17 606	18 557	19 559
Sanitation (free sanitation service to indigent households)		6 423	17 151	(7 810)	30 726	30 808	30 808	36 708	38 691	40 780
Electricity/other energy (50kwh per indigent household per month)		4 590	5 025	5 890	6 360	6 360	6 360	7 603	8 356	9 183
Refuse (removed once a week for indigent households)		20 357	12 071	(5 370)	22 356	21 141	21 141	23 150	24 400	25 718
Total cost of FBS provided		31 370	34 247	(7 289)	74 160	73 859	73 859	85 067	90 003	95 239
<u>Highest level of free service provided per household</u>										
<u>Revenue cost of subsidised services provided (R'000)</u>	9									
Property rates exemptions, reductions and rebates and impermissible values in excess of		5 860	5 189	(1 628)	6 133	6 719	6 719	7 391	7 768	8 172
Total revenue cost of subsidised services provided		5 860	5 189	(1 628)	6 133	6 719	6 719	7 391	7 768	8 172
<u>References</u>										
1. Include services provided by another entity; e.g. Eskom										
2. Stand distance <= 200m from dwelling										
3. Stand distance > 200m from dwelling										
4. Borehole, spring, rain-water tank etc.										
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)										
6. Include value of subsidy provided by municipality above provincial subsidy level										
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)										
8. Must reflect the cost to the municipality of providing the Free Basic Service										
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)										

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the mayor.

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

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

Budget Steering Committee meetings were held during the budget preparation process to ensure a co-ordinated approach to budgeting through the linking of the community needs with administrative requirement and ensuring political direction and oversight in the process.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2024) a time schedule that sets out the process to revise the IDP and prepare the budget.

The mayor tabled in Council the required the IDP and budget time schedule in August 2024 setting out the schedule of key deadlines in accordance with which the IDP and Budgeting planning processes would flow into the ultimate approval of the new budget and IDP revision.

SUMMARY OF KEY ACTIVITIES OF THE TIME SCHEDULE OF KEY DEADLINES FOR THE 2025/2026 BUDGET AND IDP REVIEW

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK
		STAR T	FINIS H	ID1 P	BUD GET 2	PMS 3	MM 4	EM 5	
PREPARATION	Preparation of the IDP, Budget Time Schedule							x	Sections 21, 53, MFMA
	District Framework Alignment Meeting	July 24	Aug 24	x	x	x			Section 27, MSA
	Steering Committee Meeting to Review the previous year IDP process.	July 24	Aug 24						Best Practice
	Extended Steering Committee Meeting to track IDP progress engage with external stakeholders quarterly	Aug 24	Aug 24						Best Practice
	Review participation mechanisms and processes	July 24	Aug 24						
	Receive comments from the MEC	July 23	Aug 24					x	Section 32 MFMA
	Review past performance	Aug 24	Sep 24	x		x			Section 34, 46 MSA
	Set-up budget committees	Oct 24	Oct 24						
	Submission of annual report	Aug 24	Aug 24			x			
	Rollover of unspent funds	25 Aug 24	25 Aug 24						MFMA Section 28 (2) (e)
	MMF and DCF Meeting	Aug 2024	Aug 2024						
SITUATION ANALYSIS	Extended steering committee meeting	Sep 24	Sep 24						
	IDP Indaba 1	Sep 24	Oct 24	x	x				

¹ IDP Unit

² Budget Section

³ Performance Management Section

⁴ Municipal Manager

⁵ Executive Mayor

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK
		STAR T	FINIS H	ID1 P	BUD GET 2	PMS 3	MM 4	EM 5	
	Public Participation (Ward Committee Meetings)	Sep 23	Oct 24						
	Analysis of socio-economic data	Sep 24	Oct 24						
	JDMA Cluster Steering Committee Meetings	Oct 24	Oct 24	x			x		District Management Model
	Analysis of service provision								
	Analysis of municipal infrastructure services {Water, Roads, Electricity, Sewer, Waste Water treatment, Housing Demand, financial Services (revenue and expenditure), and Institutional Capacity etc.}	Sep 24	Oct 24						
	Comparison study of existing Data Sets	Sep 24	Sep 24						
	Review of Municipal sector plans	Sep 24	Oct 24						
STRATEGY	Procure strategic session facilitation services	Sep 24	Nov 24						
	Strategic planning workshop	Nov 24	Nov 24						
	Strategic priorities and budget recommendations	Dec 24	Dec 24						
	MMF and DCF Meeting	Nov 24	Nov 24				x		
	Get feedback on progress on current priority catalytic projects	Nov 24	Dec 24						
	District IDP Managers Forum	Oct 24	Oct 24						
	IDP Budget & PMS Representative Forum	Nov 24	Nov 24	x					Municipal Performance Regulations, Section 15
	Provincial IDP Managers Forum	Nov 24	Nov 24	x					
PROJECTS	Design project template	Oct 24	Oct 24						

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK
		START	FINISH	ID1 P	BUDGET 2	PMS 3	MM 4	EM 5	
	Distribute community priorities to departments	Nov 24	Nov 24						
	Appointment of departmental mSCOA champions	Nov 24	Dec 24	x	x				
	Identification of Priority Projects	Jan 25	Feb 25	x	x				Section 127 MFMA
	MMF and DCF Meeting	Feb 25	Feb 25				x		
	Loading of projects to mSCOA portal	Jan 25	Jan 25	x	x				
INTEGRATIO	TIME Engagement	Feb 25	Feb 25						
	IDP Indaba 2	Mar 24	Mar 23						
	Receive summaries of Sector Plans from departments	Jan 25	April 25	x					Best Practice
	Integrate the District JPI , PGDP, and NDP	Jan 25	Feb 25						
	Add capex and OPEX MTREF budgets to the IDP	Dec 24	Dec 24	x	x				Best Practice
	District IDP Managers Forum	Feb 25	Feb 25						
APPROVALS	Preliminary Meeting to discuss IDP and Budget Time Schedule	July 24	Aug 24	x	x		x		
	Portfolio Committee to discuss IDP/Budget Time Schedule	Aug 24	Aug 24	x	x				
	MAYCO to recommends IDP/Budget time schedule to Council	Aug 24	Aug 24	x	x			x	
	Council Approves the IDP/ Budget Time Schedule	Aug 24	Aug 24	x	x			x	Section 34 MSA, Section 21, 23 & 24 MFMA
	IDP Process Plan Time and Schedule is advertised	Sep 24	Sep 24	x	x				MFMA Guidance
	Approval of the Adjustment Budget	Feb 25	Feb 25		x				

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK
		START	FINISH	ID1 P	BUDGET 2	PMS 3	MM 4	EM 5	
	Council Approves Annual Report	Jan 25	Jan 25			x			Section 121 MFMA
	Council adopts amendments to the revised IDP and Draft Budget	Mar 25	Mar 25	x	x				Section 34
	SIME Engagements	May 25	May 25	x	x		x		Section 23 MFMA
	Notice is placed in the local newspaper for 21 days	April 25	April 25	x	x				Municipal Performance Regulations, Section 4 (ii) performance regulations.
	IDP and Budget Road Shows	April 25	April 25	x	x				Chapter 4 MSA
	Extended IDP Steering Committee Meeting	April 25	May 25	x					Section 23 MFMA, chapter 4, MSA
	Preparing responses to respond to written submissions	April 25	May 25	x	x				Section 23 MFMA
	IDP Budget & PMS Representative Forum	April 25	May 25						Municipal Performance Regulations, Section 15
	Amending IDP and Budget to incorporate provincial assessments	May 25	May 25	x	x				Section 23 MFMA
	Council Approves IDP and Budget	31 May 25	31 May 25						
	Send copies of IDP and Budget to the MEC for Local Government	June 25	June 25	x	x		x	x	Section 32, MSA, Section 24 MFMA
	Publish annual budget and IDP	June 25	June 25	x	x				Section 23, MFMA
	Approval of SDBIP	June 25	June 25						
	MMF and DCF Meeting	June 25	June 25				x		
	District IDP Managers Forum	June 25	June 25						
	Provincial IDP Managers Forum	June 25	June 25	x					
IMPLEMENTATION	Rollout of SDBIP (2025/26)	July 24	July 24						Section 69

PHASE	ACTIVITIES	DURATION		RESPONSIBILITY AGENT					LEGISLATIVE FRAMEWORK
		START	FINISH	ID1 P	BUDGET 2	PMS 3	MM 4	EM 5	
	Submission of SDBIP to the MEC for Local Government	July 24	July 24						Section 69 MFMA
	Submit annual Performance Agreements to Mayor	June 24	July 24				x		Section 69, MFMA
	Tabling of MID Term Report	Jan 24	Jan 24			x	x	x	Sections 36, 72 MFMA
	Submission of annual report to AG	Jan 24	Jan 24			x	x		Section 72 MFMA
	Preparation of Oversight Report	Jan 24	Jan 24			x			
	Council adopts oversight report	Feb 24	Feb 24			x	x	x	

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The 3rd review of the 5th Generation IDP is herewith submitted and will be concluded with the 2025/2026 budget process.

The Municipal IDP is its principle strategic planning instrument, which directly guides and informs its planning, budget, management, and development actions. This framework is rolled out into strategic goals, strategic objective, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the annual revisions of the Fifth Generation IDP includes the following key IDP processes and deliverables:

- Registration of community needs;
- Consideration of master planning documents dovetailing into infrastructure and other service delivery needs identified by the community;
- Compilation of departmental strategic plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the TL-SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2025/26 MTREF, based on the approved 2024/25 MTREF, mid-year review and adjustments budgets. The business planning processes have subsequently been refined in the light of current economic circumstances and the resulting revenue and expenditure projections.

With the compilation of the 2025/2026 MTREF, each department and section had to review the business planning processes, including the setting of priorities and targets after reviewing the mid-year and subsequent performance against the 2024/2025 top level service delivery and budget implementation plan. Business planning links back to priority needs and master planning and essentially informed the detail operating budget appropriations and three-year capital programme.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates Local Government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium, and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership, and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Council, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Council strategically complies with the key national and provincial priorities.

The aim of the Fifth Generation IDP was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Council's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only

give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's strategic objectives for the 2025/26 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Goals and Strategic Objectives

The following 5 strategic objectives have been determined

STRATEGIC OBJECTIVE	
SO1	Provide excellent and sustainable services to all residents.
SO2	Facilitate growth and expand economic opportunities to empower communities.
SO3	Achieve long term financial sustainability.
SO4	Build a capable, developmental, transformed and productive workforce.
SO5	Adhere to and implement effective and efficient governance processes.

The outcomes linked to the strategic objectives are listed in the table below.

	STRATEGIC OBJECTIVE	OUTCOME
SO1	Provide excellent and sustainable services to all residents.	Healthy community (improved quality of life)
		Waste minimisation
		Safety and security
SO2	Facilitate growth and expand economic opportunities to empower communities.	Growth and Development
SO3	Achieve long-term financial sustainability.	Growth and Development
SO4	Build a capable, developmental, transformed, and productive workforce.	Institutional transformation and development
SO5	Adhere to and implement effective and efficient governance processes.	Good Governance

Further information in respect of the strategic objectives 1 to 3 are further elaborated hereunder, full information can be found in the revised IDP document.

STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREAS	STRATEGIC INTERVENTIONS
SO1: Provide excellent and sustainable services to all residents	Fleet and Plant	Upgrade municipal workshop to include an accredited service section
		Upgrade municipal fleet
		Replace old and redundant plant
		Combination Truck for sewer reticulation and pump station
	Upgrade and Maintenance Sewer Network	Sewer treatment Ebenezer Bulk Sewer,
		Wittedrift (sewer outfall with pumpstation)
		Kwa-Nokuthula Sewer outfall
		Upgrade of network
		Purification and management
	Water and wastewater Services	Raw Water Harvesting
		Storage
		Purification,
		distribution
		Wittedrift (Green Valley) Bulk Supply line
		Upgrading of Gansevallei Waste Treatment Works
		Upgrading of Bulk 355mm waterline Plettenberg Bay waste treatment works to Keurbooms
		Wittedrift (Green Valley New 1.5Ml water reservoir)
	Electrical Services	Bulk Purchase
		Renewable energy
		Transmit and distribute
		Maintenance and upgrade
		Ebenezer high mast and streetlights
	Roads and Stormwater	Maintenance of roads and stormwater
		Upgrade and extension of road network

STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREAS	STRATEGIC INTERVENTIONS
		Upgrade stormwater
		Traffic calming
	Upgrade and Maintenance of Parks and recreation facilities	Parks, Cemeteries, Sports fields and Horticulture Maintenance Services
		Beach Control and Beachfront Maintenance and lifeguard training and facilities
		Facilities and Service Centres (Community Halls and Service Centres)
		Aerodrome-Possible move to Strategic Services
		Municipal Buildings and Maintenance
		Kwa-Nokuthula sport field floodlights
		Wittedrift (Green Valley sport field floodlights
	Solid Waste Management	The collection of household waste streams
		Collection of green/natural waste streams
		Collection of Industrial & commercial waste streams
		Collection of recyclable waste streams
		Processing of the various waste streams
		Disposal of the various waste streams (i.e. regional landfill site, composting, recycling manufacturing houses)
		Recycling
	Upgrade and maintain Public transport systems	Upgrade and Maintain Airport
		Upgrade and Maintain taxi ranks
		Maintain and upgrade bus shelters
		Upgrade and Maintain cycling lanes

STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREAS	STRATEGIC INTERVENTIONS
SO2:	Tourism Development	Capacitate the tourism VA
		Create Tourism Routes

STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREAS	STRATEGIC INTERVENTIONS
Facilitate growth, jobs, and expand tourism to empower the residents of Bitou.		Invest in township tourism
		Arts and culture
		Sport and water sport tourism
		Safaris
		Call Centres
		Airport precinct development
		Investment conference
		Oprah school for girls
		Conferencing
		Skills Development
		Culinary School
	Agriculture	Upgrade launching pad for small fisherman
		Small scale farming
		Subsistence vegetable gardens
		Provision of land to small farmers
		Develop policies and SOP's for farmer support
	Government Services	Construction of 500 – 1000 bed correctional centre
		Construction of additional schools
		Upgrading South Cape College
		Investigate the possibility of convincing SAND to use the air strip and Bitou coastline for specialised training
		Opening of more services like SARS, SEDA, Rural Development etc.

STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREAS	STRATEGIC INTERVENTIONS
SO3: Achieve Long term financial sustainability	Revenue enhancement	Implement revenue enhancement strategy to ensure accuracy of billing and completeness of revenue
	Loss control	Reduce unaccounted losses for water and electricity
	Supply chain Management	Ensure value for money in procurement and prevent irregular expenditure

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

Local priorities were identified as part of the IDP process which is directly aligned to that of the national and provincial priorities.

New game changers have been identified and are included in the IDP review document and will also be taken up into the Service Delivery and Budget implementation plan for the 2025/2026 financial year and beyond to ensure the execution of strategic objectives.

The 2025/26 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure, and capital expenditure.

Table 23 MBRR SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

WC047 Bitou - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
R thousand			Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Provide excellent and sustainable services to all residents			✓	608 074 248	547 162 599	614 498 730	692 376 010	691 268 595	691 268 595	738 118 048	775 582 509	806 364 451
Facilitate growth and expend economic opportunities to empower communities			✓	29 162 329	23 353 511	32 426 539	117 154 957	86 899 876	86 899 876	82 184 110	54 820 647	70 875 740
Achieve long term financial sustainability			✓	177 152 580	170 952 611	209 749 413	224 929 263	227 274 853	227 274 853	249 715 228	262 008 570	275 371 475
Build a capable, developmental, transformed and productive workforce			✓	609 541	3 936 563	2 095 206	1 200	1 139 927	1 139 927	584 650	609 652	636 433
Adhere to and implement effective and efficient governance processes			✓	50 726 103	131 108 154	101 297 367	69 658 639	69 565 725	69 565 725	72 420 820	75 408 391	77 805 509
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	865 725	876 513	960 067	1 104 120	1 076 149	1 076 149	1 143 023	1 168 430	1 231 054

Table 24 MBRR SA5 - Reconciliation between the IDP strategic objectives and budgeted operating Expenditure

WC047 Bitou - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)											
R thousand		Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Provide excellent and sustainable services to all residents			633 274	602 373	646 595	715 791	703 983	703 983	741 617	771 785	799 607
Facilitate growth and expand economic opportunities to empower communities			59 306	59 062	64 455	65 207	76 507	76 507	95 472	84 184	79 542
Achieve long term financial sustainability			31 971	47 102	59 749	70 683	71 559	71 559	70 080	66 443	68 469
Build a capable, developmental, transformed and productive workforce			71 204	64 239	71 905	83 893	96 577	96 577	105 615	107 962	112 527
Adhere to and implement effective and efficient governance processes			21 730	24 020	31 466	35 302	36 951	36 951	55 359	56 673	58 594
Allocations to other priorities											
Total Expenditure		1	817 485	796 795	874 170	970 877	985 578	985 578	1 068 143	1 087 047	1 118 740

Table 25 MBRR SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

WC047 Bitou - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
R thousand			Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Provide excellent and sustainable services to all residents		A		73 863	82 000	102 060	181 000	145 769	145 769	179 156	179 257	182 744
Facilitate growth and expand economic opportunities to empower communities		B		12	694	301	–	110	110	–	–	–
Achieve long term financial sustainability		C		2 713	1	33	–	69	69	–	–	–
Build a capable, developmental, transformed and productive workforce		D		2 987	2 112	1 769	2 160	2 101	2 101	2 252	1 106	746
Adhere to and implement effective and efficient governance processes		E		–	–	149	–	492	492	–	–	–

2.3 Measurable performance objectives and indicators

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

The following table sets out the municipality's main performance objectives and benchmarks for the 2025/2026 MTREF.

Table 26 MBRR SA7 - Measurable performance objectives

The measurable performance objectives are included in the budget supporting tables under table SA7 it also serves as the draft SDBIP and will be finalised after the final budget approval

Table 27 MBRR SA8 - Performance indicators and benchmarks

WC047 Bitou - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	2.8%	4.5%	3.5%	3.5%	3.5%	3.5%	3.4%	4.0%	4.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.4%	2.6%	4.3%	3.6%	3.5%	3.5%	3.5%	3.4%	4.0%	4.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	196.1%	140.6%	140.6%	242.7%	230.8%	154.3%	108.2%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.0	1.1	1.3	1.1	1.3	1.3	1.3	1.2	1.3	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	1.1	1.3	1.1	1.3	1.3	1.3	1.2	1.3	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.4	0.5	0.3	0.5	0.5	0.5	0.4	0.4	0.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		14.3%	0.1%	0.1%	122.9%	124.0%	124.0%	124.0%	126.9%	129.1%	129.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	34.1%	35.2%	38.9%	35.2%	40.2%	40.2%	40.2%	35.1%	36.5%	37.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-6.9%	-8.0%	-14.1%	135.0%	101.3%	101.3%	101.3%	91.4%	102.6%	108.7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical Total Volume Losses (kW) non technical Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes -System input	Bulk Purchase Water treatment works Natural sources										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.8%	34.1%	34.4%	38.1%	38.3%	38.3%	38.3%	36.7%	36.8%	36.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.6%	34.9%	35.2%	38.9%	39.1%	39.1%		37.2%	37.2%	37.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.0%	4.8%	4.3%	4.9%	4.2%	4.2%		4.5%	5.0%	4.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.9%	6.7%	7.7%	5.6%	5.6%	5.6%	5.6%	5.4%	5.9%	6.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	-	-	-	-	-	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	63.1%	65.8%	77.0%	66.1%	77.5%	77.5%	77.5%	67.6%	69.4%	71.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(21.0)	(22.5)	(15.9)	1.0	2.3	2.3	2.3	2.0	1.7	1.4

Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Council. The National Treasury determined the poverty threshold as two times the government old age pension and the indigent subsidy received through the equitable share is intended to subsidise the households that meet the qualification criteria. In the case of Bitou municipality, the council has adopted a policy whereby the qualifying threshold was increased to provide subsidies to households earning less than R5000 per month which is more than the threshold determined by the National Treasury.

In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 Kwh of electricity, sanitation and free waste removal once a week, as well as an exemption from the payment of property rates where a valuation is below R350 000. It is anticipated that approximately 5000 households will receive indigent subsidy in the 2025/2026 financial year, nearly 40% more than the number budgeted in the 2023/2024 financial year, the cost of providing free basic services to indigent households **exceed R100 million** per annum.

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

2.4 Overview of budget related policies

The Council budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following policies forms part of the budget document and has been reviewed as indicated in the undermentioned summary of changes made:

PROPOSED CHANGES TO BUDGET RELATED POLICIES 2025/2026

ACCOUNTS PAYABLE POLICY

There are no amendments proposed

SUBSISTENCE AND TRAVEL POLICY

There following amendments are proposed to the subsistence and travel policy for 2025/2026

5 GUIDELINES FOR APPROVAL OF OVERNIGHT ALLOWANCE

Section 5
new

Table 1

Travel Distance	Timeframes of Event	Comments
Destination to Bitou >500km	Ending time: 14h00	Overnight allowance approved after the event.

Hotel Accommodation – Councillors and Staff

Section 7 of the policy is amended as follows:

7.6 Should a delegate elect to arrange his/her own accommodation at relatives or friends, an allowance be paid to him/her calculated as follows:

7.6.1 Meals and incidental cost in amount equal to annual determination for meals and incidental cost that are deemed to have been expected by South African Revenue Services (R570.00 for 2026).

Subsistence Allowance – Councillors and Staff

Section 8 of the policy is amended as follows: -

8.2 Exceeding 6 hours outside Bitou Municipality: Incidental costs in the amount equal to the annual determination for incidental cost that are deemed to have been expended by the South African Revenue Services (R176.00 for 2026) per day.

8.3 Exceeding 24 daily hours (overnight): Meals and incidental costs in the amount equal to the annual determination for meals and incidental cost that are deemed to have been expended by South African Revenue Services (R400.00 for 2026) per day.

8.4 Where a booking for accommodation is done on a dinner, bed and breakfast basis; either by the host or Bitou Municipality, an allowance for incidental costs in the amount equal to the annual determination for incidental costs that are deemed to have been expended by the South African Revenue Services (R176.00 for 2025) per day will be payable.

Reimbursement of Travel Costs – Official Municipal Guests

Section 10 of the policy is amended as follows:

10.1 The municipality will reimburse the guests' travel costs based on the actual distance travelled at R4.76 per kilometer, regardless of the value and engine capacity of the vehicle as per SARS schedules for 2026.

SUPPLY CHAIN MANAGEMENT POLICY

Minor amendments are proposed in paragraph 17(5)(ii) to exclude commodities where SCM processes are not feasible such as fuel, traveling agency services, corporate branding etc. for 2025/2026

BORROWING POLICY

There are no amendments proposed to the borrowing policy for 2025/2026

BUDGET IMPLEMENTATION AND MONITORING POLICY

No amendments are proposed for 2025/2026

PROPERTY RATES POLICY

Paragraph 1.1 is amended to include the date as well as the period of the new general valuation roll.”

Paragraph 6.1 is amended to appropriately refer to the legal framework guiding exemptions in respect of public service infrastructure.

Paragraph 3.1.29 is amended to include definitions for vacant land for PSI, private open spaces and vacant agricultural property

Paragraph 5 is amended to include the categories for private open space and PSI

WRITING-OFF OF IRRECOVERABLE DEBT POLICY

There are no proposed amendments to this policy for 2025/2026

CUSTOMER CARE, CREDIT CONTROL, DEBT COLLECTION, INDIGENT AND TAMPERING POLICY

5.1.1 is amended to elaborate on the items included in the monthly account that is rendered.

Paragraph 7.15.2 is amended to concur with the MPRA description

Paragraph 7.15.2 (f) is amended by removing a rebate of 10% on accommodation establishments business tariff.

TARIFF POLICY

The definition of Basic charge is amended to be more descriptive and comprehensive

The definition of a restaurant is added in paragraph 2.1 (jj)

The definition of a business unit is amended in paragraph 2(1)(e)

Paragraph 9(2)(c)(ii) is amended by better describing the application of fixed costs to customers per unit.

INVESTMENT AND CASH MANAGEMENT POLICY REVIEW

The following amendments are proposed:

Definition Of Key Words on page 2 of 13 was added in red and underlined.

“System is off-line” refers to where the financial system is off and cannot be worked on, or where the users is not allowed to work on the financial system.

Paragraph 4.2.2.1 on page 4 of 13 was changed to the following with insertions in red and underlined and removal in red and strike-through.

The Municipal council must set a target for debt collection based on the ~~performance of the Municipal Manager~~ annual debt collection rate during the last financial year.

Paragraph 4.2.2.4 on page 4 of 13 was changed to the following with additions in red and underlined.

All funds due the Municipality must be collected timeously and banked on a daily basis (except for identified sites where it is not financially feasible to collect daily). In exceptional cases the money must be banked at least once a week. All exceptions must be reported to the Revenue Manager on a daily basis and the Chief Financial Officer on a monthly basis.

Paragraph 4.2.3.1.2 on page 5 of 13 was added in red and underlined.

Hand Written receipts may only be issued in cases where the system is off-line. Immediately after the system is back on-line, those receipts must be captured on the system and the original computer-generated receipt must be attached to the relevant hand-written receipt.

Paragraph 4.2.3.1.3 on page 5 of 13 was added in red and underlined.

Handwritten receipt books must be safeguarded by the revenue controller and only issued to cashiers in exceptional circumstances. When the circumstances changes and the receipt book is no longer needed the revenue controller must request those cashiers to return the receipt book within a certain time limit as determined by the revenue controller.

Paragraph 4.2.3.1.4 on page 5 of 13 was added in red and underlined.

Upon return of hand-written receipt books, the revenue controller must ensure that all receipts are accounted for. In the case where it is not, it must be immediately reported to the Relevant Accountant.

Paragraph 4.2.4.2 on page 5 of 13 was changed to the following with additions in red and underlined.

Daily, weekly, monthly, and annual cash flow forecast must be maintained on the financial system in line with the mSCOA regulations by the Revenue Management and Expenditure Services sections respectively.

Paragraph 4.2.4.3 on page 5 of 13 was changed to the following with insertions in red and underlined.

The maximum daily average cash per month, in all current bank accounts combined, must be kept below 5% of the annual Operational and Capital Expenditure budgets as approved by council.

Paragraph 4.4.2 on page 6 of 13 was changed to the following with insertions in red and underlined.

All Executive Directors and Office Managers, shall in this regard, furnish the Chief Financial Officer, at the time of the budget compilation, with their respective cash-flow needs of all payments in excess of R 100 000, clearly indicating possible future dates of payments, as well as any possible inflow of cash from other sources of finance arranged by Directorates themselves.

LIQUIDITY, FUNDING AND RESERVES POLICY REVIEW

The following changes are proposed for 2025/2026

Paragraph 4.3.1.1.4.2 on page 18 of 22 was added in red and underlined.

The Development Reserve must be cash-backed and the Accounting Officer is hereby delegated to determine an additional contribution to be made to the Development Reserve during the compilation of the annual financial statements. In the event of an additional contribution the property(ies) must be specified.

Paragraph 4.3.1.1.4.7 on page 18 of 22 was added in red and underlined.

When council waives the development charges for a property, an equivalent contribution from the accumulated surplus account, must be made for the relevant property. The amount would be equal to the amount that was waived by council. A detailed calculation must be sent to the chief financial officer, in order to ensure the contribution is correctly allocated.

Paragraph 4.3.1.1.5.2 on page 19 of 22 was added in red and underlined.

The Augmentation Reserves must be cash-backed and the Accounting Officer is hereby delegated to determine an additional contribution to be made to the Augmentation Reserves during the compilation of the annual financial statements. In the event of an additional contribution the applicable service(s) must be specified.

Paragraph 4.3.1.1.5.7 on page 19 of 22 was added in red and underlined.

When council waives the development charges for a property, an equivalent contribution from the accumulated surplus account, must be made for the relevant property. The amount would be equal to the amount that was waived by council. A detailed calculation must be sent to the chief financial officer, in order to ensure the contribution is correctly allocated.

Paragraph 4.3.1.1.6.2 on page 19 of 22 was added in red and underlined.

The Employee benefits Reserve must be cash-backed.

Paragraph 4.3.1.1.7.2 on page 19 of 22 was added in red and underlined.

The Non-current Provisions Reserve must be cash-backed.

Paragraph 4.3.1.1.8.2 on page 20 of 22 was added in red and underlined.

The Valuation Reserve must be cash-backed.

Paragraph 4.3.1.1.9.2 on page 20 of 22 was added in red and underlined.

Any Other statutory Reserve(s) must be cash-backed.

Paragraph 4.3.1.1.10.2 on page 20 of 22 was added in red and underlined.

Any Other cash-backed Reserve(s) must be cash-backed.

ASSET MANAGEMENT POLICY

There are no amendments proposed to the asset management policy

COST CONTAINMENT POLICY

There are no amendments proposed in respect of the cost containment policy.

2.5 Overview of budget assumptions

Key Financial Indicators

Budget assumptions and parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets. The assumptions and principles applied in the development of this budget are mainly based upon guidelines from National Treasury (expenditure growth) and other external bodies such as the National Electricity Regulator of South Africa (NERSA) and Garden Route District Municipality. The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury determines the ceiling of year-on-year increases in the total

operating budget, whilst the National Electricity Regulator (NERSA) regulates electricity tariff increases. Various government departments also affect municipal service delivery through the level of grants and subsidies as well as their activities within the region.

There are five key factors that have been taken into consideration in the compilation of the 2025/2026 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Bitou Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of employment for 2025/2026.

Tariff increases are moderate at 5.4% with the exception of electricity where the Eskom increase makes a higher tariff unavoidable. Electricity tariffs are subjected to NERSA approving the Cost of Supply Study concurrent with the tariff application. Furthermore, the cost of supply study will form the basis of future electricity tariff setting, if the study and the associated tariff structures are approved by NERSA.

The increase in tariffs is required to ensure that the tariffs cover the cost of the services and various cost drivers have been considered. The increases that are above the current inflationary trends and exceed the National Treasury guideline are supported by a full motivation in respect of each tariff exceeding the guideline. The main cost drivers of the tariff increase are the increase in cost of employment through the general salary adjustment, coupled with the annual notch increases of staff, provision for the filling of critical vacancies, and other cost drivers associated with the rendering of goods and services by the municipality such as high fuel price increases, electricity price increases, the persistent loadshedding, increasing interest rates, increase in the cost of commodities, and the subsequent volatility in the markets, commodity prices, contractual obligations and other pre-determined and regulated price adjustments and legislated tariffs, fees and charges.

The following key assumptions underpinned the preparation of the medium-term budget:

Description	2025/2026
	%
Inflation rates - CPI	4 to 6%
Growth	1.6 – 1.8% (NT prediction)
Provision for Doubtful Debt	10%
Remuneration increase	5.05% + 2.3% (Notch)
Electricity distribution loss	12%
Electricity price increase	11.32%
Water distribution loss	35%

2.5.1 Collection rate for revenue services

The base assumption is that some tariffs will increase at a rate higher than CPI over the medium term. It is assumed that the energy crises will have an ongoing negative effect on the economy and economic growth, the current economic conditions therefore remain volatile and unpredictable, revenue estimations remain conservative, and revenue performance may require adjustments during the course of the financial year ahead.

The rate of revenue collection is currently expressed as a percentage (90 percent) of annual billing. Cash flow is also assumed to be 90 percent of billing, we are cautiously optimistic that there will be an increase in the debtor's collection rate as revenue enhancement and collection efforts are applied and improved. The current economic circumstances are not supportive of the debt collection efforts as the stagnant National economy fails to provide additional economic opportunity to the citizens and unemployment remain high, the subsidy basket becomes bigger year-on-year, and more people are reliant on government subsidies to provide in their basic needs and indigent numbers continue to increase.

Little additional cash inflow from arrears debt is anticipated over the short term and adjustments in this regard will only be reconsidered once revenue trends indicate an upward movement.

It is anticipated that the combined efforts of the revenue enhancement program, coupled to a slight anticipated growth in the area will add between 1% and 2% in revenue for the most consumer services as well as assessment rates.

2.5.2 Salary increases

A collective agreement in respect of salaries and wages have not been concluded and we are entering a new 3-year collective wage agreement. The general salary increase for the 2025/2026 financial year is based on the average inflation rate (CPI) from February 2024 to January 2025 plus 0.75% thus equalling 5.05% for the year.

Provision is also made for a notch increase of approximately 2.3 percent to employees who have not reached the maximum notch of their respective salary scales in the 2025/2026 financial year.

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

It is estimated that a spending rate of at least 95 percent is achieved on operating expenditure as well as 95% on own funded capital, it is estimated that all borrowing funded projects will be fully spent and spending on capital funded from conditional grants must reach 100 percent to avoid funding from being lost. This performance has been factored into the cash flow budget.

2.5.4 Cost containment measures

The municipality has developed and adopted a Cost Containment Policy in accordance with the principles contained in the Cost Containment Regulations. Due to the fact that no baseline existed against which cost reduction or containment could be measured, the reporting remains difficult as the baseline of measurement varies year-on-year depending on the service delivery mechanisms adopted by the municipality.

2.6 Overview of budget funding

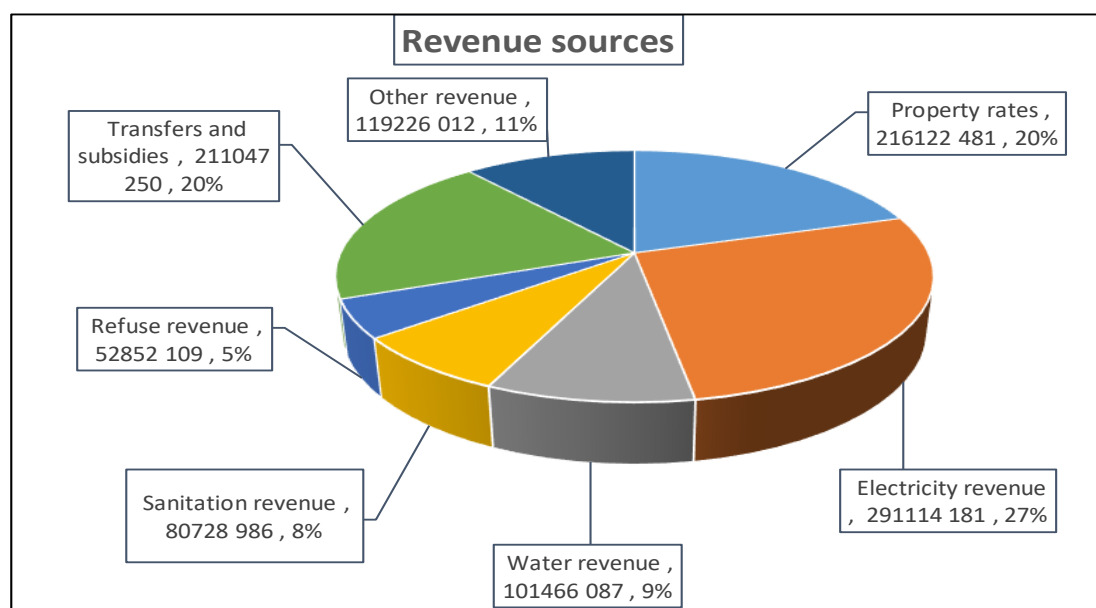
2.6.1 Medium-term outlook: operating revenue

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

Table 28 Breakdown of the operating revenue over the medium-term.

Description	2025/26 Medium Term Revenue & Expenditure Framework				
	Budget Year 2025/26	Growth %	Budget Year +1 2026/27	Growth %	Budget Year +2 2027/28
Revenue By Source					
Property rates	216 122 481	5.40	227 801 173	5.31	239 901 931
Service charges - electricity revenue	291 114 181	3.74	302 004 917	4.60	315 892 633
Service charges - water revenue	101 466 087	5.39	106 931 349	5.37	112 673 689
Service charges - sanitation revenue	80 728 986	5.42	85 107 884	5.34	89 651 170
Service charges - refuse revenue	52 852 109	5.41	55 709 671	5.40	58 716 845
Service charges - other	8 000 044	3.18	8 254 709	5.06	8 672 757
Rental of facilities and equipment	1 569 156	5.96	1 662 749	5.82	1 759 501
Interest earned - external investments	12 572 733	1.00	12 698 460	5.00	13 333 383
Interest earned - outstanding debtors	16 397 104	(6.11)	15 394 424	(6.07)	14 460 161
Surcharges and Taxes	55 023 901	5.36	57 971 042	5.42	61 115 805
Licences and permits	1 483 969	4.48	1 550 421	2.54	1 589 816
Agency services	2 662 968	2.38	2 726 229	2.18	2 785 616
Transfers and subsidies	211 047 250	(2.82)	205 088 902	1.96	209 107 733
Other revenue	21 516 137	(1.81)	21 127 089	7.73	22 759 268
Total Revenue (excluding capital transfers and contributions)	1 072 557 106	2.93	1 104 029 019	4.38	1 152 420 308

Figure 6 Main operational revenue per category



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

Table 29 MBRR SA15 – Detail Investment Information

WC047 Bitou - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		9 857	45 172	108 227	1 550	108 227	108 227	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	9 857	45 172	108 227	1 550	108 227	108 227	-	-	-
Consolidated total:		9 857	45 172	108 227	1 550	108 227	108 227	-	-	-

Table 30 MBRR SA16 – Investment particulars by maturity

Due to the fact that all cash and cash equivalents are held in the current bank account at year-end, no investments are reflected in schedule SA16.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2025/2026 medium-term capital programme:

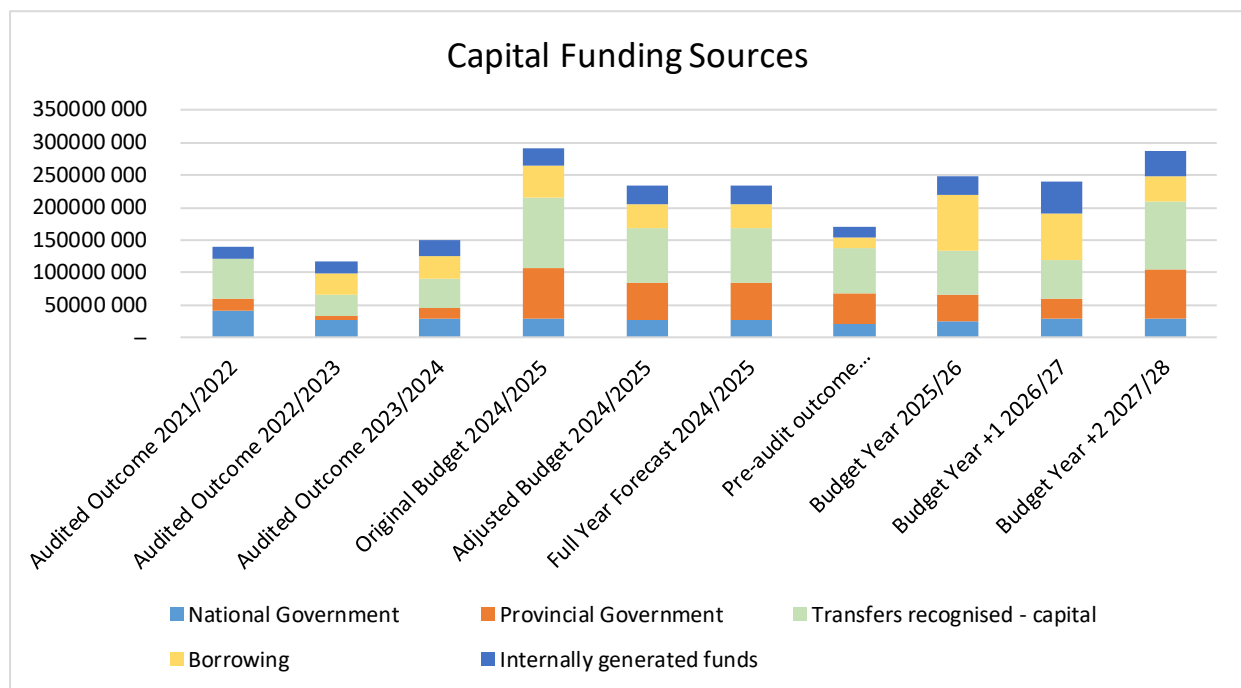
Table 31 Sources of capital revenue over the MTREF

FUNDING SOURCE	Audited Outcome 2021/2022	Audited Outcome 2022/2023	Audited Outcome 2023/2024	Original Budget 2024/2025	Adjusted Budget 2024/2025	Full Year Forecast 2024/2025	Pre-audit outcome 2024/2025	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
National Government	42 019	26 721	29 398	29 331	26 792	26 792	22 111	25 853	30 250	29 080
Provincial Government	18 287	6 741	15 527	78 285	57 782	57 782	46 468	40 735	29 613	75 182
Transfers recognised - capital	60 306	33 462	44 924	107 616	84 573	84 573	68 579	66 588	59 863	104 262
Borrowing	-	32 098	35 920	50 033	35 125	35 125	16 878	86 921	72 008	39 100
Internally generated funds	18 943	19 203	23 434	25 511	28 843	28 843	16 708	28 400	48 492	40 128
Total Capital Funding	79 574	84 806	104 279	183 160	148 541	148 541	102 165	181 908	180 363	183 490

The table above indicate that the bulk of the capital budget is funded through own sources being Capital Replacement Reserve and External Borrowing.

The above table is graphically represented hereunder for the 2025/2026 financial year.

Figure 7 Main sources of capital revenue



Sources of capital revenue for the 2025/2026 financial year

National and Provincial capital grant receipts equates to 36.61 percent of the total funding source which represents an amount of R 66 587 826 for the 2025/26 financial year.

Borrowing becomes a significant funding source for the capital programme over the medium-term with an estimated R 86.9 million to be used for the 2025/2026 financial year totalling 47.78 percent of the total funding of the capital budget. It must be pointed out that new borrowing amount to R 64,400,000 for the 2025/2026 financial year and an amount of R 22,521,000 represent unspent borrowing carried over from the 2024/2025 financial year in respect of incomplete projects. A careful consideration is made to ensure that funds are not borrowed in advance and that borrowings do not remain unspent for prolonged periods to save on interest being paid.

The following table is a detailed analysis of the Council's long-term borrowing liability.

Table 32 Detail of borrowings

	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
Borrowing - Categorised by type	2021/22 Audited Outcome	2022/23 Audited Outcome	2023/24 Audited Outcome	2024/25 Original Budget	2024/25 Adjusted Budget	2024/25 full year forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Annuity and Bullet Loans	65 625	82 764	107 718	100 880	126 812	126 812	150 928	205 121	225 371

Growth in outstanding borrowing (long-term liabilities)

The following graph illustrates the growth in outstanding borrowing for the period 2020/2021 to 2027/2028. The gearing ratio remains in a narrow band with gearing remaining below 19 % over the MTREF

Figure 8 Growth in borrowing 2020/2021 to 2027/2028

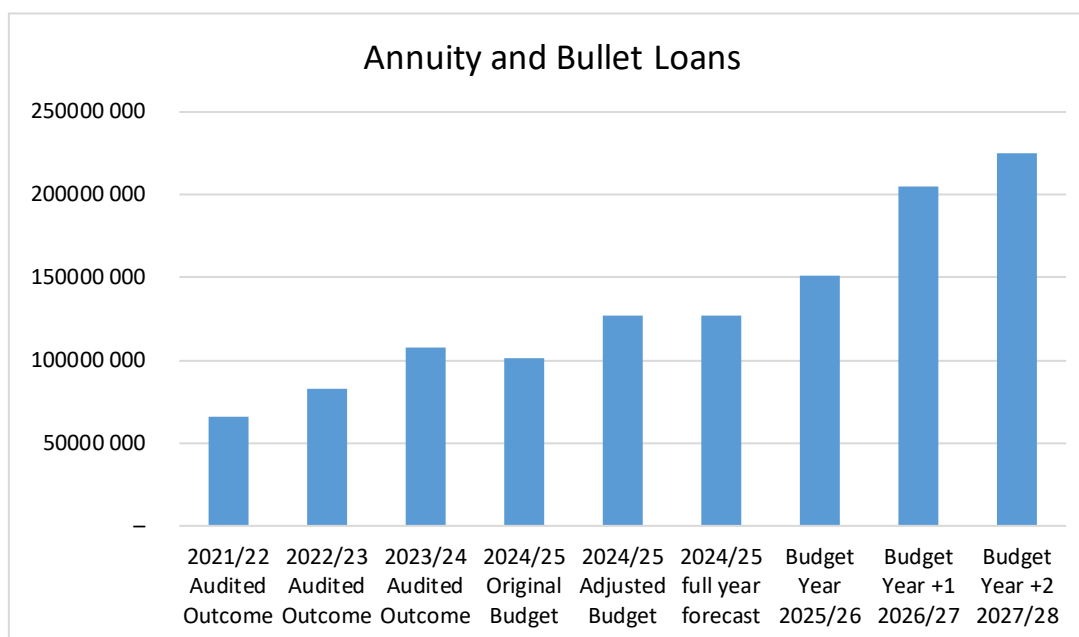


Table 33 MBRR SA17 Borrowing

WC047 Bitou - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Parent municipality										
Annuity and Bullet Loans		65 625	82 764	107 718	129 483	126 812	126 812	150 928	205 121	225 371
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		1 251	-	-	1 251	-	-	-	-	-
Municipality sub-total	1	66 876	82 764	107 718	130 734	126 812	126 812	150 928	205 121	225 371
Total Borrowing	1	66 876	82 764	107 718	130 734	126 812	126 812	150 928	205 121	225 371

2.6.3 Cash Flow Management

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

To enhance cash flow over the MTREF, a new funding mix methodology was adopted, where cash generated from operations are retained to a larger extent over the MTREF than what was previously done. This funding mix proposal is supported by the recommendations in the LTFP (Long Term Financial Plan) yet the actual exposure to gearing/borrowing as proposed in the budget is much more conservative.

This will add in improving the liquidity position of the municipality and will also ensure that sufficient liquid resources are available to cover operational requirements in the short and medium term as well as moving to a position where all reserves and short-term provisions are cash backed.

The funding methodology will also ensure that the “user pays” principle is ascribed to where current users of services are footing the bill for the capital investment required to deliver the service.

The municipality has through the 5 financial years, leading up to the 2022/2023 budget, over utilised own liquidity in operational as well as capital funding which caused a depletion of liquid cash resources to the extent that a cash flow crisis was imminent. The revised long-term financial plan as well as a sound funding mix strategy indicate that borrowing as a funding source should be used as main funding source over the remainder of the MTREF, not only to ascribe to the user-pays principle in service rendering, but also to ensure the adequate recovery of the liquidity position of the municipality to be within best practice norms.

The implementation of the funding mix strategy in the 2023/2024 financial year has already shown improvement in the current and liquidity ratios thereby moving towards restoring trust from stakeholders in the financial management of the municipality.

Other liquidity requirements such as a sound operating reserve and the cash backing of the CRR is not only seen as prudent financial management principles, but also required in terms of financial best practices, regulations as well as municipal policy. The methodology was first implemented in the 2014/2015 financial year, yet the long-term financial plan was discarded from 2017 to 2021 causing the financial decline as inappropriate financial decisions were taken.

The municipality intends to take up borrowing in the amount of approximately R 182 million in new borrowing over the MTREF, however the gearing ratio will remain in a narrow band and will not exceed 22% in the medium term. The gearing ratio maintained, is well within the maximum prescribed ratio of 40% and will reduce towards the outer years and beyond the MTREF as additional own liquidity is predicted to be available.

Table 34 MBRR A7 Budgeted cash flow statement

WC047 Bitou - Table A7 Budgeted Cash Flows											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		26 295	433	644	175 067	174 808	174 808	174 808	193 054	203 509	214 306
Service charges		32 114	-	-	434 972	435 238	435 238	435 238	484 812	516 605	542 582
Other revenue		9 192	-	67	26 596	23 531	23 531	23 531	36 782	38 272	40 771
Transfers and Subsidies - Operational	1	120 285	462	6 262	176 723	185 015	185 015	185 015	211 047	205 089	209 108
Transfers and Subsidies - Capital	1	-	-	-	130 854	88 638	88 638	88 638	70 466	64 401	78 633
Interest		3 593	10 179	11 284	12 448	12 448	12 448	12 448	12 573	12 698	13 333
Payments											
Suppliers and employees		(1 316 717)	(1 239 255)	(1 004 250)	(776 920)	(776 920)	(776 920)	(776 920)	(866 048)	(892 360)	(920 065)
Interest		(1)	-	-	(14 063)	(13 917)	(13 917)	(13 917)	(16 046)	(21 171)	(27 178)
Transfers and Subsidies	1	-	-	-	(11 983)	(12 183)	(12 183)	(12 183)	(12 383)	(12 498)	(9 292)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 125 239)	(1 228 181)	(985 993)	153 694	116 658	116 658	116 658	114 255	114 544	142 197
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	3 950	3 950	3 950	3 950	-	-	-
Decrease (increase) in non-current investments		(750)	9 857	-	-	-	-	-	-	-	-
Payments											
Capital assets		(38 651)	17 007	18 009	(183 160)	(154 683)	(154 683)	(154 683)	(181 908)	(180 363)	(183 490)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(39 401)	26 864	18 009	(179 210)	(150 733)	(150 733)	(150 733)	(181 908)	(180 363)	(183 490)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Borrowing long term/refinancing		-	-	-	50 033	40 545	40 545	40 545	64 400	74 808	43 400
Increase (decrease) in consumer deposits		(285)	(341)	568	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	(2 300)	(18 275)	(20 372)	(20 404)	(20 404)	(20 404)	(20 340)	(22 927)	(25 672)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(285)	(2 642)	(17 707)	29 662	20 141	20 141	20 141	44 060	51 881	17 728
NET INCREASE/ (DECREASE) IN CASH HELD		(1 164 926)	(1 203 959)	(985 691)	4 146	(13 934)	(13 934)	(13 934)	(23 593)	(13 938)	(23 565)
Cash/cash equivalents at the year begin:	2	73 465	48 627	95 078	59 740	165 432	165 432	165 432	165 432	141 839	127 901
Cash/cash equivalents at the year end:	2	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336
References											

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 35 MBRR A8 - Cash backed reserves/accumulated surplus reconciliation

WC047 Bitou - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336
Other current investments > 90 days		1 140 084	1 250 409	1 056 045	(3 667)	(2 297)	(2 297)	(2 297)	(16 393)	(20 508)	(49 552)
Non current Investments	1	9 857	–	–	–	–	–	–	–	–	–
Cash and investments available:		58 480	95 078	165 432	60 220	149 202	149 202	149 202	125 446	107 393	54 784
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent co		(9 496)	(17 007)	(31 403)	(14 676)	(41 202)	(41 202)	(41 202)	(37 294)	(42 234)	(47 960)
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	4 585	9 986	15 182	(26 573)	15 182	15 182	15 182	15 182	15 182	15 182
Other working capital requirements	3	67 375	92 049	125 480	(56 750)	24 395	24 395	24 395	14 288	(15 437)	(60 881)
Other provisions		53 985	39 585	47 936	116 950	48 075	48 075	48 075	48 243	48 564	48 900
Long term investments committed	4	9 857	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		126 307	124 613	157 195	18 952	46 449	46 449	46 449	40 418	6 074	(44 759)
Surplus(shortfall)		(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543

2.6.5 Funding compliance measurement

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

Table 36 MBRR SA10 – Funding compliance measurement

Total Operating Revenue			799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420
Total Operating Expenditure			799 680	796 795	874 170	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713
Operating Performance Surplus/(Deficit)			(355)	43 151	35 558	2 389	1 934	1 934	1 934	247	12 721	21 708
Cash and Cash Equivalents (30 June 2012)										-		
Revenue												
% Increase in Total Operating Revenue				5.1%	8.3%	7.0%	1.5%	0.0%	0.0%	8.6%	2.9%	4.4%
% Increase in Property Rates Revenue				(3.7%)	17.7%	7.3%	1.0%	0.0%	0.0%	11.0%	5.3%	5.2%
% Increase in Electricity Revenue				4.9%	9.8%	13.5%	(1.1%)	0.0%	0.0%	12.3%	3.7%	4.6%
% Increase in Property Rates & Services Charges				2.3%	6.5%	11.3%	(0.5%)	0.0%	0.0%	9.7%	4.7%	5.0%
Expenditure												
% Increase in Total Operating Expenditure				(0.4%)	9.7%	11.1%	1.5%	0.0%	0.0%	8.8%	1.8%	3.6%
% Increase in Employee Costs				3.0%	9.3%	18.6%	2.1%	0.0%	0.0%	4.1%	3.0%	4.8%
% Increase in Electricity Bulk Purchases				1.8%	21.5%	17.4%	(3.0%)	0.0%	0.0%	11.3%	5.4%	6.2%
Average Cost Per Budgeted Employee Position (Remuneration)					730887.4027	2107605.085				2238584.716		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			3.6%	2.8%	2.5%	2.8%	2.2%	2.2%		2.6%	2.8%	2.5%
Asset Renewal and R&M as a % of PPE			4.0%	5.4%	5.1%	7.5%	6.3%	6.3%		7.3%	7.6%	5.7%
Debt Impairment % of Total Billable Revenue			5.9%	5.0%	4.7%	2.8%	2.8%	2.8%		3.3%	3.1%	3.9%
Capital Revenue												
Internally Funded & Other (R'000)			-	32 098	35 920	50 033	35 125	35 125	35 125	86 921	72 008	39 100
Borrowing (R'000)			60 631	33 505	44 924	107 616	84 573	84 573	84 573	66 588	59 863	104 262
Grant Funding and Other (R'000)			-	-	-	-	-	-	-	-	-	-
Internally Generated funds % of Non Grant Funding			420.1%	608.8%	598.4%	914.1%	636.8%	636.8%	636.8%	946.6%	520.4%	554.7%
Borrowing % of Non Grant Funding			320.1%	174.5%	191.7%	421.8%	293.2%	293.2%	293.2%	234.5%	123.4%	259.8%
Grant Funding % of Total Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Expenditure												
Total Capital Programme (R'000)			-	-	-	-	-	-	-	-	-	-
Asset Renewal			-	-	-	-	-	-	-	-	-	-
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			10.6%	0.1%	0.1%	83.3%	82.4%	82.4%	82.4%	85.8%	87.1%	87.1%
Cash Coverage Ratio			(0)	(0)	(0)	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			1.4%	2.8%	4.5%	3.5%	3.5%	3.5%	3.5%	3.4%	4.0%	4.7%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	66.2%	63.4%	63.4%	120.7%	55.8%	62.1%	54.8%
Reserves												
Surplus/(Deficit)			(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Operating Revenue			799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420
Total Operating Expenditure			799 680	796 795	874 170	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713
Surplus/(Deficit) Budgeted Operating Statement			(355)	43 151	35 558	2 389	1 934	1 934	1 934	247	12 721	21 708
Surplus/(Deficit) Considering Reserves and Cash Backing			(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543
MTREF Funded (1) / Unfunded (0)	15		0	0	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15		✗	✗	✓	✓	✓	✓	✓	✓	✓	✓

Cash/cash equivalent position

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

and working capital requirements. In the case of Bitou this is positive for the over the entire MTREF.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of Bitou Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts, the COVID – 19 pandemic and any other threat to the economy or the impact that the war in the Ukraine has on the world economy. The Municipality needs to achieve at least three month's cash coverage in the medium term, and then gradually move towards five months coverage. This measure will have to be carefully monitored going forward.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year.

It needs to be noted that a budgeted surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

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

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

Cash receipts as a percentage of ratepayer and other revenue

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

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

Capital payments percentage of capital expenditure

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

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

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

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

Consumer debtors change (Current and Non-current)

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

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorize each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarize and understand the proportion of budgets being provided for new assets and asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

2.7 Expenditure on grants and reconciliations of unspent funds

The Municipality relies on funding from national as well as provincial government to execute its service delivery mandate, specifically in respect of the provision of free basic services and essential infrastructure as well as human settlements to the previously disadvantaged communities and people in need.

The government grant allocations are set out in Supplementary tables SA18, table SA19 provide information on the expenditure of these grants and table SA 20 provide a reconciliation between transfers, grant receipts and unspent funds.

Budget table SA21 provides detailed information on the transfers grants and allocations made by the municipality for the financial year as well as the MTREF. Allocations made by the municipality are done in accordance with the grant in aid policy as well as specific service delivery mechanisms concluded with providers of specific functions on behalf of the municipality.

2.8 Councillor and employee benefits

In accordance with the provision of the budget and reporting regulations, the information in respect of the salaries and allowances of both staff and public office bearers are disclosed, the disclosure is done in table SA 22 in the budget tables annexed hereto, reflecting the councillor and staff benefits, SA 23 discloses the salary and benefits payable to Senior Management, the executive as well as other political office bearers.

Table SA24 provides the employee numbers per department and function over a 3-year horizon, it gives an indication of the growth or reduction in employee numbers and provide a breakdown of staff in the various occupational categories.

2.9 Monthly targets for revenue, expenditure and cash flow

Table SA25 provides information on the monthly budgeted cash flow per main revenue source as well as per the main expenditure categories, if sufficiently done, the information therein should provide information on how revenue will be generated, and expenditure incurred over the 12 months of the financial year. This will give a reasonable indication of not only the inflow of cash over the 12 months, but also the extent to which cash resources will be required to fund operational expenses throughout the financial year.

Table SA26 gives an indication of the monthly revenue and expenditure per municipal vote, this provides an overview of the financial performance per directorate for the financial year, when appropriately monitored anomalies in the revenue and expenditure trends should be easy to identify and report to the appropriate level of authority.

SA 27 provides an analysis of the revenue and expenditure per standard classification, this classification represents all the sections and sub-sections in the municipality, it will alert management in respect of the achievements and financial performance per section to allow for timely remedial action if appropriately monitored where necessary.

SA28 provides an indication of the planned capital expenditure per municipal vote, this will assist in cash flow planning to ensure that sufficient cash resources are available when payment for capital projects become due. This is essential for appropriate cash flow budgeting and maximising income from investments.

SA29 provides information about the budgeted monthly capital expenditure by standard classification this will aide in monitoring the monthly capital programs to ensure implementation

in accordance with the capital and procurement plans submitted upon the commencement of the financial year.

SA 30 provides detail of the anticipated monthly cash flows, this is necessary for prudent cash flow planning and monitoring to ensure that sufficient liquidity is available to fulfil monthly operational and capital expenditure responsibilities.

2.10 Contracts having future budgetary implications

In terms of the Council’s Supply Chain Management Policy, with the exception of the Banking Services contract and External Loans, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation or Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.11 Capital expenditure details

The following tables in the attached budget tables present details of the Council’s capital expenditure programme, table SA 34a indicate the capital expenditure on new assets by asset class, table 34b indicate the capital expenditure on the renewal of existing assets by asset class, table 34c reflects the repairs and maintenance by asset class, table 34d indicate the depreciation by asset class, table 34e shows the capital expenditure on the upgrading of existing assets by asset class and table SA35 indicate the future financial implications of the capital budget.

The following pages contain the detailed capital program over the MTREF as per budget
Schedule SA36

Table 37 MBRR SA36 Detailed capital budget

WC047 Bitou - Supporting Table SA36 Detailed capital budget				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Function	Project Description	Project Number	Ward Location			
Parent municipality:						
TOOLS & EQUIPMENT	Supply and deliver of tools and equipment	RDS2200	ALL WARDS	–	45	–
WITTEDRIFT-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTERPLAN ITEM) - Wittedrift	RDS2221	1	4 000	–	–
KRANSHOEK-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTERPLAN ITEM) - Kranshoek	RDS2222	7	2 000	2 600	2 600
Bus shelters	Bus shelters	RDS2223	5 & 6	500	–	–
KURLAND-STORMWATER UPGRADES	UPGRADING OF STORMWATER (MASTERPLAN ITEM) - Kurland	RDS2220	1	2 000	2 500	2 500
KWANOKUTHULA-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTERPLAN ITEM) - KwaNokuthula	RDS2223	5 & 6	–	2 500	2 500
SPEEDHUMPS	CONSTRUCTION OF SPEEDHUMPS	RDS2205	ALL WARDS	200	500	500
UPGRADING OF HIGH STREET	UPGRADING OF HIGH STREET	RDS2230	2	9 900	–	–
UPGRADING OF SEWELL STREET AND ANCHOR CRESCENT	UPGRADING OF SEWELL STREET AND ANCHOR CRESCENT	RDS2231	2	–	7 200	–
UPGRADING OF LONGSHIPS DRIVE	UPGRADING OF LONGSHIPS DRIVE	RDS2232	2	300	–	10 000
MAIN STREET WALKWAYS	Refurbishment of Main St walkways	RDS 2401	2	200	1 250	1 250
BOSSIESGIF & NEW HORIZONS CULDESACS	Upgrading of New Horizon culdesacs	RDS 2402	4	1 000	–	–
KWANOKUTHULA CULDESACS	Upgrading of KwaNokuthula culdesacs	RDS 2403	5	–	1 000	–
EXTENSION OF MVIMBI STREET	Upgrading of Mvimbi St	RDS2236	6	–	–	2 500
SISHUBA STREET SIDE WALKS	Construction of side walks along Sishuba St and nearby streets	RDS2235	5 & 6	–	–	1 500
MARINE WAY SIDE WALKS	Construction of side walks along Sishuba St and nearby streets	RDS2236	2	–	–	1 500
1 x NEW LDV BAKKIES WITH CANOPIES	1 X NEW LDV BAKKIES WITH CANOPIES - ROADS & STORMWATER	FLT2408	ADMINISTRATIVE	600	600	–
KURLAND 1500	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 250 ERVEN	RDS 2406	1	–	–	8 600
KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 100 ERVEN	RDS 2407	5&6	–	–	6 396
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF,,,,	UPGRADING OF ROADS	RDS 2409	2	300	–	–
WATER SERVICES: WASTE WATER PURIFICATION						
SLUDGE HANDLING GANSEVALLEI WWTW	SLUDGE HANDLING - MULTI DISK SCREW PRESS	SEW2401	ALL WARDS	3 700	1 500	–
PUMP STATION EQUIPMENT	Capital Spares: new pumps, motors and fittings	WWP2301	ALL WARDS	2 000	2 000	2 000
UPGRADE SEWER RETIC	Upgrade internal sewer reticulation based on the master plan and Operational requirements	WWP2302	ALL WARDS	1 500	1 500	1 500
SECURITY FENCING - WASTE WATER PLANTS	Security Measures to meet legislative compliance by DWS - Greendrop programme	WWP2304	2 & 7	500	–	–
KURLAND WASTE WATER TREATMENT WORKS	KURLAND Waste Water Treatment Works	WWP2305	1	16 165	11 811	–
KURLAND WASTE WATER TREATMENT WORKS	KURLAND Waste Water Treatment Works	WWP2305	1	–	2 116	–
GREEN VALLEY BULK OUTFALL SEWER RISING MAINS & PUMPSTATION	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5501	1	655	655	–
KWANOKUTHULA BULK OUTFALL SEWER RISING MAINS & PUMPSTATION	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5502	5 & 6	–	–	8 353
KURLAND SEWER PS, RISING MAINS & OUTFALL SEWER (HOUSING)	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5503	1	–	700	500
EBENEZER OUTFALL SEWER (HOUSING)	Construction of sewer pipeline and associated infrastructure	WWT5504	4	–	–	4 348
UPGRADING OF THE BULK WATER & SEWERAGE INFRASTRUCTURE IN THE G	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5505	1	–	400	650
1 x SUPER SUCKER TRUCK -	1 X SUPER SUCKER TRUCK -WASTE WATER SERVICES	WWT5506	ADMINISTRATIVE	–	3 000	–
2X LDV WITH CANOPY- WASTE WATER SERVICES	2X LDV WITH CANOPY- WASTE WATER -REPLACEMNTS	FLT2308	ADMINISTRATIVE	600	600	–
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADING OF SEWER	Construction of sewer reticulation for 100 erven	SEW2045	3	2 675	2 800	–
EBENEZER (PORTION 3) 725	Construction of sewer reticulation for 255 erven	SEW2056	4	11 632	7 565	12 653
KURLAND 1500	Construction of sewer reticulation for 250 erven	SEW2057	1	–	–	4 816

KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF SEWER RETICULATION FOR 100 ERVEN	SEW2058	5&6	–	–	3 581
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF,,,,,	UPGRADING OF SEWER RETICULATION INFRASTRUCTURE	SEW2059	2	300	–	–
WATER SERVICES: WATER DISTRIBUTION						
UPGRADE SAND FILTER PLETT WTW	REFURBISH AND REPAIR SAND FILTERS PLETT WTW	WTR2041	ALL WARDS	250	4 750	–
LABORATORY EQUIPMENT	Replace and upgrade aging laboratory equipment Plett WTW	WTR2042	ALL WARDS	300	318	340
TOOLS AND EQUIPMENT	GENERAL TOOLS & EQUIPMENT	WTR2301	ADMINISTRATIVE	250	265	280
PUMP STATION EQUIPMENT	Capital Spares: new pumps, motors and fittings	WTR2302	ALL WARDS	2 600	2 765	2 931
KURLAND: UPGRADE WTW	UPGRADE WORKS FROM 0.6 TO 1.2MI	WTR2303	1	17 588	–	–
KURLAND: UPGRADE WTW	UPGRADE WORKS FROM 0.6 TO 1.2MI	WTR2303	1	2 167	–	–
REPLACEMENT OF AC PIPES	REPLACEMENT OF AC PIPES	WTR2304	ALL WARDS	2 000	2 000	2 100
WATER DEMAND MANAGEMENT	Domestic meters and water saving devices	WTR2205	ALL WARDS	250	265	281
NATURES VALLEY RESERVOIR	NATURES VALLEY RESERVOIR UPGRADE	WAT2211	1	10 000	–	–
NATURES VALLEY WTW	NATURES VALLEY WTW UPGRADE - CAPITAL REPLACEMENTS	WAT2212	1	1 300	8 000	10 000
Upgrading of the bulk water supply pipeline from Plett WTP to Matjiesfontein reser	Construction of water pipeline and associated infrastructure.	WAT5501	1 & 2	550	550	–
Upgrading of the bulk water supply pipeline from N2 to Green Valley	Construction of water pipeline and associated infrastructure.	WAT5502	1	350	350	–
Green Valley pump station and reservoir	Construction of water pumpstation, rising main, reservoir and associated infrastructure	WAT5503	1	350	350	–
	Installation of bulk meters, meter replacement, network analysis, installation of air valves and pressure reducing valves	WAT5505	ALL WARDS	500	1 500	1 500
WC/WDM Projects – Bulk meters, meter replacement, network analysis, air valves	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WRT5556	1	–	400	650
Upgrading of the Bulk Water and Sewerage Infrastructure in the Greater Keurboom	Construction of reservoirs, pipelines, pumpstations and associated works	WRT555	1	–	1 000	1 000
Upgrading of the Kurland Bulk Water Sources, Treatment Works, Reservoir and Bu	Drilling and equipping of new boreholes including delivery pipelines and associated infrastructure	WRT5502	1	2 500	7 500	5 000
Groundwater exploration Kurland Groundwater Refurbishment and Augmentation						
1 X NEW TLB	1 X NEW TLB WATERSERVICES	FLT2402	ADMINISTRATIVE	–	4 800	1 500
1 X NEW LDV WITH SERVICE CANOPY	1 X NEW LDV SERVICE CANOPY -FLEET MANAGEMENT	FLT2308	ADMINISTRATIVE	–	–	–
WATER SERVICES FURNITURE & EQUIPMENT	Chairs, desk, book racks, white boards, etc	WRT5502	ADMINISTRATIVE	50	600	50
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADING OF WATER	Construction of water reticulation for 100 erven	WTR2311	3	1 350	50	–
EBENEZER (PORTION 3) 725	Construction of water reticulation for 255 erven	WTR2312	4	8 309	1 600	9 942
KURLAND 1500	Construction of water reticulation for 250 erven	WTR2315	1	–	5 403	3 784
KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF WATER RETICULATION FOR 100 ERVEN	WTR2316	5&6	–	–	2 814
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF,,,,,	UPGRADING OF WATER INFRASTRUCTURE	WTR2317	2	300	–	–
Planning Studies for the Bitou Bulk Water Supply Scheme (Wadrift Dam)	Construction of Wadrift dam and associated infrastructure	WTR2318	1	3 300	–	2 600
ELECTRICAL AND MECHANICAL ENGINEERING SERVICES						
	Supply and Delivery of Extension Ladders, Proximity Testers, Bag Switches, Earthing Kits, Megger, Cable Locator, Digital Flukes, Cutting Torch, Hydraulic Crimpers, Cordless Grinders, Rotary Drill, Chain Saws, Pole Pruners	ELE2220	ADMINISTRATIVE	490	200	–
MACHINERY AND EQUIPMENT	Capital spares: replace defective mini-sub and transformer and RMUs in all areas	ELE2301	ADMINISTRATIVE	1 500	1 500	1 500
PLETT: ASSET REPLACEMENT	Master Plan Project: Supply and Install Scada Systems at various substations to facilitate effective Outage Management the future Smart Grid Automation for Renewable Energy Projects	ELE2303	ALL WARDS	–	–	500
SCADA SYSTEMS						
REPLACE FAULTY MV METER UNIT	Maintenance Related: Replacing faulty metering units - to enhance revenue collection	ELE2304	ALL WARDS	–	950	–
	Masterplan Project: Brakkloof 66kV New 20MVA Transformer for firm capacity and allow for maintenance on existing Transformers	ELE2206	MULTIPLE WARDS(2,,3 & 4)	12 272	15 118	–
BRACKKLOOF NEW 20MVA 66/11KV TRF	Ageing Low Voltage Networks to be upgraded with underground	ELE2307	MULTIPLE WARDS(1,2 & 4)	–	2 000	2 000
PLETT: UPGRADE O/H TO U/G NETWORK (LV)	New/Upgrade of Electrical Networks in Informal Settlements in the greater Bitou Area	ELE2204	MULTIPLE WARDS (1,3,5 &6)	1 741	–	–
ELECTRIFICATION OF INFORMAL SETTLEMENT	New/Upgrade of Electrical Networks in Informal Settlements in the greater Bitou Area	ELE2204	MULTIPLE WARDS (1,3,5 &6)	–	800	–
ELECTRIFICATION OF INFORMAL SETTLEMENT						
ELECTRIFICATION OF 204 HOUSEHOLD FOR EBENEZER PHASE A	ELECTRIFICATION OF 204 HOUSEHOLD FOR EBENEZER PHASE A	EBER2024	4	1 188	–	–
NEW HIGH MAST LIGHTS	High Mast Lights with Backup Supply In greater Bitou Area	ELE2309	MULTIPLE WARDS (1,4,5&6)	700	720	–
SECURITY KEY SITES	Provision of security at various key sites to prevent theft and vandalism	ELE2208	MULTIPLE WARDS (2,4,5&6)	–	200	–
NEW STREETLIGHTS	New Streetlights	ELE2210	ALL WARDS	3 000	500	–
11KV LINKS KWANO AND SS1 SUB STATIONS	Masterplan Project: New MV Feeders between SS New Horizons and Erf 34/438.	ELE2214	MULTIPLE WARDS (4,5&6)	–	3 796	–
	Masterplan Project: Upgrade Golf Course and Ladywood 11kV Overhead Lines to SS Kwano, MV Cable and Circuit Breaker	ELE2315	MULTIPLE WARDS (4,5&6)	–	1 194	–
11kV LINKS KWANO TO LADYWOOD						
KEURBOOMS: UPGRADE NETWORK	Create Additional Feed Supply for Keurbooms to allow contingency and continuity of supply	ELE2218	1	1 900	–	–
ELECTRIFICATION OF EBENEZER	ELECTRIFICATION OF EBENEZER	ELE2319	4	1 279	4 348	4 544

ELECTRIFICATION OF QOLWENI	INEP RE-IMBURSEMENT FOR QOLWENI ELECTRIFICATION	ELE2325	3	1 609		
ELECTRIFICATION OF EBENEZER	ELECTRIFICATION OF EBENEZER	ELE2317	4	4 720	-	-
KWANO ADDITIONAL 20 MVA TRANSFORMER FOR FIRM CAPACITY	MasterPlan:	ELE2320	5.6 & 7	-	600	5 000
REPLACE PMT CHRISTIE WITH 315 MINISUB TO CATER FOR ADDITIONAL HOUSING	Replace PMT Christie with 315 minisub to cater for additional housing units	ELE2321	ALL WARDS	-	772	-
REPLACE PMT STEYN WITH 500 KVA MINISUB FOR ADDITIONAL RESIDENTIAL LOAD	Replace PMT Steyn with 500kva minisub for additional residential load	ELE2322	2	-	965	-
INSTALL NEW 1 MVA 22/11 TRANSFORMER AT NATURES VALLEY	INSTALL NEW 1 MVA 22/11 transformer at Natures Valley	ELE2323	ALL WARDS	-	8 100	-
TOOLS AND EQUIPMENT	2 POST LIFT , VEHICLE DIAGNOSTIC KIT ,TOOLS-MECHANICAL WORKSHOP	FLT2301	ADMINISTRATIVE	100	100	100
1 X NEW LDV WITH SERVICE CANOPY	1 X NEW LDV SERVICE CANOPY -FLEET MANAGEMENT	FLT2405	ADMINISTRATIVE	-	600	-
PROJECT MANAGEMENT UNIT (PMU)						
PMU FURNITURE & EQUIPMENT	Chairs, desk, book racks, white boards, etc	PMU5501	ADMINISTRATIVE	50	50	50
PUBLIC SAFETY: FIRE & DISASTER MANAGEMENT						
ESSENTIAL TOOLS, LOOSE GEAR & EQUIPMENT FOR FIRE SERVICE & RESCUE	SCBA's, Compressor,Generators, PTO pumps, Water Pumps, Tools and Loose Gear	FIR2406	ADMINISTRATIVE	200	250	200
HAZMAT PPE & DETECTION	Equipment essential in hazmat response for spills, leaks and releases	FIR2407	ADMINISTRATIVE	200	-	-
OFFICE FURNITURE & APPLIANCES	12 Matresses, 20 stacker chairs, industrial washing machine and tumblers dryer	FIR5501	ADMINISTRATIVE	100	-	-
1X NEW RESCUE PUMPER	REPLACE RESCUE PUMPER CX 3857(14yrs old)FIRE	FLT2415	ADMINISTRATIVE	-	1 500	1 500
1 X NEW 4X4 SKID UBITS	REPLACE CX 48251(10yrs) AND CX 36097(14yrs) FIRE	FLT2416	ADMINISTRATIVE	-	800	-
1 NEW 4X4 TANKER	REPLACE SAMIL CX12077(30 YRS OLD)FIRE	FLT2418	ADMINISTRATIVE	-	2 000	2 500
1 NEW 4X4 TANKER PUMPER	REPLACE TANKER PUMPER CX 10568 (scrapped 2017/18)FIRE	FLT2419	ADMINISTRATIVE	-	-	2 000
PUBLIC SAFETY: LAW ENFORCEMENT SERVICES						
BULLET PROOF VESTS	This is protective equipment for Law Enforcement Officers, Close protection and traffic officers when operational, this is required as tools of trade and OHS requirement.	LAW2301	ADMINISTRATIVE	260	-	-
PORTABLE TWO WAY RADIOS	portable radios are used as communication devices when officers are outside vehicle or office	LAW2302	ADMINISTRATIVE	120	-	-
9MM HANDGUNS (FIRE ARMS)	Fire arms are tools of trade for personnel protectionand are for law enforcement, Close protection and traffic officers, the current firearms are not enough for all the officers.	LAW2304	ADMINISTRATIVE	200	-	-
2X NEW LDV WITH POLICE CANOPIES -LAW ENFORCEMENT	2X NEW LDV WITH POLICE CANOPIES -LAW ENFORCEMENT	FLT2302	ADMINISTRATIVE	-	600	600
PUBLIC SAFETY: TRAFFIC MANAGEMENT SERVICES						
FURNITURE & EQUIPMENT FOR TRAFFIC SERVICES	FURNITURE & EQUIPMENT FOR TRAFFIC SERVICES	TRF2425	ADMINISTRATIVE	115	-	-
2x NEW SEDANS FOR TRAFFIC	2 X NEW TRAFFIC SEDANS	FLT2421	ADMINISTRATIVE	800	800	900
1 X LDV E/CAB WITH ROADBLOCK TRAILER	1 XNEW LDV & TRAILER -TRAFFIC DEPT	FLT2422	ADMINISTRATIVE	-	100	-
PUBLIC SAFETY:COMMUNICATIONS & CUSTOMER RELATIONS MANAGEMENT						
1 CAMERA	1 CAMERA	CUS550	ADMINISTRATIVE	30	-	-
2 x PORTABLE LOUDHAILERS	2 x PORTABLE LOUDHAILERS	CUS5502	ADMINISTRATIVE	12	-	-
INDOOR AND OUTDOOR COMPATIBLE SOUND SYSTEM	INDOOR AND OUTDOOR COMPATIBLE SOUND SYSTEM	CUS5503	ADMINISTRATIVE	120	-	-
FURNITURE FOR COMMUNICATIONS & CUSTOMER CARE	FURNITURE FOR COMMUNICATIONS & CUSTOMER CARE	CUS5504	ADMINISTRATIVE	60	-	-
3 x GAZEEBOS	3 x GAZEEBOS	CUS5505	ADMINISTRATIVE	30	-	-
1 X NEW LOUD HAILING SYSTEM	BUILD IN SOUND AND LOUDHAILING SYSTEM FOR PUBLIC MEETINGS AND MUNICIPAL EVENTS	CUS5506	ADMINISTRATIVE	200	-	-
HORTICULTURE & RECREATIONAL SERVICES						

CONSTRUCTION OF REGIONAL CEMETRY	CONSTRUCTION OF REGIONAL CEMETRY AT EBENEZER SANRAL ROAD	HOR2207	4	600	3 500	3 500
UPGRADING AND FENCING AT KWANOKUTHULA CEMETRY	UPGRADING AND FENCING AT KWANOKUTHULA CEMETRY	HOR2303	5	1 200	–	–
UPGRADING OF GREENVALLEY SPORTFIELD FLOODLIGHTING	UPGRADING OF GREENVALLEY SPORTFIELD FLOODLIGHTING	HOR2209	7	3 500	2 488	–
UPGRADING OF KWANO SPORTFIELD FLOODLIGHTING	UPGRADING OF KWANO SPORTFIELD FLOODLIGHTING	HOR2230	5&7	–	5 248	1 563
WARD 1-UPGRADING OF KURLAND SPORTSFIELDS	UPGRADING OF SPORTSFIELDS - KURLAND	HOR2305	1	1 800	–	–
WARD1 -UPGRADING OF KURLAND SPORTSFIELDS	UPGRADING OF SPORTSFIELDS - KURLAND	HOR2305	1	–	2 400	–
RIDE ON LAWNMOWER	3 X NEW LAWNMOWERS -PARKS	HOR5501	ADMINISTRATIVE	300	–	–
1 X NEW TRACTOR	1 X NEW TRACTOR -PARKS	HOR5502	ADMINISTRATIVE	300	–	–
1 X NEW 3TON TIPPER TRUCK	1 X NEW 3 TON TIPPER TRUCK -PARKS	HOR5503	ADMINISTRATIVE	–	950	–
COMMUNITY HALLS, SPORTFIELDS & SERVICES CENTRES						
CONSTRUCTION OF QOLWENI HALL	Replacement of aluminium doors and windows at Qolweni	FAC2223	3	100	2 000	–
INTERGRATED WASTE MANAGEMENT						
KURLAND VILLAGE-WASTE DROP- OFF FACILITY	New Drop-off facilities at Kurland	WAS202	1	5 600	–	–
1x NEW SKIP TRUCK	1 X NEW SKIP TRUCK WASTE MANAGEMENT	FLT2401	ADMINISTRATIVE	1 500	–	–
1X NEW HOOKLIFT TRUCK-WASTE MANAGEMENT	1 X NEW HOOKLIFT TRUCK & TRAILER	FLT2304	ADMINISTRATIVE	–	3 000	3 000
INFORMATION & COMMUNICATION TECHNOLOGY						
BITOU LAPTOP REPLACEMENT	Replacement of equipment older than 5 Years and not fit for purpose	ICT2301	ADMINISTRATIVE	756	402	85
BITOU COMPUTER OPERATIONAL SPARES & LOANS	Operational in nature / Loans while servicing or repairing	ICT2302	ADMINISTRATIVE	150	300	257
BITOU HANDHELD DEVICES	For paper less agenda, workforce and meter reading readers	ICT501	ADMINISTRATIVE	220	38	38
BITOU REPAIRS MAINTENANCE & EQUIPMENT	Operational in nature / Replacement of failed capital item in the field	ICT2304	ADMINISTRATIVE	265	23	53
BITOU NEW USERS	BITOU NEW USERS	ICT2305	ADMINISTRATIVE	396	232	232
DEPARTMENTAL REQUESTS	DEPARTMENTAL REQUESTS HUMAN RESOURCE MANAGEMENT	ICT116	ADMINISTRATIVE	102	24	24
BITOU MONITORS	DEPARTMENTAL REQUESTS HUMAN RESOURCE MANAGEMENT	ICT117	ADMINISTRATIVE	22	27	27
LAW ENFORCEMENT 2 WAY RADIOS	TRAFFIC 2 WAY RADIOS	ICT2331	ADMINISTRATIVE	56	–	–
BEACH CONTROL ENFORCEMENT 2 WAY RADIOS	BEACHES 2 WAY RADIOS	ICT505	ADMINISTRATIVE	63	–	–
ICT OFFICE FURNITURE & EQUIPMENT	ICT OFFICE FURNITURE & EQUIPMENT	ICT2337	ADMINISTRATIVE	12	–	–
SCADA CONNECTIVITY	SCADA CONNECTIVITY	ICT2406	ADMINISTRATIVE	90	–	–
BITOU BIOMETRIC DEVICES	New devices / Replacement of aged or faulty devices for Time & Attendance	ICT171	ADMINISTRATIVE	120	60	30
Parent Capital expenditure				181 908	180 363	183 490

Table 38 MBRR SA37 - Projects delayed from previous financial year

There are no projects that have been delayed from previous financial years.

2.12 Legislation compliance status

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

1. In-year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is done without exception and has progressively improved in quality as well as narrative explanations, the reporting includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Council's is participating in the Municipal Financial Management Internship programme and is currently in the process of recruiting new interns. Since the introduction of the Internship programme the Council has successfully employed and trained various interns through this programme and the majority of them were appointed either within the municipality or other at Municipalities.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detailed SDBIP document is at a draft stage and will be submitted to the mayor for final approval within 14 days of the approval of the budget for the 2025/26 MTREF, it is directly aligned and informed by the 2025/2026 MTREF.

6. Annual Report

The Annual report is compiled in terms of the requirements of Section 127 of the MFMA and National Treasury requirements. The oversight report in respect of the 2023/2024 financial year will be considered by the municipal council on 31 March 2025 and the annual report is recommended to be adopted without reservations by the oversight committee.

7. Policies

Various policy amendments are proposed as part of the budget process, all policies being revised are to be made available with the budget documentation for public input.

8. Minimum Competency Training

Minimum competency training is underway and all required staff members are enrolled for the completion of the required training. Our participation in this program is in line with the assessment of current skills pool and capacity building to ensure less reliance on consulting services. The filling of critical vacancies will also require compliance by candidates to the minimum competency requirements.

9. Public Input on the draft budget

The input received as part of the public participation process is summarised hereunder:

Input/Objection 1

Objection received from attorneys Messrs. Pearce, du Toit & Moodie on behalf of the owner of Erf 50 Plettenberg Bay, J Farr Trust.

In summary, the objection relates to the definition of a business unit as per the municipal tariff policy and the interpretation and application of the municipal tariff policy in respect of the of the unitary charge made applicable to each business units for water and sanitation where a property is supplied with water and sanitation services through a single connection. It is the submission of the objector that only one charge for water and sanitation should be applied irrespective of the fact that the subject property consists of 21 shops varying from 37 to 312 square meters in extent. The principle of fairness in application of the Tariff is questioned as well as the principles of tariff setting as prescribed in the legislative framework.

The complete objection document is not included in the budget documents as it contains further arguments and information not relevant to the budget process.

Response to Input/Objection 1

The tariff Policy

The tariff policy was amended by expanding on the definition of “Business unit”, it did not change the essence of what a business unit entails and therefore the reference of a section of the building representing a business unit still remain.

A Business unit is therefore, for clarity defined as follows: “Business unit”. in relation to any premises, means a building or section of a building or containers, occupied or used for shops, offices, hotel rooms accommodation establishments, caravan parks etcetera.”

Various definitions and interpretations of the term business units, through a simple internet search confirm the principle that a business unit is construed as a unit with common features of a specific purpose composed of people with different skills and knowledge having their own goals and objectives, which is confirmed by yourselves in the listing of shops and businesses accommodated in the various portions of the premises in question.

The Municipality therefore maintain that the definition, interpretation and application of the principle whereby a business unit is defined, is relevant and appropriate for the application of the tariffs as per the tariff listing.

A Basic Charge is defined in the tariff policy as follows:

“Basic charge”, is a charge intended for the recovery of the fixed and overhead cost components associated with a service, irrespective of the extent to which a service is consumed or used, it covers inter-alia cost

associated with distribution, maintaining the reticulation network and other infrastructure and equipment and billing-related costs, institutional cost, and other administrative costs , plus the cost of the meter, servicing and reading the meter, mailing the bills and maintaining customer records.

The essence of the term has not changed, and the amendment only serves to provide additional information on the purpose of the basic charge.

The purpose of the basic charge is not limited to the cost of reading and maintain the meter, it relates to the overhead cost of the water and sanitation service, the maintaining of the network and associated infrastructure, staffing cost, etcetera.

The guidelines for compulsory national standards issued in supporting the Regulations issued under Section 10 of the Water Services Act, (Act 108 of 1997), determine the following respect of Service Tariffs with specific reference to fixed charges “ Any tariff set by a water services institution for the supply of water services to a consumer may include a fixed charge regardless of the amount of water that is consumed or effluent that is disposed of, there are fixed costs that are incurred by a water services institution that must be recovered. This includes for example, the costs of employing staff, maintaining equipment and infrastructure, metering, billing and running offices.

In the case of Bitou Municipality these fixed charges are billed to customers as the basic charge. As per the above extract these charges relate to both water and sanitation charges.

The Municipal Water Bylaw, promulgated on 20 October 2009, in Provincial Gazette 6668, Section 32(8) reads as follows ” Where in the opinion of the municipality it is not reasonably possible or cost effective to measure water supplied to each consumer within a determined zone, the municipality may in terms of its tariff policy determine a basic tariff or charge to be paid by each consumer within that zone irrespective of actual consumption.”

The Bylaw, under paragraph 5 further determines the following in respect of fixed charges for water Services:

5. Fixed charges for water services

(1) The municipality may, in addition to the tariffs or charges prescribed for water services actually provided, levy a monthly fixed charge, annual fixed charge or once-off fixed charge in respect of the provision of water services in accordance with—

(a) its tariff policy;

(b) any by-law in respect thereof; and

(c) any regulations in terms of Section (10) of the Act.

(2) Where a fixed charge is levied in terms of Subsection (1), it shall be payable by every owner or consumer in respect of water services provided by the municipality to him, her or it, whether or not water services are used by him, her or it.

Sewer Charges

Similar to the acknowledgement of the objector that the individual shops have water connections, it is assumed that they generate effluent that is disposed of in the municipal wastewater system. Effluent in accordance with the Department of Water and Sanitation, Norms and Standards, 2015, schedule 2, point 2 (d) includes wastewater arising from domestic and commercial activities and premises, which may contain

sewage. In addition, thereto the municipal sanitation Bylaw defines sewage as follows; “sewage” means wastewater, industrial effluent, standard domestic effluent and other liquid waste, either separately or in combination. It is therefore not a requirement that a toilet must be present to generate effluent disposed in the wastewater system of the municipality.

Like the determination of fixed charges for water services, the Department of Water and Sanitation, Norms and Standards, 2015 defines fixed charges as “a constant charge levied for any determined period irrespective of the amount of effluent discharged or disposed of”

The Bitou Municipality, Sanitation Bylaw Section 51(2) determines that Charges shall be payable in terms of the municipality’s tariff policy when the service is rendered which fact is not in dispute, and Section 54 determine the liability in respect of multiple customers on the same premises whereby the owners, or the persons having charge, or management of the premises, as the case may be will be liable to the municipality for the tariffs and charges for all sewage disposed from the premises through such a single connecting sewer, irrespective of the different quantities disposed by the different consumers served by such connecting sewer.

There is an acknowledged that the shops/business units in question, indeed have on-premises water connections and do generate wastewater effluent that is connected to the water-borne sewer system of the municipality.

This confirms the position of the municipality in accordance with the Chapter 1, general provisions of the water By-law, specifically paragraph 2 wherein it is stated as follows in respect of the application of services:

“Where a premises or consumer are provided with water services, it shall be deemed that an agreement in terms of subsection (1) exists, Section (1) refers to the access to the water supply system and the sewage disposal system.

It is the position of the municipality that it is justified to charge each individual tenant a basic sewer charge as the individual shops or business units are indeed provided with water connections and do generate effluent disposed into the sewer system of the municipality, the effluent generated is not limited to toilets alone and effluent generated through any wastewater system or process is therefore taken into account.

The sanitation By-law paragraph 51 (2) confirms that Charges shall be payable in terms of the municipality’s tariff policy when the service is rendered.

The Local Government Municipal Systems Act, (Act 32 of 2000)

The tariff policy does contain the principle of equity, as all similar customers are treated the same in respect of the applicability of the tariff to customers where multiple business units are situated on one premises. The tariff policy is applied consistently to all similar categories of consumers in the entire area of jurisdiction of Bitou municipality confirming the fairness in the application thereof.

Although Section 74(2)(b) refers to payment in proportion to the usage of the service, the By-law, tariff policy, norms and standards etcetera, allow the municipality to charge a fixed/basic charge irrespective of the extent to which the service is used, the charge thus levied represents the minimum charge applicable to all similar categorised customers.

The municipality needs to reiterate that it does not differentiate or discriminate against any customer type as all similar customers are treated the same way in the application of tariffs and charges.

The municipality would like to reiterate that the tariff policy and tariffs are applied uniformly and fairly to all customers throughout the municipal region.

Upon considering the question of fairness of application of the tariff policy, consideration cannot be limited to certain client categories, as not only are all similar customers treated the same, but if a comparison is made between business units and a small household or even a RDP house (40m²) where the household income barely exceed R5000 per month indigent threshold, it should be clear that the RDP household is charged excessively more for services when compared to a shop measuring between 37m² and 312m² when both properties are charged a singular tariff for access to basic services being water and sewerage.

The tariff policy indeed underlines the principle and objective of equality, reasonability and fairness to specific categories of consumers and is consistently applied throughout the area as such, furthermore it does provide reliable, sustainable and affordable services to all, as all business units are expected to contribute equally to the revenue basket of the municipality, it would indeed be unfair and inequitable to exclude 21 shops from this contribution or reduce their contribution to one unit whereas all single residential properties and single business units are expected to contribute in a similar manner.

Input 2

Kransoek is Gatvol Campaign through Mr M Jooste raised the following matters:

1. Maintenance of gravel roads and tarring of new roads for a combined amount of R6.4 million
2. Housing in Kranshoek including the upgrade of RDP houses and applying for funding for new RDP houses from the Department of Human Settlements.

Response to Input 2

Maintenance of gravel roads is provided on the municipal budget and will proceed in accordance with the priorities of the maintenance program of the roads division, the request for new roads will be included in the IDP document for consideration in future budget cycles. It is unavoidable to point out that the Kranshoek area has an average monthly debtors payment rate of less than 10% and owe a combined debt in excess of R111 million. Roads continue to be a rates funded service and if the payment rate were comparable with any other average paying area, sufficient cashflow would have been available to immediately address the need. The municipality unfortunately do not have the resources available to address these needs over the MTREF period and provision would need to be made after the outer year of the MTREF when cash flow becomes available to fund it from own resources if possible.

The municipal Housing pipeline do include Kranshoek but it is currently in the planning phase and it is always subject to the availability of funding from the department of Human Settlements.

Input from ward meetings

The input from wards received through the public participation process is summarised hereunder, a response to the issues raised are provided in **RED, Italic** in **BOLD** lettering for ease of reference.

Ward 1 – Green valley and Kurland

- Sports Facilities: ***Item has been addressed by adding a capital item for the upgrade of sports fields and the maintenance budget for work in all wards has been topped up.***
 - Both areas reported a lack of proper sports infrastructure.

- Rugby fields do not meet SWD Rugby requirements due to poor maintenance and inadequate infrastructure
- The Craggs soccer field lacks fencing and lighting, making it unusable in the evenings and vulnerable to roaming animals.
- Netball courts in both areas are in poor condition due to substandard workmanship by a previous contractor.
- The Craggs cricket club appealed for a basic concrete slab to practice on.
- Housing Development: ***Part of the Capital budget is outer year (2027/28) civil work planned for Kurland 1500 households which is the 1st step in the housing project. Therefore, this is in the plans of the municipality***
 - Communities expressed frustration over the slow pace of housing developments.
- Road Infrastructure: ***The Municipality will liaise with Provincial Government in the concerns raised, where the municipality can assist, budgetary provision for maintenance of roads has been made.***
 - Green valley residents raised concerns about the poor condition of the entrance road, Pine Street.
 - There is growing frustration over the condition and lack of attention to the provincial road through Green valley.
- Other Service Delivery Concerns: ***The Municipality will liaise with ESKOM on the matter and will revert any communication back to the community.***
 - Ongoing dissatisfaction with the quality of Eskom service delivery in Bitou.
 - The condition and functionality of the Kurland community hall was raised as a concern.

Ward 2

- Maintenance and Basic Services: ***Budget has been made available for the below as it is part of the normal operating budget***
 - Residents expressed general satisfaction.
 - Minor complaints were raised regarding the upkeep of taxi rank ablution facilities, grass cutting, and bush clearing.

Ward 3

- Basic Infrastructure: ***Budget has been made available for the below for the maintenance as it is part of the normal operating budget.***
 - Shared concerns with Ward 1 about poor maintenance of public ablution facilities.
 - The slow progress of housing projects remains a key issue.
- Other Infrastructure Needs: ***Bus shelters have been budgeted for the capital budget. Bitou to liaise with the department of Education regarding the matter.***
 - Requests for improved bus shelters and attention to maintenance.
 - The community enquired about the status of the request to the Department of Education for the establishment of a primary school.

Ward 4

- General Maintenance: ***Budget has been made available for the below for the maintenance as it is part of the normal operating budget.***
 - Most feedback related to street cleaning and general maintenance.
- Housing and Governance:
 - Housing-related concerns were common.
 - Some complaints reflected broader political frustrations within the ward.

Ward 5

- Maintenance and Basic Services: ***Budget has been made available for the below for the maintenance as it is part of the normal operating budget. Sewer upgrades and high mast as well as streetlights have been budgeted for.***
 - Residents expressed concerns over lighting in the area or lack thereof as well as maintaining the current infrastructure in the area
 - Land for small scale farming a continues concern vs the availability of land
 - Sewer infrastructure maintenance and sewer upgrades a continuous concern as the stench in the air is unhealthy

Ward 6

- Maintenance and Basic Services: *Budget has been made available for the below for the maintenance as it is part of the normal operating budget. Sewer upgrades and high mast as well as streetlights have been budgeted for. Sewer reticulation concerns will also be attended to as part of the next housing phase in the area.*
 - Residents expressed concerns over lighting in the area or lack thereof as well as maintaining the current infrastructure in the area
 - Land for small scale farming a continues concern vs the availability of land
 - Sewer infrastructure maintenance and sewer upgrades a continuous concern as the stench in the air is unhealthy
 - Housing and Facilities: *Part of the Capital budget is outer year (2027/28) civil work planned for Kwanokuthula, which is the 1st step in the housing project. Thus, this is on the plans of the municipality. It must be pointed out that the municipality remains subjected to the availability of funding from the department of Human Settlements.*
 - Communities expressed frustration over the slow pace of housing developments.
-

Ward 7

- Road and Sanitation Issues: *Budget has been made available for the below for the maintenance as it is part of the normal operating budget. Sewer upgrades are part of the Capital budget as well as stormwater upgrades.*
 - Gravel roads remain a major challenge.
 - Sewerage spills caused by illegal connections and inadequate infrastructure were reported.
 - Stormwater drainage issues were also raised.
- Housing and Facilities: *The Municipality will take it up with Provincial housing department and give feedback to the community once an answer is received.*
 - Calls for inclusive housing developments that cater to the marginalised within the community.
 - Maintenance and condition of the community hall was a key concern. *Budget has been made available for the maintenance as it is part of the normal operating budget.*

10. mSCOA Compliance

The municipality is currently using the SAMRAS financial management system as its core financial system, the system was acquired prior to the implementation of the Municipal Finance Management Act and has therefore been in use for more than 25 years. The municipal council, upon the implementation of the mSCOA classification framework, resolved to continue with the Samras system as its core financial system, which system is still in use. The mSCOA steering committee was re-established in the 2023/2024 financial year after being dormant for a number of years.

Considering the current financial position of the municipality it is currently not an option to change the core financial system as it would be too costly and disruptive.

The National Treasury is currently in a consultative process with municipality that will emanate in the regulation of the mSCOA business processes. Municipalities are required to ensure that the financial systems have the capability to transact against all 7 segments in the classification framework and that the system can support the 14 business processes to be regulated.

Provision is made in the 2025/2026 budget for the cost associated with the possible upgrade of the core financial system to a full ERP system that will ensure the integration of all business processes across the organisation.

The municipality is currently busy performing a due diligence and assessment of the current financial management system as well as testing the market to enable an informed position to be formulated and presented to the municipal council for a decision on the way forward.

The mSCOA roadmap is included as part of the budget related annexures.

2.13 Other supporting documents

Other supporting schedules to the budget schedules, include SA1 that contain the supporting detail to the budgeted financial performance, SA2 that contain the matrix financial performance budget (revenue source/expenditure type and department), table SA 3 contain the supporting detail to the statement of financial position, table SA9 contains the social, economic and demographic statistics and assumptions, table SA11, SA12a and 12b contain property rates information and table SA13 provide details of service tariffs per category. Table SA 21 contain the detail of transfers made by the municipality and table SA 32 details the external mechanisms used by the municipality for service delivery. Lastly table SA38 contain the details of operational projects. All the supplementary tables are annexed to the main budget report as Annexure "C"

2.14 Municipal manager's quality certificate

I, Mbulelo Memani, Municipal Manager of Bitou Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Mr. Mbulelo Memani

Municipal Manager of Bitou Municipality (WC047)

Signature

A handwritten signature in black ink, appearing to read 'Mbulelo Memani', is written over a horizontal line.

Date

30 May 2025

FINAL CAPITAL BUDGET 2025-2028									
PROJECT NAME	PROJECT DESCRIPTION	PROJECT IDP CODES	MULTI OR SINGLE YEAR	WARD	FUNDING SOURCE	PROJECT MANAGER	PROPOSED DRAFT BUDGET 2025-2026	PROPOSED DRAFT BUDGET 2026-2027	PROPOSED DRAFT BUDGET 2027-2028
ROADS, TRANSPORT & STORM WATER							37,769,000.00	33,996,092.23	70,113,407.77
TOOLS & EQUIPMENT	Supply and deliver of tools and equipment	RDS2200	SINGLE-YEAR	ALL WARDS	AFR	MR Z MPUA	-	45,000.00	-
WITTEDRIFT-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTERPLAN ITEM) - Wittedrift	RDS2221	SINGLE-YEAR	1	BORROWINGS	MR Z MPUA	4,000,000.00	-	
KRANSHOEK-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTERPLAN ITEM) - Kranshoek	RDS2222	MULTI-YEAR	7	BORROWINGS	MR Z MPUA	2,000,000.00	2,600,000.00	2,600,000.00
BUS SHELTERS	BUS SHELTERS	RDS2223	SINGLE-YEAR	5 & 6	AFR	MR Z MPUA	500,000.00	-	-
KURLAND-STORMWATER UPGRADES	UPGRADING OF STORMWATER (MASTERPLAN ITEM) - Kurland	RDS2220	MULTI-YEAR	1	BORROWINGS	MR Z MPUA	2,000,000.00	2,500,000.00	2,500,000.00
KWANOKUTHULA-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTERPLAN ITEM) - KwaNokuthula	RDS2223	MULTI-YEAR	5 & 6	BORROWINGS	MR Z MPUA	-	2,500,000.00	2,500,000.00
SPEEDHUMPS	CONSTRUCTION OF SPEEDHUMPS	RDS2205	MULTI-YEAR	ALL WARDS	AFR	MR Z MPUA	200,000.00	500,000.00	500,000.00
UPGRADING OF HIGH STREET	UPGRADING OF HIGH STREET	RDS2230	SINGLE-YEAR	2	BORROWINGS	MR Z MPUA	9,900,000.00	-	
UPGRADING OF SEWELL STREET AND ANCHOR CRESCENT	UPGRADING OF SEWELL STREET AND ANCHOR CRESCENT	RDS2231	SINGLE-YEAR	2	BORROWINGS	MR Z MPUA	-	7,200,000.00	
UPGRADING OF LONGSHIPS DRIVE	UPGRADING OF LONGSHIPS DRIVE	RDS2232	MULTI-YEAR	2	BORROWINGS	MR Z MPUA	300,000.00	-	10,000,000.00
MAIN STREET WALKWAYS	Refurbishment of Main St walkways	RDS 2401	MULTI-YEAR	2	AFR	MR Z MPUA	200,000.00	1,250,000.00	1,250,000.00
BOSSIESGIF & NEW HORIZONS CULDESACS	Upgrading of New Horizon culdesacs	RDS 2402	SINGLE-YEAR	4	BORROWINGS	MR Z MPUA	1,000,000.00	-	-
KWANOKUTHULA CULDESACS	Upgrading of KwaNokuthula culdesacs	RDS 2403	SINGLE-YEAR	5	BORROWINGS	MR Z MPUA	-	1,000,000.00	-
EXTENSION OF MVIMBI STREET	Upgrading of Mvimbi St	RDS2236	SINGLE-YEAR	6	AFR	MR Z MPUA	-	-	2,500,000.00
SISHUBA STREET SIDE WALKS	Construction of side walks along Sishuba St and nearby streets	RDS2235	SINGLE-YEAR	5 & 6	AFR	MR Z MPUA	-	-	1,500,000.00
MARINE WAY SIDE WALKS	Construction of side walks along Marine Way and nearby streets	RDS2236	SINGLE-YEAR	2	AFR	MR Z MPUA	-	-	1,500,000.00
LOWER TREKKER STREET SIDE WALKS	Construction of side walks along Trekker St and nearby streets	RDS2237	SINGLE-YEAR	7	AFR	MR Z MPUA	-	-	-
SARINGA STREET SIDE WALKS	Construction of side walks along Saringa St and nearby streets	RDS2238	SINGLE-YEAR	4	AFR	MR Z MPUA	-	-	-
HEUWEL STREET SIDE WALKS	Construction of side walks along Heuvel St and nearby streets	RDS2239	SINGLE-YEAR	1	AFR	MR Z MPUA	-	-	-
LAGOON DRIVE SIDE WALKS	Construction of side walks along Lagoon St and nearby streets	RDS2240	SINGLE-YEAR	1	AFR	MR Z MPUA	-	-	-
1 x NEW LDV BAKKIES WITH CANOPIES	1 X NEW LDV BAKKIES WITH CANOPIES - ROADS & STORMWATER	FLT2408	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR Z MPUA	600,000.00	600,000.00	-
1 X NEW JETMACHINE -STORMWATER	1 X NEW JETMACHINE - STORMWATER	FLT2414	SINGLE-YEAR	ADMINISTRATIVE	BORROWINGS	MR Z MPUA	-	2,000,000.00	-
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADING OF SEWER	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 100 ERVEN	RDS2303	MULTI-YEAR	3	INFORMAL SETTLEMENT UPGRAIDING PARTNERSHIP GRANT	MR F MAKI	3,475,000.00	3,600,000.00	-
EBENEZER (PORTION 3) 725	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 255 ERVEN	RDS 2304	MULTI-YEAR	4	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	13,294,000.00	8,645,200.00	22,595,500.00
UPGRADING OF GRAVEL ROADS: WITTEDRIFT GREENVALLEY	UPGRADING OF GRAVEL ROADS: WITTEDRIFT GREENVALLEY	RDS 2405	MULTI-YEAR	1	MIG	MR MEIRING	-	1,555,892.23	7,672,407.77
KURLAND 1500	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 250 ERVEN	RDS 2406	SINGLE-YEAR	1	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	-	-	8,600,000.00
KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF NEW ROADS AND RELATED STORMWATER FOR 100 ERVEN	RDS 2407	SINGLE-YEAR	5&6	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	-	-	6,395,500.00
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF,.....	UPGRADING OF ROADS	RDS 2409	MULTI-YEAR	2	AFR	MR F MAKI	300,000.00	-	-

WATER SERVICES: WASTE WATER PURIFICATION							39,727,250.00	34,645,905.59	38,401,962.67
SLUDGE HANDLING GANSEVALLEI WWTW	SLUDGE HANDLING - MULTI DISK SCREW PRESS	SEW2401	MULTI-YEAR	ALL WARDS	BORROWINGS	MR E OOSTHUIZEN	3,700,000.00	1,500,000.00	-
PUMP STATION EQUIPMENT	Capital Spares: new pumps, motors and fittings	WWP2301	MULTI-YEAR	ALL WARDS	AFR	MR E OOSTHUIZEN	2,000,000.00	2,000,000.00	2,000,000.00
UPGRADE SEWER RETIC	Upgrade internal sewer reticulation based on the master plan and Operational requirements	WWP2302	MULTI-YEAR	ALL WARDS	BORROWINGS	MR E OOSTHUIZEN	1,500,000.00	1,500,000.00	1,500,000.00
SECURITY FENCING - WASTE WATER PLANTS	Security Measures to meet legislative compliance by DWS - Greendrop programme	WWP2304	SINGLE-YEAR	2 & 7	AFR	MR E OOSTHUIZEN	500,000.00	-	-
KURLAND WASTE WATER TREATMENT WORKS	KURLAND Waste Water Treatment Works	WWP2305	MULTI-YEAR	1	MIG	MR M MEIRING	16,165,000.00	11,810,635.59	-
KURLAND WASTE WATER TREATMENT WORKS	KURLAND Waste Water Treatment Works	WWP2305	SINGLE-YEAR	1	AFR	MR M MEIRING	-	2,115,720.00	-
GREEN VALLEY BULK OUTFALL SEWER RISING MAINS & PUMPSTATION	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5501	MULTI-YEAR	1	AFR	MR E OOSTHUIZEN	655,000.00	655,000.00	-
KWANOKUTHULA BULK OUTFALL SEWER RISING MAINS & PUMPSTATION	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5502	SINGLE-YEAR	5 & 6	MIG	MR E OOSTHUIZEN	-	-	8,353,176.58
KURLAND SEWER PS, RISING MAINS & OUTFALL SEWER (HOUSING)	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5503	MULTI-YEAR	1	AFR	MR E OOSTHUIZEN	-	700,000.00	500,000.00
EBENEZER OUTFALL SEWER (HOUSING)	Construction of sewer pipeline and associated infrastructure	WWT5504	MULTI-YEAR	4	MIG	MR E OOSTHUIZEN	-	-	4,347,826.09
UPGRADING OF THE BULK WATER & SEWERAGE INFRASTRUCTURE IN THE GREATER KERBOOMS AREA 9(SEWERAGE)	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WWT5505	MULTI-YEAR	1	AFR	MR E OOSTHUIZEN	-	400,000.00	650,000.00
1 x SUPER SUCKER TRUCK	1 X SUPER SUCKER TRUCK -WASTE WATER SERVICES	WWT5506	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR E OOSTHUIZEN	-	3,000,000.00	-
2X LDV WITH CANOPY- WASTE WATER SERVICES	2X LDV WITH CANOPY- WASTE WATER -REPLACMNTS	FLT2308	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR E OOSTHUIZEN	600,000.00	600,000.00	
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADING OF SEWER	Construction of sewer reticulation for 100 erven	SEW2045	MULTI-YEAR	3	INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT	MR F MAKI	2,675,000.00	2,800,000.00	-
EBENEZER (PORTION 3) 725	Construction of sewer reticulation for 255 erven	SEW2056	MULTI-YEAR	4	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	11,632,250.00	7,564,550.00	12,653,480.00
KURLAND 1500	Construction of sewer reticulation for 250 erven	SEW2057	SINGLE-YEAR	1	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	-	-	4,816,000.00
KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF SEWER RETICULATION FOR 100 ERVEN	SEW2058	SINGLE-YEAR	5&6	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	-	-	3,581,480.00
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF	UPGRADING OF SEWER RETICULATION INFRASTRUCTURE	SEW2059	MULTI-YEAR	2	AFR	MR F MAKI	300,000.00	-	-
WATER SERVICES: WATER DISTRIBUTION							54,263,753.00	42,466,527.12	44,772,133.75
UPGRADE SAND FILTER PLETT WTW	REFURBISH AND REPAIR SAND FILTERS PLETT WTW	WTR2041	SINGLE-YEAR	ALL WARDS	AFR	MR E OOSTHUIZEN	250,000.00	4,750,000.00	-
LABORATORY EQUIPMENT	Replace and upgrade aging laboratory equipment Plett WTW	WTR2042	MULTI-YEAR	ALL WARDS	AFR	MR E OOSTHUIZEN	300,000.00	318,000.00	340,000.00
TOOLS AND EQUIPMENT	GENERAL TOOLS & EQUIPMENT	WTR2301	MULTI-YEAR	ADMINISTRATIVE	AFR	MR E OOSTHUIZEN	250,000.00	265,000.00	280,000.00
PUMP STATION EQUIPMENT	Capital Spares: new pumps, motors and fittings	WTR2302	MULTI-YEAR	ALL WARDS	AFR	MR E OOSTHUIZEN	2,600,000.00	2,765,277.12	2,931,193.75
KURLAND: UPGRADE WTW	UPGRADE WORKS FROM 0.6 TO 1.2MI	WTR2303	SINGLE-YEAR	1	BORROWINGS	MR E OOSTHUIZEN	17,587,590.00	-	-
KURLAND: UPGRADE WTW	UPGRADE WORKS FROM 0.6 TO 1.2MI	WTR2303	SINGLE-YEAR	1	AFR	MR E OOSTHUIZEN	2,167,413.00	-	-
REPLACEMENT OF AC PIPES	REPLACEMENT OF AC PIPES	WTR2304	MULTI-YEAR	ALL WARDS	AFR	MR E OOSTHUIZEN	2,000,000.00	2,000,000.00	2,100,000.00
WATER DEMAND MANAGEMENT	Domestic meters and water saving devices	WTR2205	MULTI-YEAR	ALL WARDS	AFR	MR E OOSTHUIZEN	250,000.00	265,000.00	280,900.00

NATURES VALLEY RESERVOIR	NATURES VALLEY RESERVOIR UPGRADE	WAT2211	SINGLE-YEAR	1	BORROWINGS	MR E OOSTHUIZEN	10,000,000.00	-	-
NATURES VALLEY WTW	NATURES VALLEY WTW UPGRADE - CAPITAL REPLACEMENTS	WAT2212	MULTI-YEAR	1	BORROWINGS	MR E OOSTHUIZEN	1,300,000.00	8,000,000.00	10,000,000.00
Upgrading of the bulk water supply pipeline from Plett WTP to Matjiesfontein reservoir	Construction of water pipeline and associated infrastructure.	WAT5501	MULTI-YEAR	1 & 2	AFR	MR E OOSTHUIZEN	550,000.00	550,000.00	-
Upgrading of the bulk water supply pipeline from N2 to Green Valley	Construction of water pipeline and associated infrastructure.	WAT5502	MULTI-YEAR	1	AFR	MR E OOSTHUIZEN	350,000.00	350,000.00	-
GREEN VALLEY PUMP STATION AND RESERVOIR	Construction of water pumpstation, rising main, reservoir and associated infrastructure	WAT5503	MULTI-YEAR	1	AFR	MR E OOSTHUIZEN	350,000.00	350,000.00	-
WC/WDM Projects – Bulk meters, meter replacement, network analysis, air valves and prv's	Installation of bulk meters, meter replacement, network analysis, installation of air valves and pressure reducing valves	WAT5505	MULTI-YEAR	ALL WARDS	AFR	MR E OOSTHUIZEN	500,000.00	1,500,000.00	1,500,000.00
Upgrading of the Bulk Water and Sewerage Infrastructure in the Greater Keurbooms Area (Water)	Construction of sewerage pipeline, pumpstation, raising main and associated infrastructure	WRT5556	MULTI-YEAR	1	AFR	MR E OOSTHUIZEN	-	400,000.00	650,000.00
Upgrading of the Kurland Bulk Water Sources, Treatment Works, Reservoir and Bulk Supply Pipelines	Construction of reservoirs, pipelines, pumpstations and associated works	WRT555	MULTI-YEAR	1	AFR	MR E OOSTHUIZEN	-	1,000,000.00	1,000,000.00
Groundwater exploration Kurland Groundwater Refurbishment and Augmentation	Drilling and equipping of new boreholes including delivery pipelines and associated infrastructure	WRT5502	MULTI-YEAR	1	BORROWINGS	MR E OOSTHUIZEN	2,500,000.00	7,500,000.00	5,000,000.00
Planning Studies for the Bitou Bulk Water Supply Scheme (Wadrift Dam)	Construction of Wadrift dam and associated infrastructure	WTR2318	MULTI-YEAR	1	RBIG	MR E OOSTHUIZEN	3,300,000.00	4,800,000.00	2,600,000.00
1 X NEW TLB	1 X NEW TLB WATERSERVICES	FLT2402	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR E OOSTHUIZEN	-	-	1,500,000.00
1 X NEW LDV WITH SERVICE CANOPY	1 X NEW LDV SERVICE CANOPY -FLEET MANAGEMENT	FLT2308	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR E OOSTHUIZEN	-	600,000.00	-
WATER SERVICES FURNITURE & EQUIPMENT	Chairs, desk, book racks, white boards, etc	WRT5502	MULTI-YEAR	ADMINISTRATIVE	AFR	MR E OOSTHUIZEN	50,000.00	50,000.00	50,000.00
QOLWENI/BOSSIESGIF PHASE 4B: UPGRAING OF WATER	Construction of water reticulation for 100 erven	WTR2311	MULTI-YEAR	3	INFORMAL SETTLEMENT UPGRAING PARTNERSHIP GRANT	MR F MAKI	1,350,000.00	1,600,000.00	-
EBENEZER (PORTION 3) 725	Construction of water reticulation for 255 erven	WTR2312	MULTI-YEAR	4	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	8,308,750.00	5,403,250.00	9,942,020.00
KURLAND 1500	Construction of water reticulation for 250 erven	WTR2315	SINGLE	1	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	-	-	3,784,000.00
KWA-NOKUTHULA PHASE 5, PORTION 1 OF 1182	CONSTRUCTION OF WATER RETICULATION FOR 100 ERVEN	WTR2316	SINGLE-YEAR	5&6	HUMAN SETTLEMENTS DEVELOPMENT GRANT	MR F MAKI	-	-	2,814,020.00
UPGRADING OF INFRASTRUCTURE - SHELL DEVELOPMENT ERF,,,,,	UPGRADING OF WATER INFRASTRUCTURE	WTR2317	MULTI-YEAR	2	AFR	MR F MAKI	300,000.00	-	-

ELECTRICAL AND MECHANICAL ENGINEERING SERVICES							30,499,449.59	42,462,707.67	13,644,347.83
MACHINERY AND EQUIPMENT	Supply and Delivery of Extension Ladders, Proximity Testers, Bag Switches, Earthing Kits, Megger, Cable Locator, Digital Flukes, Cutting Torch, Hydraulic Crimpers, Cordless Grinders, Rotary Drill, Chain Saws,	ELE2220	MULTI-YEAR	ADMINISTRATIVE	AFR	MR V FELTON	490,000.00	200,000.00	-
PLETT: ASSET REPLACEMENT	Capital spares: replace defective mini-sub and transformer and RMUs in all areas	ELE2301	MULTI-YEAR	ADMINISTRATIVE	AFR	MR V FELTON	1,500,000.00	1,500,000.00	1,500,000.00
SCADA SYSTEMS	Master Plan Project: Supply and Install Scada Systems at various substations to facilitate effective Outage Management the future Smart Grid Automation for Renewable Energy Projects	ELE2303	MULTI-YEAR	ALL WARDS	AFR	MR V FELTON	-	-	500,000.00
REPLACE FAULTY MV METER UNIT	Maintenance Related: Replacing faulty metering units - to enhance revenue collection	ELE2304	SINGLE-YEAR	ALL WARDS	AFR	MR V FELTON	-	950,000.00	-
BRACKLOOF NEW 20MVA 66/11KV TRF	Masterplan Project: Brakkloof 66kV New 20MVA Transformer for firm capacity and allow for maintenance on existing Transformers	ELE2206	MULTI-YEAR	MULTIPLE WARDS(2,3 & 4)	BORROWINGS	MR V FELTON	12,272,000.00	15,117,784.58	-
PLETT: UPGRADE O/H TO U/G NETWORK (LV)	Ageing Low Voltage Networks to be upgraded with underground	ELE2307	MULTI-YEAR	MULTIPLE WARDS(1,2 & 4)	BORROWINGS	MR V FELTON	-	2,000,000.00	2,000,000.00
ELECTRIFICATION OF INFORMAL SETTLEMENT	New/Upgrade of Electrical Networks in Informal Settlements in the greater Bitou Area	ELE2204	MULTI-YEAR	MULTIPLE WARDS (1,3,5 &6)	BORROWINGS	MR V FELTON	1,741,329.80	-	-
ELECTRIFICATION OF INFORMAL SETTLEMENT	New/Upgrade of Electrical Networks in Informal Settlements in the greater Bitou Area	ELE2204	MULTI-YEAR	MULTIPLE WARDS (1,3,5 &6)	AFR	MR V FELTON	-	800,000.00	-
ELECTRIFICATION OF 204 HOUSEHOLD FOR EBENEZER PHASE A	ELECTRIFICATION OF 204 HOUSEHOLD FOR EBENEZER PHASE A	EBER2024	SINGLE-YEAR	4	AFR	MR V FELTON	1,188,293.71	-	-
NEW HIGH MAST LIGHTS	High Mast Lights with Backup Supply In greater Bitou Area	ELE2309	MULTI-YEAR	MULTIPLE WARDS (1,4,5&6)	AFR	MR V FELTON	700,000.00	720,000.00	-
SECURITY KEY SITES	Provision of security at various key sites to prevent theft and vandalism	ELE2208	SINGLE-YEAR	MULTIPLE WARDS (2,4,5&6)	AFR	MR V FELTON	-	200,000.00	-
NEW STREETLIGHTS	New Streetlights	ELE2210	MULTI-YEAR	ALL WARDS	BORROWINGS	MR V FELTON	3,000,000.00	500,000.00	-
11KV LINKS KWANO AND SS1 SUB STATIONS	Masterplan Project: New MV Feeders between SS New Horizons and Erf 34/438.	ELE2214	SINGLE-YEAR	MULTIPLE WARDS (4,5&6)	BORROWINGS	MR V FELTON	-	3,796,000.00	-
11KV LINKS KWANO TO LADYWOOD	Masterplan Project: Upgrade Golf Course and Ladywood 11kV Overhead Lines to SS Kwano, MV Cable and Circuit Breaker	ELE2315	SINGLE-YEAR	MULTIPLE WARDS (4,5&6)	BORROWINGS	MR V FELTON	-	1,194,097.00	-
KEURBOOMS: UPGRADE NETWORK	Create Additional Feed Supply for Keurbooms to allow contingency and continuity of supply	ELE2218	SINGLE-YEAR	1	BORROWINGS	MR V FELTON	1,900,000.00	-	-
ELECTRIFICATION OF EBENEZER	ELECTRIFICATION OF EBENEZER	ELE2319	MULTI-YEAR	4	INEP	MR V FELTON	1,279,130.43	4,347,826.09	4,544,347.83
ELECTRIFICATION OF QOLWENI	INEP RE-IMBURSEMENT FOR QOLWENI ELECTRIFICATION	ELE2325	SINGLE-YEAR	3	INEP	MR V FELTON	1,608,695.65		
ELECTRIFICATION OF EBENEZER	ELECTRIFICATION OF EBENEZER	ELE2317	SINGLE-YEAR	4	BORROWINGS	MR V FELTON	4,720,000.00	-	-
KWANO ADDITIONAL 20 MVA TRANSFORMER FOR FIRM CAPACITY	MasterPlan:	ELE2320	MULTI-YEAR	5.6 & 7	AFR	MR V FELTON	-	600,000.00	5,000,000.00
REPLACE PMT CHRISTIE WITH 315 MINISUB TO CATER FOR ADDITIONAL HOUSING UNITS	Replace PMT Christie with 315 minisub to cater for additional housing units	ELE2321	SINGLE-YEAR	ALL WARDS	AFR	MR V FELTON	-	772,000.00	-
REPLACE PMT STEYN WITH 500 KVA MINISUB FOR ADDITIONAL RESIDENTIAL LOAD	Replace PMT Steyn with 500kva minisub for additional residential load	ELE2322	SINGLE-YEAR	2	AFR	MR V FELTON	-	965,000.00	-
INSTALL NEW 1 MVA 22/11 TRANSFORMER AT NATURES VALLEY	INSTALL NEW 1 MVA 22/11 transformer at Natures Valley	ELE2323	SINGLE-YEAR	ALL WARDS	BORROWINGS	MR V FELTON	-	8,100,000.00	-
TOOLS AND EQUIPMENT	2 POST LIFT , VEHICLE DIAGNOSTIC KIT ,TOOLS-MECHANICAL WORKSHOP	FLT2301	MULTI-YEAR	ADMINISTRATIVE	AFR	MR V FELTON	100,000.00	100,000.00	100,000.00
1 X NEW LDV WITH SERVICE CANOPY	1 X NEW LDV SERVICE CANOPY -FLEET MANAGEMENT	FLT2405	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR V FELTON	-	600,000.00	-

PROJECT MANAGEMENT UNIT (PMU)							50,000.00	50,000.00	50,000.00
PMU FURNITURE & EQUIPMENT	Chairs, desk, book racks, white boards, etc	PMU5501	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR. MEIRING	50,000.00	50,000.00	50,000.00
PUBLIC SAFETY: FIRE & DISASTER MANAGEMENT							500,000.00	4,550,000.00	6,200,000.00
ESSENTIAL TOOLS, LOOSE GEAR & EQUIPMENT FOR FIRE SERVICE & RESCUE OPERATIONS	SCBA's, Compressor,Generators, PTO pumps, Water Pumps, Tools and Loose Gear	FIR2406	SINGE YEAR	ADMINISTRATIVE	AFR	H.VENTER	200,000.00	250,000.00	200,000.00
HAZMAT PPE & DETECTION	Equipment essential in hazmat response for spills, leaks and releases	FIR2407	SINGE YEAR	ADMINISTRATIVE	AFR	H.VENTER	200,000.00	-	-
OFFICE FURNITURE & APPLIANCES	12 Mattresses, 20 stacker chairs, industrial washing machine and tumbles dryer	FIR5501	SINGE YEAR	ADMINISTRATIVE	AFR	H.VENTER	100,000.00	-	-
1X NEW RESCUE PUMPER	REPLACE RESCUE PUMPER CX 3857(14yrs old)FIRE	FLT2415	SINGLE-YEAR	ADMINISTRATIVE	AFR	H.VENTER	-	1,500,000.00	1,500,000.00
1 X NEW 4X4 SKID UBITS	REPLACE CX 48251(10yrs) AND CX 36097(14yrs) FIRE	FLT2416	SINGLE-YEAR	ADMINISTRATIVE	AFR	H.VENTER	-	800,000.00	-
1 NEW 4X4 TANKER	REPLACE SAMIL CX12077(30 YRS OLD)FIRE	FLT2418	SINGLE-YEAR	ADMINISTRATIVE	AFR	H.VENTER	-	2,000,000.00	2,500,000.00
1 NEW 4X4 TANKER PUMPER	REPLACE TANKER PUMPER CX 10568 (scrapped 2017/18)FIRE	FLT2419	SINGLE-YEAR	ADMINISTRATIVE	AFR	H.VENTER	-	-	2,000,000.00

PUBLIC SAFETY: LAW ENFORCEMENT SERVICES							580,000.00	600,000.00	600,000.00
3 X BULLET PROOF VESTS	This is protective equipment for Law Enforcement Officers, Close protection and traffic officers when operational, this is required as tools of trade and OHS requirement.	LAW2301	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR S.VANDALA	260,000.00	-	-
20X PORTABLE TWO WAY RADIOS	portable radios are used as communication devices when officers are outside vehicle or office	LAW2302	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR S.VANDALA	120,000.00	-	-
30X 9MM HANDGUNS (FIRE ARMS)	Fire arms are tools of trade for personnel protection and are for law enforcement, Close protection and traffic officers, the current firearms are not enough for all the officers.	LAW2304	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR S.VANDALA	200,000.00	-	-
2X NEW LDV WITH POLICE CANOPIES -LAW ENFORCEMENT	2X NEW LDV WITH POLICE CANOPIES -LAW ENFORCEMENT	FLT2302	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR S.VANDALA	-	600,000.00	600,000.00
PUBLIC SAFETY: TRAFFIC MANAGEMENT SERVICES							915,000.00	900,000.00	900,000.00
FURNITURE & EQUIPMENT FOR TRAFFIC SERVICES	FURNITURE & EQUIPMENT FOR TRAFFIC SERVICES	TRF2425	SINGLE YEAR	ADMINISTRATIVE	AFR	MR S. GANGA	115,000.00	-	-
2x NEW SEDANS FOR TRAFFIC	2 X NEW TRAFFIC SEDANS	FLT2421	SINGLE YEAR	ADMINISTRATIVE	AFR	MR S. GANGA	800,000.00	800,000.00	900,000.00
1 X LDV E/CAB WITH ROADBLOCK TRAILER	1 XNEW LDV & TRAILER -TRAFFIC DEPT	FLT2422	SINGE YEAR	ADMINISTRATIVE	AFR	MR S. GANGA	-	100,000.00	-
PUBLIC SAFETY:COMMUNICATIONS & CUSTOMER RELATIONS MANAGEMENT							452,000.00	-	-
1 CAMERA	1 CAMERA	CUST550	SINGE YEAR	ADMINISTRATIVE	AFR	MR A. NAMNTU	30,000.00	-	-
2 x PORTABLE LOUDHAILERS	2 x PORTABLE LOUDHAILERS	CUS5502	SINGE YEAR	ADMINISTRATIVE	AFR	MR A. NAMNTU	12,000.00	-	-
INDOOR AND OUTDOOR COMPATIBLE SOUND SYSTEM	INDOOR AND OUTDOOR COMPATIBLE SOUND SYSTEM	CUS5503	SINGE YEAR	ADMINISTRATIVE	AFR	MR A. NAMNTU	120,000.00	-	-
FURNITURE FOR COMMUNICATIONS & CUSTOMER CARE	FURNITURE FOR COMMUNICATIONS & CUSTOMER CARE	CUS5504	SINGE YEAR	ADMINISTRATIVE	AFR	MR A. NAMNTU	60,000.00	-	-
3 x GAZEEBOS	3 x GAZEEBOS	CUS5505	SINGE YEAR	ADMINISTRATIVE	AFR	MR A. NAMNTU	30,000.00	-	-
1 X NEW LOUD HAILING SYSTEM	BUILD IN SOUND AND LOUDHAILING SYSTEM FOR PUBLIC MEETINGS AND MUNICIPAL EVENTS	CUS5506	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR A. NAMNTU	200,000.00	-	-

HORTICULTURE & RECREATIONAL SERVICES							7,700,000.00	14,585,863.48	5,062,502.61
CONSTRUCTION OF REGIONAL CEMETRY	CONSTRUCTION OF REGIONAL CEMETRY AT EBENEZER SANRAL ROAD	HOR2207	MULTI-YEAR	4	AFR	MR. M JAMES	600,000.00	3,500,000.00	3,500,000.00
UPGRADING AND FENCING AT KWANOKUTHULA CEMETRY	UPGRADING AND FENCING AT KWANOKUTHULA CEMETRY	HOR2303	MULTI-YEAR	5	AFR	MR. M JAMES	1,200,000.00	-	-
UPGRADING OF GREENVALLEY SPORTFIELD FLOODLIGHTING	UPGRADING OF GREENVALLEY SPORTFIELD FLOODLIGHTING	HOR2209	MULTI-YEAR	7	MIG	MR MEIRING	3,500,000.00	2,488,000.00	-
UPGRADING OF KWANO SPORTFIELD FLOODLIGHTING	UPGRADING OF KWANO SPORTFIELD FLOODLIGHTING	HOR2230	SINGLE-YEAR	5&7	MIG	MR MEIRING	-	5,247,863.48	1,562,502.61
WARD 1-UPGRADING OF KURLAND SPORTSFIELDS	UPGRADING OF SPORTSFIELDS - KURLAND	HOR2305	MULTI-YEAR	1	BORROWING	MR. M JAMES	1,800,000.00	-	-
WARD1 -UPGRADING OF KURLAND SPORTSFIELDS	UPGRADING OF SPORTSFIELDS - KURLAND	HOR2305	MULTI-YEAR	1	AFR	MR. M JAMES	-	2,400,000.00	-
RIDE ON LAWNMOWER	3 X NEW LAWNMOWERS -PARKS	HOR5501	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR. M JAMES	300,000.00	-	-
1 X NEW TRACTOR	1 X NEW TRACTOR -PARKS	HOR5502	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR. M JAMES	300,000.00	-	-
1 X NEW 3TON TIPPER TRUCK	1 X NEW 3 TON TIPPER TRUCK -PARKS	HOR5503	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR. M JAMES	-	950,000.00	-
COMMUNITY HALLS, SPORTFIELDS & SERVICES CENTRES							100,000.00	2,000,000.00	-
CONSTRUCTION OF QOLWENI HALL	Replacement of aluminium doors and windows at Qolweni	FAC2223	MULTI-YEAR	3	BORROWINGS	MR. M JAMES	100,000.00	2,000,000.00	-
INTERGRATED WASTE MANAGEMENT							7,100,000.00	3,000,000.00	3,000,000.00
KURLAND VILLAGE-WASTE DROP- OFF FACILITY	New Drop-off facilities at Kurland	WAS202	SINGLE-YEAR	1	BORROWINGS	MR R BOWER	5,600,000.00	-	-
1x NEW SKIP TRUCK	1 X NEW SKIP TRUCK WASTE MANAGEMENT	FLT2401	SINGLE-YEAR	ADMINISTRATIVE	AFR	MR R BOWER	1,500,000.00	-	-
1X NEW HOOKLIFT TRUCK-WASTE MANAGEMENT	1 X NEW HOOKLIFT TRUCK & TRAILER	FLT2304	SINGLE-YEAR	ADMINISTRATIVE	BORROWINGS	MR R BOWER	-	3,000,000.00	3,000,000.00

INFORMATION & COMMUNICATION TECHNOLOGY							2,252,000.00	1,106,000.00	746,000.00
BITOU LAPTOP REPLACEMENT	Replacement of equipment older than 5 Years and not fit for purpose	ICT2301	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	756,000.00	402,000.00	85,000.00
BITOU COMPUTER OPERATIONAL SPARES & LOANS	Operational in nature / Loans while servicing or repairing	ICT2302	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	150,000.00	300,000.00	257,000.00
BITOU HANDHELD DEVICES	For paper less agenda, workforce and meter reading readers	ICT501	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	220,000.00	38,000.00	38,000.00
BITOU REPAIRS MAINTENANCE & EQUIPMENT	Operational in nature / Replacement of failed capital item in the field	ICT2304	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	265,000.00	23,000.00	53,000.00
BITOU NEW USERS	BITOU NEW USERS	ICT2305	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	396,000.00	232,000.00	232,000.00
DEPARTMENTAL REQUESTS	DEPARTMENTAL REQUESTS HUMAN RESOURCE MANAGEMENT	ICT116	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	102,000.00	24,000.00	24,000.00
BITOU MONITORS	DEPARTMENTAL REQUESTS HUMAN RESOURCE MANAGEMENT	ICT117	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	22,000.00	27,000.00	27,000.00
LAW ENFORCEMENT 2 WAY RADIOS	TRAFFIC 2 WAY RADIOS	ICT2331	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	56,000.00	-	-
BEACH CONTROL ENFORCEMENT 2 WAY RADIOS	BEACHES 2 WAY RADIOS	ICT505	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	63,000.00	-	-
ICT OFFICE FURNITURE & EQUIPMENT	ICT OFFICE FURNITURE & EQUIPMENT	ICT2337	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	12,000.00	-	-
SCADA CONNECTIVITY	SCADA CONNECTIVITY	ICT2406	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	90,000.00		-
BITOU BIOMETRIC DEVICES	New devices / Replacement of aged or faulty devices for Time & Attendance	ICT2511	SINGLE YEAR	ADMINISTRATIVE	AFR	MR G. GREESE	120,000.00	60,000.00	30,000.00
							181,908,452.59	180,363,096.09	183,490,354.62
						MIG	19,665,000.00	21,102,391.30	21,935,913.04
						INEP	2,887,826.08	4,347,826.09	4,544,347.83
						RGIB	3,300,000.00	4,800,000.00	2,600,000.00
						INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT	7,500,000.00	8,000,000.00	-
						HUMAN SETTLEMENTS DEVELOPMENT PARTNERSHIP GRANT	33,235,000.00	21,613,000.00	75,182,000.00
						AFR	28,399,706.71	48,491,997.12	40,128,093.75
						BORROWINGS	86,920,919.80	72,007,881.58	39,100,000.00
							181,908,452.59	180,363,096.09	183,490,354.62

Municipal annual budgets and MTREF & supporting tables

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**Information &
service delivery**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

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

Preparation Instructions

Municipality Name: WC047 Bitou ▼

CFO Name: Felix Martin Lötter

Tel: 044 501 3025

Fax: 0

E-Mail: flotter@plett.gov.za

Budget for MTREF starting: 2025 ▼

Budget Year: 2025/26

Does this municipality have Entities? No ▼

If YES: Identify type of report: Consolidated Informati ▼

LGDB Export

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

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Important documents which provide essential assistance

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Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Council	Vote 1 Council	1.1 - Office of the Mayor
Vote 2 - Office of the Municipal Manager	1.2 Office of the Deputy Mayor	1.2 - Office of the Deputy Mayor
Vote 3 - Community Services	1.3 Office of the Speaker	1.3 - Office of the Speaker
Vote 4 - Corporate Services	1.4 Office of the Executive Council	1.4 - Office of the Executive Council
Vote 5 - Financial Services	1.5 Council General	1.5 - Council General
Vote 6 - Economic Development & Planning	1.6 [Name of sub-vote]	
Vote 7 - Engineering Services	1.7 [Name of sub-vote]	
Vote 8 - Public Safety	1.8 [Name of sub-vote]	
Vote 9 - [NAME OF VOTE 9]	1.9 [Name of sub-vote]	
Vote 10 - [NAME OF VOTE 10]	1.10 [Name of sub-vote]	
Vote 11 - [NAME OF VOTE 11]		
Vote 12 - [NAME OF VOTE 12]	Vote 2 Office of the Municipal Manager	2.1 - Municipal Manager; Executive Support
Vote 13 - [NAME OF VOTE 13]	2.1 Municipal Manager; Executive Support	2.2 - Internal Audit
Vote 14 - [NAME OF VOTE 14]	2.2 Internal Audit	2.3 - Governance and Compliance: Risk Management & Compliance
Vote 15 - [NAME OF VOTE 15]	2.3 Governance and Compliance: Risk Management & Compliance	2.4 - Governance and Compliance: IDP
	2.4 Governance and Compliance: IDP	2.5 - Governance and Compliance: Performance Management
	2.5 Governance and Compliance: Performance Management	2.6 - Program Management Office
	2.6 Program Management Office	
	Vote 3 Community Services	3.1 - Director; Executive Support
	3.1 Director; Executive Support	3.2 - Library and Information Services
	3.2 Library and Information Services	3.3 - Integrated Waste Management
	3.3 Integrated Waste Management	3.4 - Beach Maintenance; Horticultural and Recreational Services
	3.4 Beach Maintenance; Horticultural and Recreational Services	3.5 - Community Facilities, Management and Maintenance
	3.5 Community Facilities, Management and Maintenance	3.6 - Community Social Support Services
	3.6 Community Social Support Services	
	Vote 4 Corporate Services	4.1 - Director; Executive Support
	4.1 Director; Executive Support	4.2 - Human Resources Management Services
	4.2 Human Resources Management Services	4.3 - Administration Services
	4.3 Administration Services	4.4 - Office of the Political Office Bearers
	4.4 Office of the Political Office Bearers	4.5 - Information & Communication Technology
	4.5 Information & Communication Technology	4.6 - Legal Services and Property Management
	4.6 Legal Services and Property Management	
	Vote 5 Financial Services	5.1 - Director; Executive Support
	5.1 Director; Executive Support	5.2 - Budget & Reporting
	5.2 Budget & Reporting	5.3 - Assets & Liability Management
	5.3 Assets & Liability Management	5.4 - AFS, Treasury and Accounting
	5.4 AFS, Treasury and Accounting	5.5 - Revenue Services
	5.5 Revenue Services	5.6 - Expenditure
	5.6 Expenditure	5.7 - Supply Chain Management
	5.7 Supply Chain Management	
	Vote 6 Economic Development & Planning	6.1 - Director; Executive Support
	6.1 Director; Executive Support	6.2 - Economic Development
	6.2 Economic Development	6.3 - Planning and Land Use Management
	6.3 Planning and Land Use Management	6.4 - Environmental Management
	6.4 Environmental Management	6.5 - Aerodrome
	6.5 Aerodrome	6.6 - Building Control
	6.6 Building Control	6.7 - Integrated Human Settlement
	6.7 Integrated Human Settlement	
	Vote 7 Engineering Services	7.1 - Director; Executive Support
	7.1 Director; Executive Support	7.2 - Water and Waste Water Management Services
	7.2 Water and Waste Water Management Services	7.3 - Project Management Unit (PMU)
	7.3 Project Management Unit (PMU)	7.4 - Transport, Roads & Storm Water
	7.4 Transport, Roads & Storm Water	7.5 - Electrical and Mechanical Engineering
	7.5 Electrical and Mechanical Engineering	
	Vote 8 Public Safety	8.1 - Director; Executive Support
	8.1 Director; Executive Support	8.2 - Traffic Management Services
	8.2 Traffic Management Services	8.3 - Law Enforcement Services
	8.3 Law Enforcement Services	8.4 - Fire & Rescue Services
	8.4 Fire & Rescue Services	8.5 - Disaster Management: CCTV & Security Administration
	8.5 Disaster Management: CCTV & Security Administration	8.6 - Corporate Communications & Intergovernmental Relations & Public Pa
	8.6 Corporate Communications & Intergovernmental Relations & Public Pa	

WC047 Bitou - Contact Information**A. GENERAL INFORMATION****Municipality** WC047 Bitou**Grade** 3

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

Province WC WESTERN CAPE**Web Address** www.bitou.gov.za**E-mail Address** 0**B. CONTACT INFORMATION****Postal address:**

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City / Town U

Postal Code U

Street address

Building Municipal Buildings

Street No. & Name Sewell Street

City / Town Pieterdenburg

Postal Code 6600

General Contacts

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Fax number U

C. POLITICAL LEADERSHIP**Speaker:**

ID Number 6811281131080

Title MS

Name Mavis Busakwe

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Secretary/PA to the Speaker:

ID Number 8612110399080

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Mayor/Executive Mayor:

ID Number U

Title Mrs

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D. MANAGEMENT LEADERSHIP**Municipal Manager:**

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Official responsible for submitting financial information

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WC047 Bitou - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates	157 194	151 413	178 261	191 257	193 250	193 250	193 250	214 575	225 940	237 689
Service charges	401 993	420 558	431 020	486 846	481 772	481 772	481 772	526 161	549 754	576 934
Investment revenue	3 747	8 035	13 203	12 448	12 448	12 448	12 448	12 573	12 698	13 333
Transfer and subsidies - Operational	141 588	155 970	166 503	176 893	187 996	187 996	187 996	211 047	205 089	209 108
Other own revenue	94 804	103 971	120 740	105 822	112 045	112 045	112 045	108 201	110 548	115 356
Total Revenue (excluding capital transfers and	799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420
Employee costs	278 100	286 329	312 820	370 938	378 617	378 617	378 617	393 991	405 870	425 517
Remuneration of councillors	6 198	6 721	7 376	7 879	7 879	7 879	7 879	7 676	8 037	8 415
Depreciation and amortisation	36 135	36 393	48 851	40 002	41 388	41 388	41 388	42 281	43 749	45 293
Interest	11 102	19 740	20 922	14 063	13 917	13 917	13 917	16 046	21 171	27 178
Inventory consumed and bulk purchases	174 666	177 949	214 280	250 658	245 420	245 420	245 420	271 553	286 205	300 748
Transfers and subsidies	4 527	5 626	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997
Other expenditure	288 952	264 037	260 712	275 053	287 196	287 196	287 196	326 696	312 074	312 565
Total Expenditure	799 680	796 795	874 170	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713
Surplus/(Deficit)	(355)	43 151	35 558	2 389	1 934	1 934	1 934	247	12 721	21 708
Transfers and subsidies - capital (monetary allocations)	48 270	36 567	50 307	130 854	88 638	88 638	88 638	70 466	64 401	78 633
Transfers and subsidies - capital (in-kind)	325	-	33	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Capital expenditure & funds sources										
Capital expenditure	79 574	84 807	104 311	183 160	148 541	148 541	148 541	181 908	180 363	183 490
Transfers recognised - capital	60 631	33 505	44 924	107 616	84 573	84 573	84 573	66 588	59 863	104 262
Borrowing	-	32 098	35 920	50 033	35 125	35 125	35 125	86 921	72 008	39 100
Internally generated funds	18 943	19 203	23 434	25 511	28 843	28 843	28 843	28 400	48 492	40 128
Total sources of capital funds	79 574	84 806	104 279	183 160	148 541	148 541	148 541	181 908	180 363	183 490
Financial position										
Total current assets	341 997	428 615	560 528	466 245	606 716	606 716	606 716	561 364	577 632	556 787
Total non current assets	1 219 004	1 220 342	1 298 587	1 415 909	1 441 079	1 441 079	1 441 079	1 473 554	1 611 724	1 757 594
Total current liabilities	359 377	391 277	442 316	439 810	480 235	480 235	480 235	462 198	459 489	410 569
Total non current liabilities	134 689	162 293	192 078	199 510	216 846	216 846	216 846	241 864	322 330	395 934
Community wealth/Equity	1 066 943	1 151 922	1 260 061	1 242 834	1 393 387	1 393 387	1 393 387	1 330 857	1 407 978	1 508 319
Cash flows										
Net cash from (used) operating	(1 125 239)	(1 228 181)	(985 993)	153 694	116 658	116 658	116 658	114 255	114 544	142 197
Net cash from (used) investing	(39 401)	26 864	18 009	(179 210)	(150 733)	(150 733)	(150 733)	(181 908)	(180 363)	(183 490)
Net cash from (used) financing	(285)	(2 642)	(17 707)	29 662	20 141	20 141	20 141	44 060	51 881	17 728
Cash/cash equivalents at the year end	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336
Cash backing/surplus reconciliation										
Cash and investments available	58 480	95 078	165 432	60 220	149 202	149 202	149 202	125 446	107 393	54 784
Application of cash and investments	126 307	124 613	157 195	18 952	46 449	46 449	46 449	40 418	6 074	(44 759)
Balance - surplus (shortfall)	(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543
Asset management										
Asset register summary (WDV)	1 209 147	1 220 342	1 298 587	1 415 909	1 441 079	1 441 079		1 440 159	1 579 281	1 726 136
Depreciation	36 135	36 393	48 851	40 002	41 388	41 388		42 281	43 749	45 293
Renewal and Upgrading of Existing Assets	5 513	31 636	34 540	66 117	59 087	59 087		67 495	75 542	56 127
Repairs and Maintenance	47 976	40 393	39 137	47 749	41 188	41 188		48 559	54 890	54 345
Free services										
Cost of Free Basic Services provided	31 370	34 247	(7 289)	74 160	73 859	73 859		85 067	90 003	95 239
Revenue cost of free services provided	5 860	5 189	(1 628)	6 133	6 719	6 719		7 391	7 768	8 172
Households below minimum service level										
Water:	-	-	-	-	-	-		-	-	-
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

WC047 Bitou - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		229 606	307 186	314 966	299 323	302 486	302 486	323 396	338 743	354 573
Executive and council		51 060	131 274	101 411	69 660	69 567	69 567	72 422	75 409	77 807
Finance and administration		178 547	175 569	213 407	229 663	232 919	232 919	250 974	263 333	276 766
Internal audit		—	343	148	—	—	—	—	—	—
<i>Community and public safety</i>		83 179	75 841	92 447	170 294	142 712	142 712	144 187	121 470	141 045
Community and social services		11 957	13 318	9 717	12 854	12 862	12 862	12 958	12 985	13 763
Sport and recreation		6 508	1 079	657	301	647	647	318	335	353
Public safety		56 550	49 994	62 927	55 760	57 063	57 063	58 663	61 736	64 938
Housing		8 163	11 450	19 147	101 379	72 140	72 140	72 249	46 413	61 991
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		30 051	12 772	18 246	34 896	40 604	40 604	38 363	41 320	40 016
Planning and development		23 756	12 249	17 798	34 716	40 464	40 464	38 233	37 690	39 870
Road transport		6 295	523	447	180	140	140	130	3 630	146
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		522 425	479 221	533 037	598 522	590 067	590 067	636 335	666 392	694 885
Energy sources		237 965	224 391	250 377	290 482	289 787	289 787	324 704	338 341	353 718
Water management		129 420	113 300	136 621	124 685	123 716	123 716	129 374	137 108	140 981
Waste water management		101 628	91 365	87 815	104 393	101 766	101 766	104 327	109 332	114 610
Waste management		53 411	50 164	58 224	78 961	74 797	74 797	77 929	81 611	85 575
<i>Other</i>	4	463	1 494	1 371	1 086	280	280	741	506	536
Total Revenue - Functional	2	865 725	876 513	960 067	1 104 120	1 076 149	1 076 149	1 143 023	1 168 430	1 231 054
Expenditure - Functional										
<i>Governance and administration</i>		82 581	151 674	192 671	219 347	232 763	232 763	242 067	243 243	251 858
Executive and council		25 710	28 646	40 184	39 356	41 984	41 984	49 365	49 242	50 462
Finance and administration		52 462	118 506	147 604	171 974	184 370	184 370	185 654	187 094	194 261
Internal audit		4 409	4 522	4 882	8 018	6 409	6 409	7 048	6 907	7 135
<i>Community and public safety</i>		148 629	162 056	139 463	186 787	199 298	199 298	214 766	201 475	200 123
Community and social services		29 949	29 060	29 709	33 853	34 746	34 746	36 652	36 858	36 722
Sport and recreation		23 593	17 681	17 584	34 036	34 063	34 063	29 339	29 847	30 800
Public safety		74 765	95 327	77 118	105 313	107 552	107 552	108 748	107 187	106 387
Housing		20 322	19 988	15 052	13 584	22 938	22 938	40 028	27 583	26 214
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		77 632	78 660	76 781	88 465	90 988	90 988	104 314	108 387	107 874
Planning and development		41 841	48 114	45 089	54 048	56 642	56 642	66 834	64 856	64 542
Road transport		35 791	30 546	31 692	34 417	34 346	34 346	37 480	43 531	43 332
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		476 023	390 156	424 937	470 053	454 127	454 127	492 852	519 591	544 317
Energy sources		206 214	198 308	241 995	283 961	272 991	272 991	303 121	319 695	341 349
Water management		86 667	383	75 937	65 895	65 611	65 611	67 544	73 452	77 422
Waste water management		128 045	135 572	44 009	55 469	54 776	54 776	56 786	59 547	56 850
Waste management		55 096	55 893	62 996	64 728	60 748	60 748	65 402	66 897	68 695
<i>Other</i>	4	32 621	14 249	40 319	6 225	8 401	8 401	14 144	14 351	14 568
Total Expenditure - Functional	3	817 485	796 795	874 170	970 877	985 578	985 578	1 068 143	1 087 047	1 118 740
Surplus/(Deficit) for the year		48 240	79 718	85 897	133 243	90 571	90 571	74 880	81 382	112 313

WC047 Bitou - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
Municipal governance and administration		229 606	307 186	314 966	299 323	302 486	302 486	323 396	338 743	354 573
Executive and council		51 060	131 274	101 411	69 660	69 567	69 567	72 422	75 409	77 807
Mayor and Council		2 918	18	–	3 004	3 004	3 004	3 126	3 250	2 365
Municipal Manager, Town Secretary and Chief Executive		48 142	131 255	101 411	66 656	66 563	66 563	69 296	72 159	75 442
Finance and administration		178 547	175 569	213 407	229 663	232 919	232 919	250 974	263 333	276 766
Finance		176 871	169 950	209 291	224 885	227 231	227 231	249 670	261 952	275 315
Fleet Management		–	241	91	–	–	–	–	–	–
Human Resources		276	2 439	1 420	–	1 139	1 139	583	609	635
Information Technology		0	396	213	–	–	–	–	–	–
Legal Services		–	125	114	–	–	–	–	–	–
Marketing, Customer Relations, Publicity and Media Co-ordination		–	334	402	–	1	1	–	–	–
Property Services		1 118	870	1 418	4 734	4 505	4 505	676	716	759
Risk Management		–	210	–	–	–	–	–	–	–
Supply Chain Management		182	647	337	44	44	44	45	57	57
Valuation Service		100	356	121	–	–	–	–	–	–
Internal audit		–	343	148	–	–	–	–	–	–
Governance Function		–	343	148	–	–	–	–	–	–
Community and public safety		83 179	75 841	92 447	170 294	142 712	142 712	144 187	121 470	141 045
Community and social services		11 957	13 318	9 717	12 854	12 862	12 862	12 958	12 985	13 763
Cemeteries, Funeral Parlours and Crematoriums		52	146	63	44	44	44	43	40	41
Community Halls and Facilities		1 366	389	426	81	81	81	80	84	86
Libraries and Archives		10 539	12 783	9 228	12 729	12 737	12 737	12 835	12 861	13 637
Sport and recreation		6 508	1 079	657	301	647	647	318	335	353
Beaches and Jetties		6 471	677	500	301	647	647	318	335	353
Community Parks (including Nurseries)		38	339	157	–	–	–	–	–	–
Sports Grounds and Stadiums		–	63	–	–	–	–	–	–	–
Public safety		56 550	49 994	62 927	55 760	57 063	57 063	58 663	61 736	64 938
Control of Public Nuisances		263	616	272	170	170	170	–	–	–
Fire Fighting and Protection		572	1 122	503	983	983	983	3	3	3
Licensing and Control of Animals		–	807	433	–	–	–	–	–	–
Police Forces, Traffic and Street Parking Control		55 715	47 450	61 719	54 607	55 910	55 910	58 660	61 733	64 935
Housing		8 163	11 450	19 147	101 379	72 140	72 140	72 249	46 413	61 991
Housing		8 163	11 450	19 147	101 379	72 140	72 140	72 249	46 413	61 991
Economic and environmental services		30 051	12 772	18 246	34 896	40 604	40 604	38 363	41 320	40 016
Planning and development		23 756	12 249	17 798	34 716	40 464	40 464	38 233	37 690	39 870
Corporate Wide Strategic Planning (IDPs, LEDs)		–	302	102	–	–	–	–	–	–
Development Facilitation		250	371	31	19	33	33	19	19	–
Economic Development/Planning		14 471	3 376	3 868	1 474	1 474	1 474	1 599	–	–
Town Planning, Building Regulations and Enforcement, and City		5 223	6 117	6 608	8 482	8 501	8 501	6 919	7 186	7 590
Project Management Unit		3 812	2 082	7 189	24 741	30 456	30 456	29 696	30 485	32 280
Road transport		6 295	523	447	180	140	140	130	3 630	146
Roads		6 295	523	447	180	140	140	130	3 630	146
Trading services		522 425	479 221	533 037	598 522	590 067	590 067	636 335	666 392	694 885

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Energy sources		237 965	224 391	250 377	290 482	289 787	289 787	324 704	338 341	353 718
Electricity		237 965	224 391	250 377	290 482	289 787	289 787	324 704	338 341	353 718
Water management		129 420	113 300	136 621	124 685	123 716	123 716	129 374	137 108	140 981
Water Treatment		–	543	273	–	–	–	–	–	–
Water Distribution		129 420	112 758	136 347	124 685	123 716	123 716	129 374	137 108	140 981
Waste water management		101 628	91 365	87 815	104 393	101 766	101 766	104 327	109 332	114 610
Sewerage		101 444	91 365	87 815	104 393	101 766	101 766	104 327	109 332	114 610
Waste Water Treatment		184	–	–	–	–	–	–	–	–
Waste management		53 411	50 164	58 224	78 961	74 797	74 797	77 929	81 611	85 575
Solid Waste Disposal (Landfill Sites)		1	–	–	–	–	–	–	–	–
Solid Waste Removal		53 410	50 164	58 224	78 961	74 797	74 797	77 929	81 611	85 575
Other		463	1 494	1 371	1 086	280	280	741	506	536
Air Transport		463	1 494	1 371	1 086	280	280	741	506	536
Total Revenue - Functional	2	865 725	876 513	960 067	1 104 120	1 076 149	1 076 149	1 143 023	1 168 430	1 231 054
Expenditure - Functional										
Municipal governance and administration		82 581	151 674	192 671	219 347	232 763	232 763	242 067	243 243	251 858
Executive and council		25 710	28 646	40 184	39 356	41 984	41 984	49 365	49 242	50 462
Mayor and Council		7 483	7 654	11 500	12 795	12 678	12 678	12 271	12 760	13 355
Municipal Manager, Town Secretary and Chief Executive		18 227	20 992	28 684	26 561	29 306	29 306	37 094	36 483	37 107
Finance and administration		52 462	118 506	147 604	171 974	184 370	184 370	185 654	187 094	194 261
Administrative and Corporate Support		1 791	1 765	1 481	3 304	3 218	3 218	3 678	3 864	4 028
Asset Management		35	220	1 121	1 336	1 106	1 106	36	39	42
Finance		(34 711)	39 002	47 314	56 974	58 073	58 073	58 357	54 161	55 686
Fleet Management		9 885	5 696	8 318	11 896	11 820	11 820	11 564	12 120	12 462
Human Resources		19 887	23 967	24 006	25 860	30 440	30 440	42 794	43 839	45 825
Information Technology		16 065	16 038	19 827	25 524	25 166	25 166	29 345	30 734	32 217
Legal Services		18 145	4 749	6 282	7 261	14 757	14 757	7 619	7 986	8 354
Marketing, Customer Relations, Publicity and Media Co-ordination		5 229	6 191	5 935	15 505	15 508	15 508	7 862	8 023	8 399
Property Services		11 899	9 506	19 853	9 972	9 933	9 933	9 661	10 935	11 153
Risk Management		3 764	3 492	2 152	1 969	1 969	1 969	2 051	2 151	2 254
Supply Chain Management		(12)	6 131	7 628	9 621	9 628	9 628	9 803	10 389	11 037
Valuation Service		484	1 748	3 686	2 753	2 753	2 753	2 884	2 854	2 804
Internal audit		4 409	4 522	4 882	8 018	6 409	6 409	7 048	6 907	7 135
Governance Function		4 409	4 522	4 882	8 018	6 409	6 409	7 048	6 907	7 135
Community and public safety		148 629	162 056	139 463	186 787	199 298	199 298	214 766	201 475	200 123
Community and social services		29 949	29 060	29 709	33 853	34 746	34 746	36 652	36 858	36 722
Cemeteries, Funeral Parlours and Crematoriums		1 653	1 998	2 265	2 766	3 009	3 009	2 568	2 408	2 472
Community Halls and Facilities		11 805	10 112	13 639	11 895	13 119	13 119	15 263	14 962	15 684
Disaster Management		1 185	855	379	3 159	2 504	2 504	4 404	4 439	2 480
Libraries and Archives		15 306	16 095	13 426	16 034	16 113	16 113	14 417	15 049	16 086
Sport and recreation		23 593	17 681	17 584	34 036	34 063	34 063	29 339	29 847	30 800
Beaches and Jetties		13 375	7 195	7 401	19 211	18 890	18 890	16 562	17 177	17 478
Community Parks (including Nurseries)		9 696	8 256	8 192	12 424	13 100	13 100	9 981	9 940	10 541
Recreational Facilities		29	34	70	5	5	5	6	6	6

Functional Classification Description R thousand	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Sports Grounds and Stadiums	1	493	2 197	1 920	2 396	2 067	2 067	2 791	2 723	2 775
Public safety		74 765	95 327	77 118	105 313	107 552	107 552	108 748	107 187	106 387
Civil Defence		3	21	6	—	—	—	—	—	—
Control of Public Nuisances		28 807	25 382	28 787	32 085	30 975	30 975	33 626	33 165	34 990
Fire Fighting and Protection		18 497	21 283	23 155	26 352	25 782	25 782	22 934	23 643	24 688
Licensing and Control of Animals		18 411	22 017	24 918	26 501	30 595	30 595	27 933	28 116	24 431
Police Forces, Traffic and Street Parking Control		9 047	26 624	253	20 375	20 200	20 200	24 255	22 264	22 277
Housing		20 322	19 988	15 052	13 584	22 938	22 938	40 028	27 583	26 214
Housing		20 322	19 988	15 052	13 584	22 938	22 938	40 028	27 583	26 214
Economic and environmental services		77 632	78 660	76 781	88 465	90 988	90 988	104 314	108 387	107 874
Planning and development		41 841	48 114	45 089	54 048	56 642	56 642	66 834	64 856	64 542
Corporate Wide Strategic Planning (IDPs, LEDS)		4 746	7 087	6 138	11 639	12 180	12 180	21 450	22 398	23 333
Development Facilitation		8 455	8 634	2 251	871	867	867	4 169	1 555	1 628
Economic Development/Planning		8 372	7 884	9 079	10 070	9 907	9 907	10 785	11 013	8 100
Town Planning, Building Regulations and Enforcement, and City		13 281	15 481	17 484	22 629	24 039	24 039	23 268	22 305	23 409
Project Management Unit		6 987	9 028	10 136	8 839	9 648	9 648	7 162	7 585	8 072
Road transport		35 791	30 546	31 692	34 417	34 346	34 346	37 480	43 531	43 332
Roads		35 791	30 546	31 692	34 417	34 346	34 346	37 480	43 531	43 332
Trading services		476 023	390 156	424 937	470 053	454 127	454 127	492 852	519 591	544 317
Energy sources		206 214	198 308	241 995	283 961	272 991	272 991	303 121	319 695	341 349
Electricity		206 214	198 308	241 995	283 961	272 991	272 991	303 121	319 695	341 349
Water management		86 667	383	75 937	65 895	65 611	65 611	67 544	73 452	77 422
Water Treatment		21 889	19 290	11 341	20 348	20 203	20 203	24 182	28 024	30 781
Water Distribution		64 777	(18 911)	64 594	45 547	45 408	45 408	43 362	45 427	46 641
Water Storage		1	5	1	—	—	—	—	—	—
Waste water management		128 045	135 572	44 009	55 469	54 776	54 776	56 786	59 547	56 850
Sewerage		127 993	130 562	36 356	54 987	54 294	54 294	52 689	55 298	52 442
Waste Water Treatment		52	5 010	7 653	482	482	482	4 097	4 249	4 409
Waste management		55 096	55 893	62 996	64 728	60 748	60 748	65 402	66 897	68 695
Solid Waste Removal		55 096	55 893	62 996	64 728	60 748	60 748	65 402	66 897	68 695
Other		32 621	14 249	40 319	6 225	8 401	8 401	14 144	14 351	14 568
Air Transport		2 891	4 175	1 366	3 218	5 394	5 394	5 144	5 351	5 568
Licensing and Regulation		29 729	10 071	38 953	3 007	3 007	3 007	9 000	9 000	9 000
Tourism		0	2	—	—	—	—	—	—	—
Total Expenditure - Functional	3	817 485	796 795	874 170	970 877	985 578	985 578	1 068 143	1 087 047	1 118 740
Surplus/(Deficit) for the year		48 240	79 718	85 897	133 243	90 571	90 571	74 880	81 382	112 313

WC047 Bitou - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Council		2 918	18	–	3 004	3 004	3 004	3 126	3 250	2 365
Vote 2 - Office of the Municipal Manager		47 808	131 090	101 297	66 655	66 562	66 562	69 295	72 158	75 441
Vote 3 - Community Services		72 403	64 781	68 608	92 135	88 339	88 339	91 224	94 950	99 692
Vote 4 - Corporate Services		610	3 937	2 095	1	1 140	1 140	585	610	636
Vote 5 - Financial Services		177 153	170 953	209 749	224 929	227 275	227 275	249 715	262 009	275 371
Vote 6 - Economic Development & Planning		29 162	23 354	32 427	117 155	86 900	86 900	82 184	54 821	70 876
Vote 7 - Engineering Services		479 121	432 053	482 562	544 481	545 866	545 866	588 232	618 896	641 735
Vote 8 - Public Safety		56 550	50 328	63 329	55 760	57 063	57 063	58 663	61 736	64 938
Total Revenue by Vote	2	865 725	876 513	960 067	1 104 120	1 076 149	1 076 149	1 143 023	1 168 430	1 231 054
Expenditure by Vote to be appropriated	1									
Vote 1 - Council		7 836	8 072	11 819	12 945	12 826	12 826	12 471	12 940	13 535
Vote 2 - Office of the Municipal Manager		13 894	15 948	19 647	22 357	24 125	24 125	42 887	43 733	45 060
Vote 3 - Community Services		109 780	104 707	110 370	129 459	127 352	127 352	131 488	131 012	135 627
Vote 4 - Corporate Services		71 204	64 239	71 905	83 893	96 577	96 577	105 615	107 962	112 527
Vote 5 - Financial Services		31 971	47 102	59 749	70 683	71 559	71 559	70 080	66 443	68 469
Vote 6 - Economic Development & Planning		59 306	59 062	64 455	65 207	76 507	76 507	95 472	84 184	79 542
Vote 7 - Engineering Services		413 099	385 212	413 805	461 348	450 060	450 060	484 315	516 625	540 215
Vote 8 - Public Safety		110 395	112 453	122 420	124 984	126 571	126 571	125 814	124 149	123 765
Total Expenditure by Vote	2	817 485	796 795	874 170	970 877	985 578	985 578	1 068 143	1 087 047	1 118 740
Surplus/(Deficit) for the year	2	48 240	79 718	85 897	133 243	90 571	90 571	74 880	81 382	112 313

WC047 Bitou - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue by Vote	1									
Vote 1 - Council		2 918	18	–	3 004	3 004	3 004	3 126	3 250	2 365
1.1 - Office of the Mayor		438	–	–	451	451	451	469	488	–
1.2 - Office of the Deputy Mayor		438	–	–	451	451	451	469	488	–
1.3 - Office of the Speaker		730	–	–	751	751	751	782	813	845
1.4 - Office of the Executive Council		438	18	–	451	451	451	469	488	507
1.5 - Council General		875	–	–	901	901	901	938	975	1 013
Vote 2 - Office of the Municipal Manager		47 808	131 090	101 297	66 655	66 562	66 562	69 295	72 158	75 441
2.1 - Municipal Manager; Executive Support		47 808	130 279	101 062	66 655	66 562	66 562	69 295	72 158	75 441
2.2 - Internal Audit		–	343	148	–	–	–	–	–	–
2.3 - Governance and Compliance: Risk Management & Compliance		–	210	–	–	–	–	–	–	–
2.4 - Governance and Compliance: IDP		–	142	66	–	–	–	–	–	–
2.5 - Governance and Compliance: Performance Management		–	115	21	–	–	–	–	–	–
Vote 3 - Community Services		72 403	64 781	68 608	92 135	88 339	88 339	91 224	94 950	99 692
3.1 - Director; Executive Support		–	222	16	–	–	–	–	–	–
3.2 - Library and Information Services		10 816	12 783	9 228	12 729	12 737	12 737	12 835	12 861	13 637
3.3 - Integrated Waste Management		53 411	50 164	58 224	78 961	74 797	74 797	77 929	81 611	85 575
3.4 - Beach Maintenance; Horticultural and Recreational Services		6 508	875	740	301	647	647	318	335	353
3.5 - Community Facilities, Management and Maintenance		1 418	516	390	125	125	125	123	124	127
3.6 - Community Social Support Services		250	220	10	19	33	33	19	19	–
Vote 4 - Corporate Services		610	3 937	2 095	1	1 140	1 140	585	610	636
4.2 - Human Resources Management Services		276	2 439	1 420	–	1 139	1 139	583	609	635
4.3 - Administration Services		–	395	209	–	–	–	–	–	–
4.4 - Office of the Political Office Bearers		333	581	140	1	1	1	2	1	1
4.5 - Information & Communication Technology		0	396	213	–	–	–	–	–	–
4.6 - Legal Services and Property Management		–	125	114	–	–	–	–	–	–
Vote 5 - Financial Services		177 153	170 953	209 749	224 929	227 275	227 275	249 715	262 009	275 371
5.1 - Director; Executive Support		3 747	8 513	14 218	12 448	12 448	12 448	12 573	12 698	13 333
5.2 - Budget & Reporting		1 550	1 562	2 666	1 800	1 800	1 800	1 900	2 000	2 100
5.5 - Revenue Services		171 674	159 930	192 376	210 637	212 983	212 983	235 198	247 253	259 881
5.6 - Expenditure		–	302	151	–	–	–	–	–	–
5.7 - Supply Chain Management		182	647	337	44	44	44	45	57	57
Vote 6 - Economic Development & Planning		29 162	23 354	32 427	117 155	86 900	86 900	82 184	54 821	70 876
6.1 - Director; Executive Support		–	46	15	–	–	–	–	–	–
6.2 - Economic Development		648	3 376	3 868	1 474	1 474	1 474	1 599	–	–
6.3 - Planning and Land Use Management		14 362	1 039	1 102	687	706	706	724	763	805
6.5 - Aerodrome		463	1 494	1 371	1 086	280	280	741	506	536
6.6 - Building Control		5 802	5 948	6 924	12 529	12 300	12 300	6 871	7 139	7 544
6.7 - Integrated Human Settlement		7 887	11 450	19 147	101 379	72 140	72 140	72 249	46 413	61 991
Vote 7 - Engineering Services		479 121	432 053	482 562	544 481	545 866	545 866	588 232	618 896	641 735
7.1 - Director; Executive Support		–	151	21	–	–	–	–	–	–
7.2 - Water and Waste Water Management Services		231 049	204 666	224 436	229 079	225 483	225 483	233 701	246 440	255 591
7.3 - Project Management Unit (PMU)		3 812	2 082	7 189	24 741	30 456	30 456	29 696	30 485	32 280
7.4 - Transport, Roads & Storm Water		6 295	523	447	180	140	140	130	3 630	146
7.5 - Electrical and Mechanical Engineering		237 965	224 632	250 468	290 482	289 787	289 787	324 704	338 341	353 718

WC047 Bitou - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Vote 8 - Public Safety		56 550	50 328	63 329	55 760	57 063	57 063	58 663	61 736	64 938
8.2 - Traffic Management Services		55 978	48 260	62 152	54 607	55 910	55 910	58 660	61 733	64 935
8.3 - Law Enforcement Services		—	763	272	170	170	170	—	—	—
8.4 - Fire & Rescue Services		572	970	503	983	983	983	3	3	3
8.6 - Corporate Communications & Intergovernmental Relations & Public Participation		—	334	402	—	1	1	—	—	—
Total Revenue by Vote	2	865 725	876 513	960 067	1 104 120	1 076 149	1 076 149	1 143 023	1 168 430	1 231 054
Expenditure by Vote	1									
Vote 1 - Council		7 836	8 072	11 819	12 945	12 826	12 826	12 471	12 940	13 535
1.1 - Office of the Mayor		1 091	1 073	3 686	3 727	3 813	3 813	3 663	3 828	4 008
1.2 - Office of the Deputy Mayor		863	852	1 182	1 698	1 667	1 667	1 668	1 745	1 815
1.3 - Office of the Speaker		1 384	1 471	1 378	1 656	1 657	1 657	1 695	1 704	1 779
1.4 - Office of the Executive Council		1 439	1 939	2 769	2 942	2 942	2 942	2 507	2 625	2 749
1.5 - Council General		3 060	2 738	2 803	2 922	2 746	2 746	2 938	3 037	3 183
Vote 2 - Office of the Municipal Manager		13 894	15 948	19 647	22 357	24 125	24 125	42 887	43 733	45 060
2.1 - Municipal Manager; Executive Support		2 556	2 844	8 000	4 466	6 163	6 163	4 426	4 255	4 087
2.2 - Internal Audit		4 445	4 522	4 904	8 018	6 409	6 409	8 048	7 907	8 235
2.3 - Governance and Compliance: Risk Management & Compliance		3 764	3 492	2 152	1 969	1 969	1 969	2 051	2 151	2 254
2.4 - Governance and Compliance: IDP		2 150	2 357	2 613	3 103	3 101	3 101	10 895	11 384	11 894
2.5 - Governance and Compliance: Performance Management		980	2 733	1 978	4 801	6 484	6 484	17 467	18 037	18 591
Vote 3 - Community Services		109 780	104 707	110 370	129 459	127 352	127 352	131 488	131 012	135 627
3.1 - Director; Executive Support		5 165	6 429	7 868	6 969	7 502	7 502	4 664	4 869	5 083
3.2 - Library and Information Services		15 306	16 095	13 426	16 034	16 113	16 113	14 406	15 038	16 074
3.3 - Integrated Waste Management		55 096	55 893	62 996	64 728	61 048	61 048	66 402	67 897	69 695
3.4 - Beach Maintenance; Horticultural and Recreational Services		22 730	13 272	14 379	28 936	29 098	29 098	26 176	26 126	26 993
3.5 - Community Facilities, Management and Maintenance		9 155	10 091	11 240	12 792	13 590	13 590	16 330	16 222	16 879
3.6 - Community Social Support Services		2 328	2 928	460	—	—	—	3 511	861	902
Vote 4 - Corporate Services		71 204	64 239	71 905	83 893	96 577	96 577	105 615	107 962	112 527
4.1 - Director; Executive Support		1 724	1 595	167	3 079	2 909	2 909	3 216	3 376	3 519
4.2 - Human Resources Management Services		19 938	24 070	25 234	25 960	30 684	30 684	43 094	44 152	46 152
4.3 - Administration Services		5 925	5 502	8 255	12 313	13 366	13 366	14 452	13 695	14 071
4.4 - Office of the Political Office Bearers		9 407	12 285	12 139	9 757	9 694	9 694	7 879	8 008	8 202
4.5 - Information & Communication Technology		16 065	16 038	19 827	25 524	25 166	25 166	29 356	30 746	32 229
4.6 - Legal Services and Property Management		18 145	4 749	6 282	7 261	14 757	14 757	7 619	7 986	8 354
Vote 5 - Financial Services		31 971	47 102	59 749	70 683	71 559	71 559	70 080	66 443	68 469
5.1 - Director; Executive Support		3 923	3 478	10 203	9 048	9 563	9 563	8 255	6 065	6 284
5.2 - Budget & Reporting		(25 604)	13 518	15 444	17 003	16 982	16 982	16 128	16 983	17 448
5.5 - Revenue Services		48 339	18 036	21 259	29 419	29 294	29 294	28 618	26 321	26 646
5.6 - Expenditure		5 325	5 864	4 767	5 342	5 842	5 842	7 026	6 436	6 805
5.7 - Supply Chain Management		(12)	6 205	8 077	9 871	9 878	9 878	10 053	10 639	11 287
Vote 6 - Economic Development & Planning		59 306	59 062	64 455	65 207	76 507	76 507	95 472	84 184	79 542
6.1 - Director; Executive Support		2 016	1 982	1 533	3 717	2 586	2 586	3 367	3 475	3 595
6.2 - Economic Development		8 369	7 884	9 079	10 070	9 907	9 907	10 785	11 013	8 100
6.3 - Planning and Land Use Management		6 315	7 979	9 042	10 112	11 523	11 523	11 109	11 248	11 765
6.4 - Environmental Management		11	18	14	17	10	10	20	22	2

WC047 Bitou - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
6.5 - Aerodrome		2 888	4 175	1 366	3 218	5 394	5 394	5 144	5 351	5 568
6.6 - Building Control		18 869	17 007	28 295	22 488	22 449	22 449	21 820	21 992	22 798
6.7 - Integrated Human Settlement		20 838	20 015	15 125	15 584	24 638	24 638	43 228	31 083	27 714
Vote 7 - Engineering Services		413 099	385 212	413 805	461 348	450 060	450 060	484 315	516 625	540 215
7.1 - Director; Executive Support		6 390	6 948	4 373	3 809	3 796	3 796	3 647	3 829	4 013
7.2 - Water and Waste Water Management Services		148 095	135 955	119 946	121 364	120 387	120 387	124 329	132 999	134 273
7.3 - Project Management Unit (PMU)		6 907	8 906	10 091	8 778	9 587	9 587	7 114	7 536	8 020
7.4 - Transport, Roads & Storm Water		35 791	30 546	31 692	34 417	34 346	34 346	37 480	43 531	43 332
7.5 - Electrical and Mechanical Engineering		215 917	202 857	247 703	292 980	281 944	281 944	311 744	328 730	350 577
Vote 8 - Public Safety		110 395	112 453	122 420	124 984	126 571	126 571	125 814	124 149	123 765
8.2 - Traffic Management Services		57 175	58 705	64 114	49 883	53 802	53 802	61 173	59 363	55 689
8.3 - Law Enforcement Services		30 949	27 713	28 992	32 107	30 697	30 697	32 662	32 203	34 032
8.4 - Fire & Rescue Services		17 039	19 835	23 344	27 489	26 565	26 565	24 117	24 560	25 645
8.6 - Corporate Communications & Intergovernmental Relations & Public Participation		5 231	6 201	5 970	15 505	15 508	15 508	7 862	8 023	8 399
Total Expenditure by Vote	2	817 485	796 795	874 170	970 877	985 578	985 578	1 068 143	1 087 047	1 118 740
Surplus/(Deficit) for the year	2	48 240	79 718	85 897	133 243	90 571	90 571	74 880	81 382	112 313

WC047 Bitou - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	200 313	210 201	230 904	262 129	259 136	259 136	259 136	291 114	302 005	315 893
Service charges - Water	2	85 578	86 449	87 795	90 492	92 029	92 029	92 029	101 466	106 931	112 674
Service charges - Waste Water Management	2	82 693	78 406	67 358	80 372	79 624	79 624	79 624	80 729	85 108	89 651
Service charges - Waste Management	2	33 409	45 502	44 964	53 852	50 983	50 983	50 983	52 852	55 710	58 717
Sale of Goods and Rendering of Services		7 259	6 867	7 520	9 687	10 072	10 072	10 072	8 000	8 255	8 673
Agency services		2 423	2 501	2 498	2 840	2 840	2 840	2 840	2 663	2 726	2 786
Interest earned from Receivables		12 131	17 120	13 243	13 870	12 458	12 458	12 458	13 965	13 205	12 490
Interest earned from Current and Non Current Assets		3 747	8 035	13 203	12 448	12 448	12 448	12 448	12 573	12 698	13 333
Rental from Fixed Assets		1 255	1 124	1 354	2 210	1 610	1 610	1 610	1 569	1 663	1 760
Licence and permits		1 091	1 196	1 427	565	661	661	661	665	704	736
Operational Revenue		2 082	3 683	7 415	2 800	9 667	9 667	9 667	6 728	5 572	6 378
Non-Exchange Revenue											
Property rates	2	157 194	151 413	178 261	191 257	193 250	193 250	193 250	214 575	225 940	237 689
Surcharges and Taxes		—	—	1 420	1 589	1 441	1 441	1 441	1 547	1 861	2 213
Fines, penalties and forfeits		54 430	46 722	60 451	50 836	52 397	52 397	52 397	55 024	57 971	61 116
Licences or permits		—	—	—	796	796	796	796	819	846	854
Transfer and subsidies - Operational		141 588	155 970	166 503	176 893	187 996	187 996	187 996	211 047	205 089	209 108
Interest		2 647	4 242	2 292	1 844	2 202	2 202	2 202	2 433	2 189	1 970
Operational Revenue		11 486	2 064	14 750	14 835	13 953	13 953	13 953	14 788	15 555	16 381
Gains on disposal of Assets		—	441	—	3 950	3 950	3 950	3 950	—	—	—
Other Gains		—	18 011	8 370	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420
Expenditure											
Employee related costs	2	278 100	286 329	312 820	370 938	378 617	378 617	378 617	393 991	405 870	425 517
Remuneration of councillors		6 198	6 721	7 376	7 879	7 879	7 879	7 879	7 676	8 037	8 415
Bulk purchases - electricity	2	159 802	162 599	197 628	231 959	224 959	224 959	224 959	250 425	263 847	280 180
Inventory consumed	8	14 864	15 349	16 652	18 699	20 461	20 461	20 461	21 128	22 358	20 568
Debt impairment	3	33 141	28 623	28 480	19 001	19 001	19 001	19 001	24 450	24 319	32 166
Depreciation and amortisation		36 135	36 393	48 851	40 002	41 388	41 388	41 388	42 281	43 749	45 293
Interest		11 102	19 740	20 922	14 063	13 917	13 917	13 917	16 046	21 171	27 178
Contracted services		102 726	72 886	77 655	103 758	115 816	115 816	115 816	135 492	117 840	111 673
Transfers and subsidies		4 527	5 626	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997
Irrecoverable debts written off		93 735	88 945	74 426	61 150	61 150	61 150	61 150	61 650	61 550	59 880
Operational costs		57 505	72 059	76 823	91 144	91 229	91 229	91 229	105 104	108 365	108 846
Losses on disposal of Assets		1 720	1 515	3 217	—	—	—	—	—	—	—
Other Losses		125	9	111	—	—	—	—	—	—	—
Total Expenditure		799 680	796 795	874 170	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713
Surplus/(Deficit)		(355)	43 151	35 558	2 389	1 934	1 934	1 934	247	12 721	21 708
Transfers and subsidies - capital (monetary allocations)	6	48 270	36 567	50 307	130 854	88 638	88 638	88 638	70 466	64 401	78 633
Transfers and subsidies - capital (in-kind)	6	325	—	33	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Income Tax		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Share of Surplus/Deficit attributable to Associate	7	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341

WC047 Bitou - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 3 - Community Services		2 194	699	3 636	4 955	5 011	5 011	3 795	700	8 500	6 500
Vote 4 - Corporate Services		520	2 086	256	868	828	828	789	239	60	30
Vote 6 - Economic Development & Planning		12	—	—	—	—	—	—	—	—	—
Vote 7 - Engineering Services		18 371	40 411	41 212	143 726	115 969	115 969	82 108	130 662	133 671	137 522
Vote 8 - Public Safety		222	987	—	450	450	450	—	1 230	1 050	1 100
Capital multi-year expenditure sub-total		21 318	44 182	45 103	149 999	122 258	122 258	86 692	132 831	143 281	145 152
Single-year expenditure to be appropriated	2										
Vote 2 - Office of the Municipal Manager		—	—	149	—	492	492	66	—	—	—
Vote 3 - Community Services		4 835	3 957	723	2 704	1 451	1 451	452	14 200	11 086	1 563
Vote 4 - Corporate Services		2 467	26	1 513	1 292	1 273	1 273	1 164	2 013	1 046	716
Vote 5 - Financial Services		2 713	1	33	—	69	69	—	—	—	—
Vote 6 - Economic Development & Planning		—	694	301	—	110	110	1	—	—	—
Vote 7 - Engineering Services		46 052	34 567	56 191	28 073	21 796	21 796	13 493	31 147	19 950	29 460
Vote 8 - Public Safety		2 189	1 380	298	1 092	1 092	1 092	296	1 217	5 000	6 600
Capital single-year expenditure sub-total		58 256	40 625	59 208	33 161	26 283	26 283	15 473	48 577	37 082	38 338
Total Capital Expenditure - Vote	3,7	79 574	84 807	104 311	183 160	148 541	148 541	102 165	181 408	180 363	183 490
Capital Expenditure - Functional											
Governance and administration		19 190	2 549	17 223	9 350	10 440	10 440	8 267	2 904	3 806	846
Executive and council		—	—	149	—	492	492	66	—	—	—
Finance and administration		19 190	2 549	17 073	9 350	9 948	9 948	8 200	2 904	3 806	846
Community and public safety		5 665	5 607	4 207	6 302	7 253	7 253	4 073	9 695	20 636	12 763
Community and social services		605	2 352	3 909	304	1 798	1 798	470	—	—	—
Sport and recreation		2 774	921	—	4 455	4 455	4 455	3 522	7 700	14 586	5 063
Public safety		2 286	2 334	298	1 542	1 000	1 000	81	1 995	6 050	7 700
Economic and environmental services		9 984	9 570	12 288	47 401	43 636	43 636	29 894	37 819	34 046	70 163
Planning and development		—	435	301	—	110	110	1	50	50	50
Road transport		9 984	9 135	11 987	47 401	43 527	43 527	29 893	37 769	33 996	70 113
Trading services		44 734	67 081	70 593	120 108	87 211	87 211	59 931	131 490	121 875	99 718
Energy sources		19 459	25 395	19 492	26 065	14 658	14 658	6 760	30 399	41 763	13 544
Water management		17 352	25 002	33 290	45 070	32 315	32 315	23 155	54 264	42 467	44 772
Waste water management		4 273	15 302	17 811	46 673	39 488	39 488	29 546	39 727	34 646	38 402
Waste management		3 650	1 382	—	2 300	750	750	470	7 100	3 000	3 000
Total Capital Expenditure - Functional	3,7	79 574	84 807	104 311	183 160	148 541	148 541	102 165	181 908	180 363	183 490
Funded by:											
National Government		42 019	26 721	29 398	29 331	26 792	26 792	22 111	25 853	30 250	29 080
Provincial Government		18 287	6 741	15 527	78 285	57 782	57 782	46 468	40 735	29 613	75 182
District Municipality		—	43	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		325	—	—	—	—	—	—	—	—	—
Transfers recognised - capital	4	60 631	33 505	44 924	107 616	84 573	84 573	68 579	66 588	59 863	104 262
Borrowing	6	—	32 098	35 920	50 033	35 125	35 125	16 878	86 921	72 008	39 100
Internally generated funds		18 943	19 203	23 434	25 511	28 843	28 843	16 708	28 400	48 492	40 128
Total Capital Funding	7	79 574	84 806	104 279	183 160	148 541	148 541	102 165	181 908	180 363	183 490

WC047 Bitou - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Municipal Vote	2										
Multi-year expenditure appropriation											
Vote 3 - Community Services		2 194	699	3 636	4 955	5 011	5 011	3 795	700	8 500	6 500
3.3 - Integrated Waste Management		594	699	-	-	500	500	273	-	3 000	3 000
3.4 - Beach Maintenance; Horticultural and Recreational Services		1 268	-	3 636	4 455	4 311	4 311	3 522	600	3 500	3 500
3.5 - Community Facilities, Management and Maintenance		332	-	-	-	200	200	-	100	2 000	-
Vote 4 - Corporate Services		520	2 086	256	868	828	828	789	239	60	30
4.5 - Information & Communication Technology		520	2 086	256	868	828	828	789	239	60	30
Vote 6 - Economic Development & Planning		12	-	-	-	-	-	-	-	-	-
6.6 - Building Control		12	-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		18 371	40 411	41 212	143 726	115 969	115 969	82 108	130 662	133 671	137 522
7.2 - Water and Waste Water Management Services		25 913	20 667	15 639	77 893	64 655	64 655	47 453	82 841	73 462	70 210
7.3 - Project Management Unit (PMU)		-	-	-	-	-	-	-	50	50	50
7.4 - Transport, Roads & Storm Water		(17 173)	5 146	1 188	39 758	36 790	36 790	26 980	21 969	32 351	53 618
7.5 - Electrical and Mechanical Engineering		9 631	14 597	24 385	26 075	14 524	14 524	7 676	25 802	27 808	13 644
Vote 8 - Public Safety		222	987	-	450	450	450	-	1 230	1 050	1 100
8.2 - Traffic Management Services		-	-	-	-	-	-	-	800	800	900
8.3 - Law Enforcement Services		-	987	-	-	-	-	-	-	-	-
8.4 - Fire & Rescue Services		222	-	-	450	450	450	-	200	250	200
8.6 - Corporate Communications & Intergovernmental Relations & Public Participation		-	-	-	-	-	-	-	230	-	-
Capital multi-year expenditure sub-total		21 318	44 182	45 103	149 999	122 258	122 258	86 692	132 831	143 281	145 152

Multi-year appropriation for Budget Year 2025/26 in the 2024/25 Annual Budget				Multi-year appropriation for 2026/27 in the 2024/25 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2025/26	Adjustments in 2024/25	Downward adjustments for 2025/26	Appropriation carried forward	Appropriation for 2025/26	Adjustments in 2024/25	Downward adjustments for 2025/26	Appropriation carried forward	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
-	-	-	-	-	-	-	-	700	8 500	6 500
-	-	-	-	-	-	-	-	-	3 000	3 000
-	-	-	-	-	-	-	-	600	3 500	3 500
-	-	-	-	-	-	-	-	100	2 000	-
-	-	-	-	-	-	-	-	239	60	30
-	-	-	-	-	-	-	-	239	60	30
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	130 662	135 227	145 195
-	-	-	-	-	-	-	-	82 841	73 462	70 210
-	-	-	-	-	-	-	-	50	50	50
-	-	-	-	-	-	-	-	21 969	33 907	61 290
-	-	-	-	-	-	-	-	25 802	27 808	13 644
-	-	-	-	-	-	-	-	1 230	1 050	1 100
-	-	-	-	-	-	-	-	800	800	900
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	200	250	200
-	-	-	-	-	-	-	-	230	-	-
-	-	-	-	-	-	-	-	132 831	144 837	-

Capital expenditure - Municipal Vote	2										
Single-year expenditure appropriation											
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	149	-	492	492	66	-	-	-
2.1 - Municipal Manager; Executive Support		-	-	149	-	492	492	66	-	-	-
Vote 3 - Community Services		4 835	3 957	723	2 704	1 451	1 451	452	14 200	11 086	1 563
3.2 - Library and Information Services		273	38	273	304	304	304	-	-	-	-
3.3 - Integrated Waste Management		3 056	684	-	1 800	250	250	197	7 100	-	-
3.4 - Beach Maintenance; Horticultural and Recreational Services		1 506	982	-	-	145	145	-	7 100	11 086	1 563
3.5 - Community Facilities, Management and Maintenance		-	2 254	449	600	752	752	255	-	-	-
Vote 4 - Corporate Services		2 467	26	1 513	1 292	1 273	1 273	1 164	2 013	1 046	716
4.1 - Director; Executive Support		-	-	-	-	59	59	-	-	-	-
4.5 - Information & Communication Technology		2 467	26	1 513	1 292	1 214	1 214	1 164	2 013	1 046	716
Vote 5 - Financial Services		2 713	1	33	-	69	69	-	-	-	-
5.1 - Director; Executive Support		-	-	-	-	69	69	-	-	-	-
5.2 - Budget & Reporting		2 693	1	33	-	-	-	-	-	-	-
5.5 - Revenue Services		19	-	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	694	301	-	110	110	1	-	-	-
6.1 - Director; Executive Support		-	-	-	-	110	110	1	-	-	-
6.2 - Economic Development		-	435	301	-	-	-	-	-	-	-
6.6 - Building Control		-	259	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		46 052	34 567	56 191	28 073	21 796	21 796	13 493	31 147	19 950	29 460
7.2 - Water and Waste Water Management Services		9 091	19 637	35 462	13 850	7 148	7 148	5 249	11 150	3 650	12 964
7.4 - Transport, Roads & Storm Water		27 133	3 989	10 799	7 643	6 736	6 736	2 913	15 800	1 645	16 496
7.5 - Electrical and Mechanical Engineering		9 828	10 942	9 930	6 580	7 911	7 911	5 332	4 697	14 655	-
Vote 8 - Public Safety		2 189	1 380	298	1 092	1 092	1 092	296	1 217	5 000	6 600
8.2 - Traffic Management Services		-	-	-	250	250	250	81	115	100	-
8.3 - Law Enforcement Services		-	1 347	298	-	-	-	-	580	600	600
8.4 - Fire & Rescue Services		2 064	-	-	842	842	842	215	300	4 300	6 000
8.6 - Corporate Communications & Intergovernmental Relations & Public Participation		125	33	-	-	-	-	-	222	-	-
Capital single-year expenditure sub-total		58 256	40 625	59 298	33 161	26 283	26 283	15 473	48 577	37 082	38 338
Total Capital Expenditure		79 574	84 807	104 311	183 160	148 541	148 541	102 165	181 408	180 363	183 490

WC047 Bitou - Table A6 Budgeted Financial Position

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
ASSETS													
Current assets													
Cash and cash equivalents			48 623	95 078	165 432	60 220	149 202	149 202	149 202	125 446	107 393	54 784	
Trade and other receivables from exchange transactions	1		33 291	50 064	54 528	75 841	73 047	73 047	73 047	72 190	79 755	82 300	
Receivables from non-exchange transactions	1		30 951	11 418	40 213	97 230	81 355	81 355	81 355	62 108	88 692	117 729	
Current portion of non-current receivables			11	9	9	11	9	9	9	9	9	9	
Inventory	2		16 358	15 357	15 845	20 180	18 448	18 448	18 448	16 948	16 948	16 948	
VAT			212 584	256 271	283 602	212 584	283 602	283 602	283 602	283 602	283 602	283 602	
Other current assets			180	418	898	180	1 052	1 052	1 052	1 061	1 233	1 414	
Total current assets			341 997	428 615	560 528	466 245	606 716	606 716	606 716	561 364	577 632	556 787	
Non current assets													
Investments			9 857	–	–	–	–	–	–	–	–	–	
Investment property			12 692	12 692	14 050	12 692	14 050	14 050	14 050	14 050	14 049	14 048	
Property, plant and equipment	3		1 196 419	1 207 615	1 284 499	1 403 181	1 426 992	1 426 992	1 426 992	1 459 467	1 597 637	1 743 508	
Heritage assets			35	35	38	35	38	38	38	38	38	38	
Total non current assets			1 219 004	1 220 342	1 298 587	1 415 909	1 441 079	1 441 079	1 441 079	1 473 554	1 611 724	1 757 594	
TOTAL ASSETS			1 561 001	1 648 957	1 859 115	1 882 153	2 047 795	2 047 795	2 047 795	2 034 919	2 189 356	2 314 380	
LIABILITIES													
Current liabilities													
Financial liabilities			21 828	19 531	20 425	1 103	41 876	41 876	41 876	41 890	42 113	16 441	
Consumer deposits			9 848	10 793	11 362	9 848	11 362	11 362	11 362	11 362	11 362	11 362	
Trade and other payables from exchange transactions	4		75 213	92 091	125 575	86 278	153 519	153 519	153 519	129 577	131 265	113 405	
Trade and other payables from non-exchange transactions	5		(9 496)	(17 007)	(31 403)	(13 526)	(43 017)	(43 017)	(43 017)	(37 294)	(42 234)	(47 960)	
Provision			53 985	39 585	47 936	116 950	48 075	48 075	48 075	48 243	48 564	48 900	
VAT			207 999	246 284	268 421	239 157	268 421	268 421	268 421	268 421	268 421	268 421	
Total current liabilities			359 377	391 277	442 316	439 810	480 235	480 235	480 235	462 198	459 489	410 569	
Non current liabilities													
Financial liabilities	6		66 876	82 764	107 718	130 734	106 408	106 408	106 408	130 313	182 413	225 813	
Provision	7		9 358	13 052	13 801	10 320	13 801	13 801	13 801	13 801	13 801	13 801	
Other non-current liabilities			58 456	66 477	70 559	58 456	96 636	96 636	96 636	97 750	126 116	156 320	
Total non current liabilities			134 689	162 293	192 078	199 510	216 846	216 846	216 846	241 864	322 330	395 934	
TOTAL LIABILITIES			494 067	553 570	634 394	639 320	697 080	697 080	697 080	704 062	781 819	806 503	
NET ASSETS			1 066 934	1 095 387	1 224 721	1 242 834	1 350 715	1 350 715	1 350 715	1 330 857	1 407 537	1 507 878	
COMMUNITY WEALTH/EQUITY													
Accumulated surplus/(deficit)	8		1 048 393	1 121 972	1 183 380	1 167 034	1 316 706	1 316 706	1 425 898	1 254 176	1 331 297	1 431 638	
Reserves and funds	9		18 550	29 950	76 681	75 800	76 681	76 681	76 681	76 681	76 681	76 681	
TOTAL COMMUNITY WEALTH/EQUITY			10	1 066 943	1 151 922	1 260 061	1 242 834	1 393 387	1 393 387	1 502 579	1 330 857	1 407 978	1 508 319

WC047 Bitou - Table A6-Inventory

Store Type	Classification	2022/23	2021/22	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Consumables Standard Rated	Opening balance - Consumables Standard Rated	24 728	31 005	29 886	31 926	31 926	31 926	31 926	31 926	31 264	31 264
	Acquisitions - Consumables Standard Rated	6 277	7 495	2 537	7 404	7 404	7 404	7 404	7 628	8 710	8 400
	Issues - Consumables Standard Rated	-	(8 172)	(497)	(8 413)	(8 529)	(8 529)	(8 529)	(8 290)	(8 710)	(8 400)
	Adjustments - Consumables Standard Rated	-	(682)	-	-	-	-	-	-	-	-
	Write Off - Consumables Standard Rated	-	240	-	-	-	-	-	-	-	-
Consumables Standard Rated Total		31 005	29 886	31 926	30 917	30 801	30 801	30 801	31 264	31 264	31 264
Consumables Zero Rated	Opening balance - Consumables Zero Rated	(10 675)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)
	Issues - Consumables Zero Rated	(6 386)	-	-	-	-	-	-	-	-	-
Consumables Zero Rated Total		(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)
Finished Goods	Opening balance - Finished Goods	-	-	-	(1 440)	(1 440)	(1 440)	(1 440)	(1 440)	325	325
	Acquisitions - Finished Goods	-	-	4 489	14 296	14 296	14 296	14 296	13 506	12 545	11 003
	Issues - Finished Goods	-	-	(5 929)	(9 645)	(10 568)	(10 568)	(10 568)	(11 741)	(12 545)	(11 003)
Finished Goods Total		-	-	(1 440)	3 211	2 288	2 288	2 288	325	325	325
Land	Opening balance - Land	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235
Land Total		2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235
Materials and Supplies	Opening balance - Materials and Supplies	-	-	-	(1 440)	(1 440)	(1 440)	(1 440)	(1 440)	325	325
	Acquisitions - Materials and Supplies	-	-	4 489	14 296	14 296	14 296	14 296	13 506	12 545	11 003
	Issues - Materials and Supplies	-	-	(5 929)	(9 645)	(10 568)	(10 568)	(10 568)	(11 741)	(12 545)	(11 003)
Materials and Supplies Total		-	-	(1 440)	3 211	2 288	2 288	2 288	325	325	325
Water	Opening balance - Water	145	145	145	131	131	131	131	151	151	151
	Non-revenue Water	-	(0)	(13)	-	-	-	-	-	-	-
	Unavoidable Annual Real Losses	-	(0)	(13)	-	-	-	-	-	-	-
Water Total		145	145	118	131	131	131	131	151	151	151
Grand Total		16 324	15 205	14 338	22 645	20 683	20 683	20 683	17 240	17 240	17 240

WC047 Bitou - Table A7 Budgeted Cash Flows

2025/26 Medium Term Revenue & Expenditure Framework												
Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			26 295	433	644	175 067	174 808	174 808	174 808	193 054	203 509	214 306
Service charges			32 114	–	–	434 972	435 238	435 238	435 238	484 812	516 605	542 582
Other revenue			9 192	–	67	26 596	23 531	23 531	23 531	36 782	38 272	40 771
Transfers and Subsidies - Operational		1	120 285	462	6 262	176 723	185 015	185 015	185 015	211 047	205 089	209 108
Transfers and Subsidies - Capital		1	–	–	–	130 854	88 638	88 638	88 638	70 466	64 401	78 633
Interest			3 593	10 179	11 284	12 448	12 448	12 448	12 448	12 573	12 698	13 333
Payments												
Suppliers and employees			(1 316 717)	(1 239 255)	(1 004 250)	(776 920)	(776 920)	(776 920)	(776 920)	(866 048)	(892 360)	(920 065)
Interest			(1)	–	–	(14 063)	(13 917)	(13 917)	(13 917)	(16 046)	(21 171)	(27 178)
Transfers and Subsidies		1	–	–	–	(11 983)	(12 183)	(12 183)	(12 183)	(12 383)	(12 498)	(9 292)
NET CASH FROM/(USED) OPERATING ACTIVITIES			(1 125 239)	(1 228 181)	(985 993)	153 694	116 658	116 658	116 658	114 255	114 544	142 197
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			–	–	–	3 950	3 950	3 950	3 950	–	–	–
Decrease (increase) in non-current investments			(750)	9 857	–	–	–	–	–	–	–	–
Payments												
Capital assets			(38 651)	17 007	18 009	(183 160)	(154 683)	(154 683)	(154 683)	(181 908)	(180 363)	(183 490)
NET CASH FROM/(USED) OPERATING ACTIVITIES			(39 401)	26 864	18 009	(179 210)	(150 733)	(150 733)	(150 733)	(181 908)	(180 363)	(183 490)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Borrowing long term/refinancing			–	–	–	50 033	40 545	40 545	40 545	64 400	74 808	43 400
Increase (decrease) in consumer deposits			(285)	(341)	568	–	–	–	–	–	–	–
Payments												
Repayment of borrowing			–	(2 300)	(18 275)	(20 372)	(20 404)	(20 404)	(20 404)	(20 340)	(22 927)	(25 672)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(285)	(2 642)	(17 707)	29 662	20 141	20 141	20 141	44 060	51 881	17 728
NET INCREASE/ (DECREASE) IN CASH HELD			(1 164 926)	(1 203 959)	(985 691)	4 146	(13 934)	(13 934)	(13 934)	(23 593)	(13 938)	(23 565)
Cash/cash equivalents at the year begin:		2	73 465	48 627	95 078	59 740	165 432	165 432	165 432	165 432	141 839	127 901
Cash/cash equivalents at the year		2	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less
3. The MTREF is populated directly from SA30.

WC047 Bitou - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336
Other current investments > 90 days		1 140 084	1 250 409	1 056 045	(3 667)	(2 297)	(2 297)	(2 297)	(16 393)	(20 508)	(49 552)
Non current Investments	1	9 857	—	—	—	—	—	—	—	—	—
Cash and investments available:		58 480	95 078	165 432	60 220	149 202	149 202	149 202	125 446	107 393	54 784
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent current investments		(9 496)	(17 007)	(31 403)	(14 676)	(41 202)	(41 202)	(41 202)	(37 294)	(42 234)	(47 960)
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	4 585	9 986	15 182	(26 573)	15 182	15 182	15 182	15 182	15 182	15 182
Other working capital requirements	3	67 375	92 049	125 480	(56 750)	24 395	24 395	24 395	14 288	(15 437)	(60 881)
Other provisions		53 985	39 585	47 936	116 950	48 075	48 075	48 075	48 243	48 564	48 900
Long term investments committed	4	9 857	—	—	—	—	—	—	—	—	—
Total Application of cash and investments:		126 307	124 613	157 195	18 952	46 449	46 449	46 449	40 418	6 074	(44 759)
Surplus(shortfall)		(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements											
Debtors		7 838	42	95	144 178	127 309	127 309	127 309	115 289	146 702	174 286
Creditors due		75 213	92 091	125 575	87 428	151 704	151 704	151 704	129 577	131 265	113 405
Total		(67 375)	(92 049)	(125 480)	56 750	(24 395)	(24 395)	(24 395)	(14 288)	15 437	60 881

Debtors collection assumptions											
Balance outstanding - debtors		74 110	61 491	94 751	173 082	154 411	154 411	154 411	134 307	168 456	200 038
Estimate of debtors collection rate		10.6%	0.1%	0.1%	83.3%	82.4%	82.4%	82.4%	85.8%	87.1%	87.1%

Long term investments committed											
Balance (Insert description; eg sinking fund)											
Deposit Taking Institutions		9 857	—	—	—	—	—	—	—	—	—
		9 857	—	—	—	—	—	—	—	—	—

Reserves to be backed by cash/investments											
Capital replacement		18 550	29 950	76 681	75 800	76 681	76 681	76 681	76 681	76 681	76 681
	6	18 550	29 950	76 681	75 800	76 681	76 681	76 681	76 681	76 681	76 681

WC047 Bitou - Table A9 Asset Management

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
CAPITAL EXPENDITURE											
Total New Assets		1	74 061	53 171	69 771	117 043	89 454	89 454	114 414	104 821	127 363
Roads Infrastructure			23 865	2 780	7 138	44 573	33 079	33 079	17 269	12 245	40 591
Electrical Infrastructure			14 211	15 975	4 169	15 241	7 165	7 165	24 768	33 382	9 544
Water Supply Infrastructure			10 972	14 445	23 214	18 043	13 915	13 915	32 446	21 568	25 257
Sanitation Infrastructure			2 733	–	4 500	21 028	16 124	16 124	21 512	14 870	35 752
Solid Waste Infrastructure			3 056	–	–	500	500	500	–	–	–
Information and Communication Infrastructure			–	43	–	–	–	–	120	60	30
Infrastructure			54 837	33 243	39 021	99 385	70 783	70 783	96 116	82 125	111 174
Community Facilities			325	435	301	3 300	1 700	1 700	6 200	3 500	3 500
Sport and Recreation Facilities			1 050	–	–	–	–	–	–	–	–
Community Assets			1 375	435	301	3 300	1 700	1 700	6 200	3 500	3 500
Operational Buildings			–	1 906	7 986	2 995	5 640	5 640	1 500	1 500	1 500
Other Assets			–	1 906	7 986	2 995	5 640	5 640	1 500	1 500	1 500
Computer Equipment			5 139	3 233	1 286	3 040	2 283	2 283	1 219	621	1 078
Furniture and Office Equipment			72	81	302	320	1 031	1 031	507	100	100
Machinery and Equipment			8 902	11 296	7 345	3 174	2 999	2 999	4 572	3 625	3 511
Transport Assets			3 736	2 978	13 530	4 830	5 017	5 017	4 300	13 350	6 500
Total Renewal of Existing Assets		2	5 050	6 567	4 142	5 900	6 190	6 190	3 321	12 662	9 488
Roads Infrastructure			–	–	–	–	–	–	200	1 250	1 250
Electrical Infrastructure			374	1 910	1 602	1 040	1 040	1 040	–	1 737	–
Water Supply Infrastructure			–	2 724	–	–	–	–	–	–	–
Sanitation Infrastructure			2 517	1 753	–	–	–	–	–	–	–
Infrastructure			2 891	6 387	1 602	1 040	1 040	1 040	200	2 987	1 250
Community Facilities			–	–	–	–	200	200	100	2 000	–
Community Assets			–	–	–	–	200	200	100	2 000	–
Operational Buildings			–	–	2 425	2 850	2 644	2 644	2 000	2 950	2 100
Other Assets			–	–	2 425	2 850	2 644	2 644	2 000	2 950	2 100
Computer Equipment			2 159	180	114	250	246	246	1 021	425	138
Transport Assets			–	–	–	1 760	2 060	2 060	–	4 300	6 000
Total Upgrading of Existing Assets		6	463	25 069	30 398	60 217	52 898	52 898	64 174	62 880	46 639
Roads Infrastructure			(13 906)	1 001	3 636	5 000	8 300	8 300	15 500	14 856	25 272
Storm water Infrastructure			–	4 875	1 213	7 620	9 558	9 558	4 000	2 500	2 500
Electrical Infrastructure			0	5 185	11 703	6 682	3 067	3 067	3 641	3 994	2 000
Water Supply Infrastructure			3 000	7 284	3 900	22 485	14 276	14 276	15 367	14 350	12 814
Sanitation Infrastructure			7 983	4 201	5 649	14 223	13 392	13 392	18 865	16 726	2 150
Infrastructure			(2 922)	22 545	26 101	56 010	48 593	48 593	57 374	52 426	44 736
Community Facilities			1 814	1 599	662	504	656	656	1 200	–	–
Sport and Recreation Facilities			1 276	666	3 636	2 955	2 955	2 955	5 300	10 136	1 563
Community Assets			3 090	2 265	4 298	3 460	3 611	3 611	6 500	10 136	1 563
Revenue Generating			–	–	–	435	435	435	–	–	–
Investment properties			–	–	–	435	435	435	–	–	–
Operational Buildings			113	259	–	–	–	–	–	–	–
Other Assets			113	259	–	–	–	–	–	–	–
Computer Equipment			183	–	–	62	44	44	–	–	–
Machinery and Equipment			–	–	–	250	214	214	300	318	340
Total Capital Expenditure		4	79 574	84 807	104 311	183 160	148 541	148 541	181 908	180 363	183 490
Roads Infrastructure			9 960	3 781	10 774	49 573	41 379	41 379	32 969	28 351	67 113
Storm water Infrastructure			–	4 875	1 213	7 620	9 558	9 558	4 000	2 500	2 500
Electrical Infrastructure			14 585	23 070	17 475	22 963	11 272	11 272	28 409	39 113	11 544
Water Supply Infrastructure			13 972	24 453	27 114	40 528	28 190	28 190	47 814	35 918	38 071
Sanitation Infrastructure			13 233	5 954	10 149	35 251	29 516	29 516	40 377	31 596	37 902
Solid Waste Infrastructure			3 056	–	–	500	500	500	–	–	–
Information and Communication Infrastructure			–	43	–	–	–	–	120	60	30
Infrastructure			54 806	62 176	66 725	156 435	120 416	120 416	153 689	137 538	157 161
Community Facilities			2 139	2 034	963	3 804	2 556	2 556	7 500	5 500	3 500
Sport and Recreation Facilities			2 326	666	3 636	2 955	2 955	2 955	5 300	10 136	1 563
Community Assets			4 465	2 700	4 599	6 760	5 511	5 511	12 800	15 636	5 063
Revenue Generating			–	–	–	435	435	435	–	–	–
Investment properties			–	–	–	435	435	435	–	–	–
Operational Buildings			113	2 165	10 411	5 845	8 284	8 284	3 500	4 450	3 600
Other Assets			113	2 165	10 411	5 845	8 284	8 284	3 500	4 450	3 600
Computer Equipment			7 481	3 413	1 400	3 352	2 574	2 574	2 240	1 046	1 216
Furniture and Office Equipment			72	81	302	320	1 031	1 031	507	100	100
Machinery and Equipment			8 902	11 296	7 345	3 424	3 213	3 213	4 872	3 943	3 851
Transport Assets			3 736	2 978	13 530	6 590	7 077	7 077	4 300	17 650	12 500
TOTAL CAPITAL EXPENDITURE - Asset class			79 574	84 807	104 311	183 160	148 541	148 541	181 908	180 363	183 490
ASSET REGISTER SUMMARY - PPE (WDV)											
Roads Infrastructure		5	1 209 147	1 220 342	1 298 587	1 415 909	1 441 079	1 441 079	1 440 159	1 579 281	1 726 136
Storm water Infrastructure			192 508	185 747	197 127	196 977	200 156	200 156	205 355	214 453	321 780
Electrical Infrastructure			37 670	36 541	59 590	40 303	58 402	58 402	57 858	56 066	54 211
Water Supply Infrastructure			162 762	171 815	200 740	183 728	197 714	197 714	207 223	263 436	276 502
Sanitation Infrastructure			213 736	217 343	258 093	243 247	256 204	256 204	282 355	284 384	320 072
Solid Waste Infrastructure			138 218	142 756	152 676	140 823	146 224	146 224	146 642	184 663	278 427
Information and Communication Infrastructure			18 353	18 183	16 856	18 770	15 779	15 779	22 797	21 598	20 357
Infrastructure			1 480	3 288	2 928	903	2 408	2 408	2 607	2 130	1 602
TOTAL CAPITAL EXPENDITURE - PPE (WDV)			764 727	775 674	888 009	824 751	876 887	876 887	924 838	1 026 730	1 272 952

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
R thousand										
Community Assets		62 274	62 436	66 286	66 870	68 748	68 748	66 120	73 331	84 346
Heritage Assets		35	35	38	35	38	38	38	38	38
Investment properties		12 692	12 692	14 050	12 692	14 050	14 050	14 050	14 049	14 048
Operational Buildings		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		35 004	37 569	(1 524)	171 905	141 910	141 910	101 756	118 172	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Computer Equipment		5 084	4 005	3 720	5 677	5 205	5 205	4 644	4 522	4 030
Furniture and Office Equipment		2 024	1 728	1 590	1 104	1 785	1 785	1 460	1 039	602
Machinery and Equipment		4 418	3 864	5 638	7 181	8 757	8 757	8 380	10 034	11 585
Transport Assets		31 961	31 411	40 055	34 766	42 975	42 975	38 148	50 641	57 810
Land		290 928	290 928	280 725	290 928	280 725	280 725	280 725	280 725	280 725
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 209 147	1 220 342	1 298 587	1 415 909	1 441 079	1 441 079	1 440 159	1 579 281	1 726 136
EXPENDITURE OTHER ITEMS										
Depreciation	7	36 135	36 393	48 851	40 002	41 388	41 388	42 281	43 749	45 293
Repairs and Maintenance by Asset Class	3	47 976	40 393	39 137	47 749	41 188	41 188	48 559	54 890	54 345
Roads Infrastructure		15 789	10 423	9 448	7 731	7 159	7 159	7 563	11 529	8 841
Storm water Infrastructure		—	—	—	800	800	800	800	840	882
Electrical Infrastructure		8 382	3 196	2 126	7 680	3 580	3 580	10 033	10 509	10 855
Water Supply Infrastructure		2 727	4 047	6 635	2 854	2 854	2 854	2 994	3 119	3 305
Sanitation Infrastructure		2 978	1 836	2 676	2 679	2 679	2 679	2 773	2 893	3 066
Infrastructure		29 877	19 502	20 885	21 744	17 072	17 072	24 163	28 889	26 949
Community Facilities		1 136	1 671	1 052	2 784	1 871	1 871	3 117	3 342	3 442
Sport and Recreation Facilities		567	193	13	550	600	600	961	996	1 020
Community Assets		1 702	1 864	1 065	3 334	2 471	2 471	4 078	4 338	4 462
Operational Buildings		6 435	5 448	4 133	6 660	4 873	4 873	6 160	6 989	7 534
Other Assets		6 435	5 448	4 133	6 660	4 873	4 873	6 160	6 989	7 534
Licences and Rights		4 563	5 907	7 203	8 315	9 271	9 271	10 666	11 135	11 625
Intangible Assets		4 563	5 907	7 203	8 315	9 271	9 271	10 666	11 135	11 625
Computer Equipment		278	118	176	—	—	—	—	—	—
Furniture and Office Equipment		71	92	20	214	321	321	5	6	7
Machinery and Equipment		263	1 209	859	1 952	1 852	1 852	1 848	1 856	2 070
Transport Assets		4 788	6 253	4 796	5 529	5 329	5 329	1 639	1 677	1 698
TOTAL EXPENDITURE OTHER ITEMS		84 111	76 787	87 988	87 751	82 577	82 577	90 840	98 639	99 638
Renewal and upgrading of Existing Assets as % of total capex		6.9%	37.3%	33.1%	36.1%	39.8%	39.8%	37.1%	41.9%	30.6%
Renewal and upgrading of Existing Assets as % of deprecn		15.3%	86.9%	70.7%	165.3%	142.8%	142.8%	159.6%	172.7%	123.9%
R&M as a % of PPE & Investment Property		3.6%	2.8%	2.5%	2.8%	2.2%	2.2%	2.6%	2.8%	2.5%
Renewal and upgrading and R&M as a % of PPE and Investment Prop		4.0%	5.4%	5.1%	7.5%	6.3%	6.3%	7.3%	7.6%	5.7%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

WC047 Bitou - Table A10 Basic service delivery measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	4 743	4 743	4 743
Sanitation (free minimum level service)		-	-	-	-	-	-	4 743	4 743	4 743
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	7 182	7 182	7 182
Refuse (removed at least once a week)		-	-	-	-	-	-	4 743	4 743	4 743
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	14 717	15 551	15 551	17 606	18 557	19 559
Sanitation (free sanitation service to indigent households)		6 423	17 151	(7 810)	30 726	30 808	30 808	36 708	38 691	40 780
Electricity/other energy (50kwh per indigent household per month)		4 590	5 025	5 890	6 360	6 360	6 360	7 603	8 356	9 183
Refuse (removed once a week for indigent households)		20 357	12 071	(5 370)	22 356	21 141	21 141	23 150	24 400	25 718
Total cost of FBS provided		31 370	34 247	(7 289)	74 160	73 859	73 859	85 067	90 003	95 239
Highest level of free service provided per household										
Revenue cost of subsidised services provided (R'000)	9									
Property rates exemptions, reductions and rebates and impermissible values in excess of		5 860	5 189	(1 628)	6 133	6 719	6 719	7 391	7 768	8 172
Total revenue cost of subsidised services provided		5 860	5 189	(1 628)	6 133	6 719	6 719	7 391	7 768	8 172

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

WC047 Bitou - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Property rates	6										
Total Property Rates		163 054	156 601	176 633	197 390	199 970	199 970	199 970	221 966	233 708	245 861
less Revenue Foregone (exemptions, reductions and rebates and		5 860	5 189	(1 628)	6 133	6 719	6 719	6 719	7 391	7 768	8 172
Net Property Rates		157 194	151 413	178 261	191 257	193 250	193 250	193 250	214 575	225 940	237 689
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity		204 903	215 227	236 794	268 490	265 497	265 497	265 497	298 717	310 361	325 075
less Cost of Free Basic Services (50 kwh per indigent household per		4 590	5 025	5 890	6 360	6 360	6 360	6 360	7 603	8 356	9 183
Net Service charges - Electricity		200 313	210 201	230 904	262 129	259 136	259 136	259 136	291 114	302 005	315 893
Service charges - Water	6										
Total Service charges - Water		85 578	86 449	87 795	105 209	107 579	107 579	107 579	119 072	125 488	132 232
less Cost of Free Basic Services (6 kilolitres per indigent household per		-	-	-	14 717	15 551	15 551	15 551	17 606	18 557	19 559
Net Service charges - Water		85 578	86 449	87 795	90 492	92 029	92 029	92 029	101 466	106 931	112 674
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		89 117	95 557	59 548	111 098	110 431	110 431	110 431	117 437	123 798	130 431
less Cost of Free Basic Services (free sanitation service to indigent		6 423	17 151	(7 810)	30 726	30 808	30 808	30 808	36 708	38 691	40 780
Net Service charges - Waste Water Management		82 693	78 406	67 358	80 372	79 624	79 624	79 624	80 729	85 108	89 651
Service charges - Waste Management	6										
Total refuse removal revenue		53 554	57 329	39 273	75 912	71 827	71 827	71 827	75 719	79 808	84 118
Total landfill revenue		212	244	320	297	297	297	297	283	302	317
less Cost of Free Basic Services (removed once a week to indigent		20 357	12 071	(5 370)	22 356	21 141	21 141	21 141	23 150	24 400	25 718
Net Service charges - Waste Management		33 409	45 502	44 964	53 852	50 983	50 983	50 983	52 852	55 710	58 717
Basic Salaries and Wages	2	171 777	172 850	190 753	214 705	220 074	220 074	220 074	223 944	228 347	238 395
Pension and UIF Contributions		31 878	33 658	36 072	43 540	43 922	43 922	43 922	46 852	49 328	52 224
Medical Aid Contributions		17 882	18 124	18 697	24 586	24 876	24 876	24 876	24 777	26 142	27 713
Overtime		15 170	16 283	21 112	14 016	14 826	14 826	14 826	15 018	15 270	15 442
Performance Bonus		11 504	15 280	14 287	16 289	16 546	16 546	16 546	17 631	18 653	19 695
Motor Vehicle Allowance		10 390	11 599	11 527	13 667	13 855	13 855	13 855	14 852	15 859	16 526
Cellphone Allowance		1 898	1 914	1 940	2 093	2 162	2 162	2 162	2 239	2 328	2 758
Housing Allowances		887	965	917	1 045	1 058	1 058	1 058	1 006	1 060	1 110
Other benefits and allowances		6 125	6 304	6 691	5 635	5 477	5 477	5 477	5 589	5 812	5 914
Payments in lieu of leave		2 952	2 650	2 534	6 374	6 461	6 461	6 461	7 905	7 321	7 738
Long service awards		2 896	1 481	1 703	1 077	1 077	1 077	1 077	3 132	3 307	3 492
Post-retirement benefit obligations	4	4 741	5 209	5 184	25 708	26 077	26 077	26 077	27 191	28 366	30 204
Scarcity		-	-	-	-	-	-	-	1 746	1 835	1 930
Acting and post related allowance		-	11	1 402	2 204	2 204	2 204	2 204	2 109	2 242	2 378
sub-total	5	278 100	286 329	312 820	370 938	378 617	378 617	378 617	393 991	405 870	425 517
Total Employee related costs	1	278 100	286 329	312 820	370 938	378 617	378 617	378 617	393 991	405 870	425 517
Depreciation of Property, Plant & Equipment		36 135	36 393	39 994	40 002	41 388	41 388	41 388	42 281	43 749	45 293
Capital asset impairment		-	-	8 858	-	-	-	-	-	-	-

Description	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Total Depreciation and amortisation	1	36 135	36 393	48 851	40 002	41 388	41 388	41 388	42 281	43 749	45 293
Electricity Bulk Purchases		159 802	162 599	197 628	231 959	224 959	224 959	224 959	250 425	263 847	280 180
Total bulk purchases	1	159 802	162 599	197 628	231 959	224 959	224 959	224 959	250 425	263 847	280 180
Transfers and grants											
Cash transfers and grants		4 527	5 384	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997
Non-cash transfers and grants		–	242	–	–	–	–	–	–	–	–
Total transfers and grants	1	4 527	5 626	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997
Contracted services											
Outsourced Services		29 008	23 500	25 995	27 629	29 647	29 647	29 647	29 697	27 614	24 097
Consultants and Professional Services		27 506	20 244	22 072	34 898	54 028	54 028	54 028	36 047	30 095	28 785
Contractors		46 212	29 142	29 589	41 231	32 141	32 141	32 141	69 747	60 131	58 790
sub-total	1	102 726	72 886	77 655	103 758	115 816	115 816	115 816	135 492	117 840	111 673
Operational Costs											
Collection costs		1 973	1 745	1 906	2 510	1 770	1 770	1 770	2 510	2 652	2 800
Contributions to 'other' provisions		(204)	–	–	–	–	–	–	–	–	–
Audit fees		4 809	5 363	5 425	6 250	6 150	6 150	6 150	6 383	6 691	6 691
Other Operational Costs	3										
Operating Leases		4 323	4 017	4 793	6 007	5 884	5 884	5 884	5 967	6 074	6 282
Operational Cost		46 604	60 935	64 700	76 377	77 425	77 425	77 425	90 244	92 949	93 074
Total Operational Costs	1	57 505	72 059	76 823	91 144	91 229	91 229	91 229	105 104	108 365	108 846
Repairs and Maintenance by Expenditure Item	8										
Inventory Consumed (Project Maintenance)		5 601	5 375	3 955	–	3 799	3 799	3 799	–	–	–
Contracted Services		37 779	29 072	27 978	–	28 423	28 423	28 423	–	–	–
Other Expenditure		4 596	5 947	7 203	–	8 966	8 966	8 966	–	–	–
Total Repairs and Maintenance Expenditure	9	47 976	40 393	39 137	–	41 188	41 188	41 188	–	–	–
Inventory Consumed											
Inventory Consumed - Other		6 386	8 172	6 426	18 058	19 097	19 097	19 097	20 032	21 255	19 402
Total Inventory Consumed & Other Material		6 386	8 172	6 426	18 058	19 097	19 097	19 097	20 032	21 255	19 402

References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries
3. Insert other categories where revenue or expenditure is of a material nature (list separate items until 'General expenses' is not > 10% of Total Expenditure)
4. Expenditure to meet any 'unfunded obligations'
- 5 This sub-total must agree with the total on SA22, but excluding councillor and board member items
6. Include a note for each revenue item that is affected by 'revenue foregone'
7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)
8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Repairs and Maintenance.
9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.
10. Only applicable to municipalities that have adopted the 'revaluation method' in GRAP 17. The aim is to prevent overstating 'depreciation and asset impairment'

WC047 Bitou - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

R thousand	1	Vote 1 - Council	Vote 2 - Office of the Municipal Manager	Vote 3 - Community Services	Vote 4 - Corporate Services	Vote 5 - Financial Services	Vote 6 - Economic Development & Planning	Vote 7 - Engineering Services	Vote 8 - Public Safety	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
Revenue																	
Exchange Revenue																	
Service charges - Electricity		-	-	-	-	-	-	291 114	-	-	-	-	-	-	-	-	291 114
Service charges - Water		-	-	-	-	-	-	101 466	-	-	-	-	-	-	-	-	101 466
Service charges - Waste Water Management		-	-	-	-	-	-	80 729	-	-	-	-	-	-	-	-	80 729
Service charges - Waste Management		-	-	52 852	-	-	-	-	-	-	-	-	-	-	-	-	52 852
Sale of Goods and Rendering of Services		-	-	43	-	288	7 666	-	3	-	-	-	-	-	-	-	8 000
Agency services		-	-	-	-	-	-	-	2 663	-	-	-	-	-	-	-	2 663
Interest earned from Receivables		-	34	2 727	-	-	-	11 204	-	-	-	-	-	-	-	-	13 965
Interest earned from Current and Non Current Assets		-	-	-	-	12 573	-	-	-	-	-	-	-	-	-	-	12 573
Rental from Fixed Assets		-	1 013	80	-	-	477	-	-	-	-	-	-	-	-	-	1 569
Licence and permits		-	76	318	-	-	-	-	271	-	-	-	-	-	-	-	665
Special rating levies		-	76	318	-	-	-	-	271	-	-	-	-	-	-	-	665
Operational Revenue		-	163	3	2	476	193	5 891	-	-	-	-	-	-	-	-	6 728
Non-Exchange Revenue																	
Property rates		-	-	-	-	214 575	-	-	-	-	-	-	-	-	-	-	214 575
Surcharges and Taxes		-	-	-	-	1 547	-	-	-	-	-	-	-	-	-	-	1 547
Fines, penalties and forfeits		-	-	7	-	107	-	2	54 907	-	-	-	-	-	-	-	55 024
Licences or permits		-	-	-	-	-	-	-	819	-	-	-	-	-	-	-	819
Transfer and subsidies - Operational		3 126	68 009	31 823	583	17 716	33 113	56 677	-	-	-	-	-	-	-	-	211 047
Interest		-	-	-	-	2 433	-	-	-	-	-	-	-	-	-	-	2 433
Service charges		-	-	3 370	-	-	-	11 418	-	-	-	-	-	-	-	-	14 788
Total Revenue (excluding capital transfers and contribution)		3 126	69 371	91 541	585	249 715	41 449	558 501	58 934	-	-	-	-	-	-	-	1 073 222
Expenditure																	
Employee related costs		-	26 390	73 290	56 203	43 672	37 763	88 670	64 871	-	-	-	-	-	-	-	390 859
Remuneration of councillors		7 676	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 676
Bulk purchases - electricity		-	-	-	-	-	-	250 425	-	-	-	-	-	-	-	-	250 425
Inventory consumed		169	48	2 925	771	290	4 010	11 986	930	-	-	-	-	-	-	-	21 128
Debt impairment		-	-	3 700	-	1 615	-	9 100	9 000	-	-	-	-	-	-	-	23 415
Depreciation and amortisation		41	127	5 714	1 397	150	1 058	32 172	1 621	-	-	-	-	-	-	-	42 281
Interest		-	-	716	-	-	276	14 874	180	-	-	-	-	-	-	-	16 046
Contracted services		214	4 271	16 275	14 825	8 161	41 601	31 058	19 086	-	-	-	-	-	-	-	135 492
Transfers and subsidies		2 600	-	6 450	-	1 684	3 333	-	-	-	-	-	-	-	-	-	14 068
Recoverable debts written off		200	-	9 000	-	1 200	-	27 250	24 000	-	-	-	-	-	-	-	61 650
Operational costs		1 570	12 052	13 417	32 419	13 308	7 432	18 780	6 127	-	-	-	-	-	-	-	105 104
Total Expenditure		12 471	42 887	131 488	105 615	70 080	95 472	484 315	125 814	-	-	-	-	-	-	-	1 068 143
Surplus/(Deficit)		(9 345)	26 484	(39 947)	(105 030)	179 635	(54 023)	74 186	(66 881)	-	-	-	-	-	-	-	5 079
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	40 735	29 731	-	-	-	-	-	-	-	70 466
Income Tax		(9 345)	26 484	(39 947)	(105 030)	179 635	(13 288)	103 917	(66 881)	-	-	-	-	-	-	-	75 545

WC047 Bitou - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		29 256	32 479	30 073	108 650	47 098	47 098	47 098	48 406	62 131	76 006
Water		73 629	83 911	92 735	72 312	97 433	97 433	97 433	98 665	101 896	105 501
Waste		53 544	58 752	59 544	58 734	64 234	64 234	64 234	61 926	63 526	65 429
Waste Water		90 246	100 259	99 023	92 134	103 752	103 752	103 752	104 040	106 901	111 763
Other trade receivables from exchange transactions		6 494	14 844	16 256	6 432	16 133	16 133	16 133	16 090	15 942	15 792
Gross: Trade and other receivables from exchange transactions		253 169	290 245	297 631	338 263	328 651	328 651	328 651	329 127	350 396	374 492
Less: Impairment for debt		(219 878)	(240 182)	(243 102)	(262 422)	(255 604)	(255 604)	(255 604)	(256 937)	(270 641)	(292 192)
Impairment for Electricity		(12 595)	(10 793)	(9 118)	(27 736)	(12 246)	(12 246)	(12 246)	(10 460)	(11 660)	(20 694)
Impairment for Water		(66 610)	(75 213)	(79 925)	(77 386)	(83 342)	(83 342)	(83 342)	(85 179)	(90 453)	(95 739)
Impairment for Waste		(50 689)	(55 149)	(55 919)	(56 918)	(58 050)	(58 050)	(58 050)	(59 849)	(63 779)	(67 709)
Impairment for Waste Water		(84 866)	(92 790)	(90 893)	(95 265)	(94 720)	(94 720)	(94 720)	(94 203)	(97 503)	(100 803)
Impairment for other trade receivables from exchange transactions		(5 117)	(6 237)	(7 247)	(5 117)	(7 247)	(7 247)	(7 247)	(7 247)	(7 247)	(7 247)
Total net Trade and other receivables from Exchange Trx		33 291	50 064	54 528	75 841	73 047	73 047	73 047	72 190	79 755	82 300
Receivables from non-exchange transactions											
Property rates		52 341	2 412	55 992	94 882	77 053	77 053	77 053	80 566	105 948	132 428
Less: Impairment of Property rates		(32 013)	(896)	(35 164)	(48 221)	(38 656)	(38 656)	(38 656)	(36 779)	(38 252)	(39 717)
Net Property rates		20 328	1 516	20 827	46 661	38 397	38 397	38 397	43 786	67 697	92 711
Other receivables from non-exchange transactions		85 863	95 213	130 361	134 599	156 940	156 940	156 940	138 297	149 971	162 993
Impairment for other receivables from non-exchange transactions		(75 240)	(85 311)	(110 976)	(84 030)	(113 983)	(113 983)	(113 983)	(119 976)	(128 976)	(137 976)
Net other receivables from non-exchange transactions		10 623	9 902	19 385	50 570	42 958	42 958	42 958	18 321	20 996	25 018
Total net Receivables from non-exchange transactions		30 951	11 418	40 213	97 230	81 355	81 355	81 355	62 108	88 692	117 729
Inventory											
Water											
Opening Balance		145	145	145	131	131	131	131	151	151	151
Water Losses		-	(0)	(13)	-	-	-	-	-	-	-
Real losses		-	(0)	(13)	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	(0)	(13)	-	-	-	-	-	-	-
Non-revenue Water		-	(0)	(13)	-	-	-	-	-	-	-
Closing Balance Water		145	145	131	131	131	131	131	151	151	151
Consumables											
Standard Rated											
Opening Balance		24 728	31 005	29 886	31 926	31 926	31 926	31 926	31 926	31 264	31 264
Acquisitions		6 277	7 495	2 537	7 404	7 404	7 404	7 404	7 628	8 710	8 400
Issues	7	-	(8 172)	(497)	(8 413)	(8 529)	(8 529)	(8 529)	(8 290)	(8 710)	(8 400)
Adjustments	8	-	(682)	-	-	-	-	-	-	-	-
Write-offs	9	-	240	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		31 005	29 886	31 926	30 917	30 801	30 801	30 801	31 264	31 264	31 264
Zero Rated											
Opening Balance		(10 675)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)
Issues	7	(6 386)	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)	(17 061)
Finished Goods											
Opening Balance		34	34	34	34	34	34	34	34	34	34
Closing balance - Finished Goods		34	34	34	34	34	34	34	34	34	34
Materials and Supplies											
Opening Balance		-	-	-	(1 440)	(1 440)	(1 440)	(1 440)	(1 440)	325	325
Acquisitions		-	-	4 489	14 296	14 296	14 296	14 296	13 506	12 545	11 003
Issues	7	-	-	(5 929)	(9 645)	(10 568)	(10 568)	(10 568)	(11 741)	(12 545)	(11 003)
Closing balance - Materials and Supplies		-	-	(1 440)	3 211	2 288	2 288	2 288	325	325	325
Land											
Opening Balance		2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235
Closing Balance - Land		2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235	2 235
Closing Balance - Inventory & Consumables		16 358	15 239	15 825	19 467	18 428	18 428	18 428	16 948	16 948	16 948
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1 567 406	1 577 691	1 724 587	1 852 435	1 938 987	1 938 987	1 938 987	1 972 354	2 151 673	2 340 070
Leases recognised as PPE		12 027	12 054	788	12 027	788	788	788	788	788	788
Less: Accumulated depreciation		(383 013)	(382 130)	(440 876)	(461 281)	(512 782)	(512 782)	(512 782)	(513 675)	(554 823)	(597 351)
Total Property, plant and equipment (PPE)	2	1 196 419	1 207 615	1 284 499	1 403 181	1 426 992	1 426 992	1 426 992	1 459 467	1 597 637	1 743 508
LIABILITIES											
Current liabilities - Financial liabilities											
Current portion of long-term liabilities		21 828	19 531	20 425	1 103	41 876	41 876	41 876	41 890	42 113	16 441
Total Current liabilities - Financial liabilities		21 828	19 531	20 425	1 103	41 876	41 876	41 876	41 890	42 113	16 441
Trade and other payables											
Trade and other payables from exchange transactions		75 213	92 091	125 575	86 278	153 519	153 519	153 519	129 577	131 265	113 405
Trade payables from Non-exchange transactions: Unspent conditional		(9 496)	(17 007)	(31 403)	(14 676)	(41 202)	(41 202)	(41 202)	(37 294)	(42 234)	(47 960)
Trade payables from Non-exchange transactions: Other		-	-	-	1 150	(1 815)	(1 815)	(1 815)	-	-	-
VAT		207 999	246 284	268 421	239 157	268 421	268 421	268 421	268 421	268 421	268 421
Total Trade and other payables	2	273 716	321 368	362 593	311 909	378 922	378 922	378 922	360 704	357 451	333 866
Non current liabilities - Financial liabilities											
Borrowing	4	66 798	82 546	107 276	130 656	105 967	105 967	105 967	129 872	181 971	225 371
Other financial liabilities		78	218	441	78	441	441	441	441	441	441
Total Non current liabilities - Financial liabilities		66 876	82 764	107 718	130 734	106 408	106 408	106 408	130 313	182 413	225 813
Non current liabilities - Long Term portion of trade payables											

Description	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Total Non current liabilities - Long Term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Provisions											
<i>List other major provision items</i>											
Other		9 358	13 052	13 801	10 320	13 801	13 801	13 801	13 801	13 801	13 801
Total Provisions		9 358	13 052	13 801	10 320	13 801	13 801	13 801	13 801	13 801	13 801
CHANGES IN NET ASSETS											
Accumulated surplus/(deficit)											
Accumulated surplus/(deficit) - opening balance		912 304	1 048 096	1 121 973	1 033 790	1 183 463	1 183 463	1 183 348	1 183 463	1 254 176	1 331 297
Restated balance		912 304	1 048 096	1 121 973	1 033 790	1 183 463	1 183 463	1 183 348	1 183 463	1 254 176	1 331 297
Surplus/(Deficit)		48 250	79 750	85 897	133 243	133 243	133 243	242 551	70 713	77 122	100 341
Transfers to/from Reserves		86 506	(11 400)	(46 731)	–	–	–	–	–	–	–
Other adjustments		1 334	5 525	22 240	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	1	1 048 393	1 121 972	1 183 380	1 167 034	1 316 706	1 316 706	1 425 898	1 254 176	1 331 297	1 431 638
Reserves											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		18 550	29 950	76 681	75 800	76 681	76 681	76 681	76 681	76 681	76 681
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	18 550	29 950	76 681	75 800	76 681	76 681	76 681	76 681	76 681	76 681
TOTAL COMMUNITY WEALTH/EQUITY	2	1 066 943	1 151 922	1 260 061	1 242 834	1 393 387	1 393 387	1 502 579	1 330 857	1 407 978	1 508 319

WC047 Bitou - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

[illegible]

WC047 Bitou - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

[illegible]

WC047 Bitou - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

[illegible]

WC047 Bitou - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	Audited Outcome 2021/2022	Audited Outcome 2022/2023	Audited Outcome 2023/2024	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Office of the Municipal Manager Function 1 Risk Management - RBIAP Submit the Risk Based Audit Plan (RBIAP) for the	Risk Based Audit Plan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Intern Audit - RBIAP Complete 90% of audits as scheduled in the	% of audits completed	80.0%	99.0%	99.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Risk Management - ARA Complete the annual risk assessment for 2026/27	Risk assessment completed	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Integrated Development Plan - IDP Review and submit the IDP for the 2026/27	Draft IDP compiled and	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Governance and Compliance - Mid-year Conduct the Mid-year Performance	Number of evaluations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Governance and Compliance - Final Evaluations Conduct the Final Performance Evaluation	Number of evaluations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Municipal Manager - Budget Spend Spend 95% of the municipal capital budget on Financial Services Function 2	% budget spent	New KPI	83.0%	81.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Revenue - Free basic services Provide subsidies for free basic services to	Number of indigent	4303	4132	5080	4200	4200	4200	4200	4200	4200
Revenue - Water Number of residential properties with piped water	Number of residential	11893	16615	16605	16615	16615	16615	16615	16615	16615
Revenue - Electricity Number of residential properties with electricity	Number of residential	12474	14750	15120	14750	14750	14750	14750	14750	14750
Revenue - Sanitation Number of residential properties with	Number of residential	11857	14872	14913	14872	14872	14872	14872	14872	14872
Revenue - Refuse Number of residential properties for which	Number of residential	11798	14841	15147	14841	14841	14841	14841	14841	14841
Debt to Revenue Financial viability measured in terms of the	% of debt to revenue	13.0%	14.9%	17.2%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Outstanding Service Debtors Financial viability measured in terms of the	% of outstanding service	7.7%	9.4%	9.9%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%
Cover fix operating expenditure Financial viability measured in terms of the	Number of months it takes to	0.75	1.57	2.49	1.20	1.20	1.20	1.20	1.20	1.20
Debtor payment achieved Achieve a debtor payment percentage of 90%	% debtor payment achieved	84.0%	84.0%	96.7%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Corporate Services Function 3 Employment Equity Target Percentage of people from employment equity	% of people employed	84.0%	90.0%	82.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Training operational budget Spend 100% of the 0.20% of operational budget	% budget spent	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
System of Operational Delegations Review the "System of Operational	System of operational	0.0%	0.0%	0.0%	1	1	1	1	1	1
ICT Capital Budget Spend Spend 95% of the allocated capital budget for	% of budget spent	New KPI	90.0%	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
HR Strategy and Plan Review the HR Strategy and Plan and submit to	HR Strategy and Plan	New KPI	New KPI	New KPI	1	1	1	1	1	1
HR Policies Review all HR Policies by 31 March 2026	Number of policies reviewed	New KPI	New KPI	New KPI	20	20	20	20	20	20
ICT Strategy Review the ICT Strategy and submit to Council	Number of ICT Strategies	New KPI	New KPI	New KPI	1	1	1	1	1	1
Employment Equity Plan Review the Employment Equity Plan and	Number of Employment	New KPI	New KPI	New KPI	1	1	1	1	1	1
Cascade and Implement IPMDS Cascade and Implement Individual PMDS 100%	% of agreements signed	New KPI	New KPI	New KPI	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Engineering Services Function 4										

Unaccounted Water losses Limit unaccounted for water to less than 30%	% water losses	37.7%	35.9%	37.9%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Unaccounted Electricity Limit unaccounted for electricity to less than	% unaccounted electricity	18.9%	9.3%	6.2%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Capital Budget Spend - Waste Water Spend 95% of the approved capital budget for	% budget spent	89.0%	90.0%	77.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Capital Budget Spend - Electrical & Mechanical Spend 95% of the approved capital budget for	% budget spent	96.0%	99.0%	84.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Capital Budget Spend - Water Services Spend 95% of the approved capital budget for	% budget spent	86.0%	68.0%	85.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Capital Budget Spend - Roads & Storm Water Spend 95% of the approved capital budget for	% budget spent	94.0%	90.0%	67.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
MIG Funding Spend Spend 100% of MIG Funding allocation by 30	% budget spent	88.0%	60.0%	101.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Capital Budget Spend - Fleet Management Spend 95% of the allocated capital budget for	% budget spent	0.0%	0.0%	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Theft Investigations Conduct 550 potential electricity theft	Number of inspections	984	839	1 806	550	550	550	550	550	550
Capital Budget Spend - Brakkloof 66kV new to Spend 95% of the allocated capital budget for	% budget spent	New KPI	New KPI	New KPI	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Capital Budget Spend- Kurland WTW from 0.6 Spend 95% of the allocated capital budget for	% budget spent	New KPI	New KPI	53.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Capital Budget Spend - Kurland WWTW Spend 95% of the budget allocated for the	% budget spent	New KPI	New KPI	New KPI	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Capital Budget Spend - Upgrade of High Street Spend 95% of the budget allocated for the	% budget spent	New KPI	New KPI	New KPI	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Community Services Function 5										
Waste Management Master Plan Complete the Integrated Waste Management	Number of Intergrated	New KPI	New KPI	New KPI	1	1	1	1	1	1
Capital Budget Spend - Construction of a Spend 95% of the allocated budget for the	% budget spent	New KPI	New KPI	0.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Sports Master Plan Review the Sports Master Plan and submit to	Number of Sprots Master	New KPI	New KPI	0.0%	1	1	1	1	1	1
Capital Budget Spend - New drop-off facility Spend 95% of the allocated budget for the	Public Safety Plan submitted	New KPI	New KPI	0.0%	1	1	1	1	1	1
Capital Budget Spend - Greenvally Sports Spend 95% of the allocated budget for upgrade	% of budget spent	New KPI	New KPI	New KPI	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Obtain Blue Flag Status Obtain Blue Flag Status for at least 4 beaches	Number of Blue Flag	New KPI	New KPI	New KPI	4	4	4	4	4	4
Maintenance Budget Spend - Facilities Spend 95% of Facilities Management &	% of budget Spend	New KPI	New KPI	New KPI	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Maintenance Plan - Facilities Develop a Maintenance Plan for Facilities and	Number of Facilities	New KPI	New KPI	New KPI	1	1	1	1	1	1
Development and Planning Function 6										
Capital Budget Spend - Construction of new Spend 95% of the budget allocated for the	% budget spent	New KPI	New KPI	New KPI	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Capital Budget Spend - Construction of new Spend 95% of the budget allocated for the	% of budget spent	New KPI	New KPI	New KPI	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
LED Strategy Develop the LED Strategy and submit to	Number of LED Strategies	New KPI	New KPI	New KPI	1	1	1	1	1	1
Create Job Opportunities - EPWP Create 172 job opportunities in terms of the	Number of job opportunities	440	492	264	172	172	172	172	172	172
Develop a Growth and Development Develop a Growth and Development Strategy	Number of Growth and	New KPI	New KPI	0	1	1	1	1	1	1
Review Housing Pipeline Review and submit the Housing pipeline to	Housing pipeline reviewed	0.0%	100.0%	1	1	1	1	1	1	1

Review Spatial Development Framework Submit the reviewed Spatial Development	Spatial Development	100.0%	100.0%	1	1	1	1	1	1	1
Public Safety Function 7										
Review Disaster Management Plan Review the Disaster Management Plan and	Disaster Management Plan	New KPI	New KPI	New KPI	1	1	1	1	1	1
Public Safety Plan Develop a Public Safety Plan and submit to	Public Safety Plan submitted	New KPI	New KPI	New KPI	1	1	1	1	1	1
Establish Municipal Court Establish the Municipal Court by 31 March	Number of Municipal Courts	New KPI	New KPI	New KPI	1	1	1	1	1	1
Service Standard Charter Review the Service Standard Charter and	Number of Service Standard	q	New KPI	New KPI	1	1	1	1	1	1
Citizens Feedback Report Develop a Citizens Feedback Report and	Number of Citizens	New KPI	New KPI	New KPI	1	1	1	1	1	1
Sub-function 3 - (name) And so on for the rest of the Votes 1. Include a measurable performance objective 2. Include all Basic Services performance 3. Only include prior year comparative										
Entity 1 - (name of entity) Insert measure/s description										
Entity 2 - (name of entity) Complete 90% of audits as scheduled in the										
Entity 3 - (name of entity) Complete 90% of audits as scheduled in the										
And so on for the rest of the Entities 1. Include a measurable performance objective 2. Only include prior year comparative										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

WC047 Bitou - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	2.8%	4.5%	3.5%	3.5%	3.5%	3.5%	3.4%	4.0%	4.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.4%	2.6%	4.3%	3.6%	3.5%	3.5%	3.5%	3.4%	4.0%	4.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	196.1%	140.6%	140.6%	242.7%	230.8%	154.3%	108.2%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.0	1.1	1.3	1.1	1.3	1.3	1.3	1.2	1.3	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	1.1	1.3	1.1	1.3	1.3	1.3	1.2	1.3	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.4	0.5	0.3	0.5	0.5	0.5	0.4	0.4	0.3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		14.3%	0.1%	0.1%	122.9%	124.0%	124.0%	124.0%	126.9%	129.1%	129.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	34.1%	35.2%	38.9%	35.2%	40.2%	40.2%	40.2%	35.1%	36.5%	37.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-6.9%	-8.0%	-14.1%	135.0%	101.3%	101.3%	101.3%	91.4%	102.6%	108.7%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical Total Volume Losses (kW) non technical Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase Water treatment works Natural sources										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.8%	34.1%	34.4%	38.1%	38.3%	38.3%	38.3%	36.7%	36.8%	36.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.6%	34.9%	35.2%	38.9%	39.1%	39.1%		37.2%	37.2%	37.4%

Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.0%	4.8%	4.3%	4.9%	4.2%	4.2%		4.5%	5.0%	4.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.9%	6.7%	7.7%	5.6%	5.6%	5.6%	5.6%	5.4%	5.9%	6.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	–	–	–	–	–	–	–	–
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	63.1%	65.8%	77.0%	66.1%	77.5%	77.5%	77.5%	67.6%	69.4%	71.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(21.0)	(22.5)	(15.9)	1.0	2.3	2.3	2.3	2.0	1.7	1.4

References

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

Calculation data

Debtors > 90 days											
Monthly fixed operational expenditure	52 045	51 245	56 100	65 287	66 302	66 302	66 302	72 692	73 721	76 852	
Fixed operational expenditure % assumption	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex	18 943	19 204	23 467	25 511	28 843	28 843	16 708	27 900	48 492	40 128	
Borrowing	–	–	–	50 033	40 545	40 545	40 545	64 400	74 808	43 400	

WC047 Bitou - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
						Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Demographics												
Population		Census info and Growth Rate	29 000	39 905	49 162	72	75	75	71	71	71	71
Females aged 5 - 14		Census info and Growth Rate	1 255	3 357	2 114	6	6	6	6	6	6	6
Males aged 5 - 14		Census info and Growth Rate	1 226	3 153	2 065	6	6	6	6	6	6	6
Females aged 15 - 34		Census info and Growth Rate	1 284	7 297	2 212	13	14	14	12	12	12	12
Males aged 15 - 34		Census info and Growth Rate	1 313	7 349	2 163	13	14	14	13	13	13	13
Unemployment		Census info and Growth Rate	6 858	9 378	11 553	21	22	22	32	32	32	32
Monthly household income (no. of households)	1, 12											
No income		Census info and Growth Rate	5 253	7 223	8 898	13	14	14	14	14	14	14
R1 - R1 600		Census info and Growth Rate	1 284	1 756	2 163	3	3	3	3	3	3	3
R1 601 - R3 200		Census info and Growth Rate	1 284	1 756	2 163	3	3	3	3	3	3	3
R3 201 - R6 400		Census info and Growth Rate	1 605	2 195	2 704	4	4	4	4	4	4	4
R6 401 - R12 800		Census info and Growth Rate	4 789	6 544	8 063	12	12	12	12	12	12	12
R12 801 - R25 600		Census info and Growth Rate	5 661	7 742	9 537	14	15	15	15	15	15	15
R25 601 - R51 200		Census info and Growth Rate	4 027	5 507	6 784	10	10	10	10	10	10	10
R52 201 - R102 400		Census info and Growth Rate	2 626	3 591	4 425	6	7	7	7	7	7	7
R102 401 - R204 800		Census info and Growth Rate	1 955	2 674	3 294	5	5	5	5	5	5	5
R204 801 - R409 600		Census info and Growth Rate	983	1 345	1 657	2	3	3	3	3	3	3
R409 601 - R819 200		Census info and Growth Rate	438	599	737	1	1	1	1	1	1	1
> R819 200		Census info and Growth Rate	1 285	176	216	0	0	0	0	0	0	0
Poverty profiles (no. of households)												
< R2 060 per household per month	13	Census info and Growth Rate	1 702	2 501	3 233	4 339	4 534	4 743	4 743	4 743	4 743	4 743
Household/demographics (000)												
Number of people in municipal area		Census info and Growth Rate	29 182	39 905	49 162	69	72	75	75	71	71	71
Number of poor people in municipal area		Census info and Growth Rate	-	-	-	-	-	-	-	38	38	38
Number of households in municipal area		Census info and Growth Rate	8 763	12 878	16 645	17	17	18	18	18	18	18
Number of poor households in municipal area		0	-	-	-	-	-	-	-	4	4	4
Definition of poor household (R per month)		0	-	-	-	-	-	-	-	1 227	1 227	1 227
Housing statistics	3											
Formal		Census info and Growth Rate	7 002	10 290	12 018	12 018	12 559	13 137	13 137	13 303	13 303	13 303
Informal		Census info and Growth Rate	2	3	4	4 627	4 835	5 058	5 058	4 494	4 494	4 494
Total number of households			8 755	12 866	16 285	16 645	17 394	18 194	18 194	17 797	17 797	17 797
Dwellings provided by municipality	4	0	-	-	-	-	-	-	-	13 303	13 303	13 303
Dwellings provided by province/s		0	-	-	-	-	-	-	-	4 494	4 494	4 494
Dwellings provided by private sector	5	0	-	-	-	-	-	-	-	225	225	225
Total new housing dwellings			-	-	-	-	-	-	-	18 022	18 022	18 022

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		<u>Household service targets (000)</u>									

Municipal in-house services	Ref.		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		Household service targets (000)									
Municipal entity services	Ref.		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		Household service targets (000)									
Services provided by 'external mechanisms'	Ref.		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		Household service targets (000)									
Detail of Free Basic Services (FBS) provided			2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Electricity	Ref.	<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (50 kwh per indigent household per month Rands)	4 590 146	5 025 461	5 890 368	6 360 191	6 360 191	6 360 191	7 602 940	8 355 614	9 182 808
		Number of HH receiving this type of FBS	-	-	-	-	-	-	7 182	7 182	7 182
Water	Ref.	<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month Rands)	-	-	-	14 717 160	15 550 674	15 550 674	17 605 940	18 556 661	19 558 721
		Number of HH receiving this type of FBS	-	-	-	-	-	-	4 743	4 743	4 743
Sanitation	Ref.	<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (free sanitation service to indigent households)	6 423 181	17 151 054	(7 809 964)	30 726 000	30 807 737	30 807 737	36 708 279	38 690 526	40 779 815
		Number of HH receiving this type of FBS	-	-	-	-	-	-	4 743	4 743	4 743
Refuse Removal	Ref.	<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (removed once a week to indigent households)	20 357 134	12 070 840	(5 369 802)	22 356 495	21 140 697	21 140 697	23 150 128	24 400 235	25 717 847
		Number of HH receiving this type of FBS	-	-	-	-	-	-	4 743	4 743	4 743

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality

6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling
10. Borehole, spring, rain-water tank etc.
11. Must agree to total number of households in municipal area
12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire
13. Based on National poverty line of R515 per capita per month (2008 prices), assuming an average household size of 4 persons

WC047 Bitou Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(1 091 461)	(1 155 331)	(890 613)	63 886	151 498	151 498	151 498	141 839	127 901	104 336
Cash + investments at the yr end less applications - R'000	18(1)b	2	(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543
Cash year end/monthly employee/supplier payments	18(1)b	3	(21.0)	(22.5)	(15.9)	1.0	2.3	2.3	2.3	2.0	1.7	1.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	48 240	79 718	85 897	133 243	90 571	90 571	90 571	70 713	77 122	100 341
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(3.7%)	0.5%	5.3%	(6.5%)	(6.0%)	(6.0%)	3.7%	(1.3%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	10.6%	0.1%	0.1%	83.3%	82.4%	82.4%	82.4%	85.8%	87.1%	87.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	5.9%	5.0%	4.7%	2.8%	2.8%	2.8%	2.8%	3.3%	3.1%	3.9%
Capital payments % of capital expenditure	18(1)c;19	8	48.6%	(20.1%)	(17.3%)	100.0%	104.1%	104.1%	151.4%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	66.2%	63.4%	63.4%	120.7%	55.8%	62.1%	54.8%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.2%	100.2%	100.2%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(4.3%)	54.1%	82.7%	(10.8%)	0.0%	0.0%	(13.0%)	25.4%	18.7%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	3.6%	2.8%	2.5%	2.8%	2.2%	2.2%	2.6%	2.8%	2.5%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	6.3%	7.7%	4.0%	3.2%	4.2%	4.2%	0.0%	1.8%	7.0%	5.2%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Description	MFMA section	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a		0.0%	2.3%	6.5%	11.3%	(0.5%)	0.0%	0.0%	9.7%	4.7%	5.0%
% incr Property Tax	18(1)a		0.0%	(3.7%)	17.7%	7.3%	1.0%	0.0%	0.0%	11.0%	5.3%	5.2%
% incr Service charges - Electricity	18(1)a		0.0%	4.9%	9.8%	13.5%	(1.1%)	0.0%	0.0%	12.3%	3.7%	4.6%
% incr Service charges - Water	18(1)a		0.0%	1.0%	1.6%	3.1%	1.7%	0.0%	0.0%	10.3%	5.4%	5.4%
% incr Service charges - Waste Water Management	18(1)a		0.0%	(5.2%)	(14.1%)	19.3%	(0.9%)	0.0%	0.0%	1.4%	5.4%	5.3%
% incr Service charges - Waste Management	18(1)a		0.0%	36.2%	(1.2%)	19.8%	(5.3%)	0.0%	0.0%	3.7%	5.4%	5.4%
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		559 186	571 971	609 281	678 103	675 022	675 022	675 022	740 737	775 694	814 623
Service charges			559 186	571 971	609 281	678 103	675 022	675 022	675 022	740 737	775 694	814 623
Property rates			157 194	151 413	178 261	191 257	193 250	193 250	193 250	214 575	225 940	237 689
Service charges - electricity revenue			200 313	210 201	230 904	262 129	259 136	259 136	259 136	291 114	302 005	315 893
Service charges - water revenue			85 578	86 449	87 795	90 492	92 029	92 029	92 029	101 466	106 931	112 674
Service charges - sanitation revenue			82 693	78 406	67 358	80 372	79 624	79 624	79 624	80 729	85 108	89 651
Service charges - refuse removal			33 409	45 502	44 964	53 852	50 983	50 983	50 983	52 852	55 710	58 717
Service charges - other												
Interest			2 423	2 501	2 498	2 840	2 840	2 840	2 840	2 663	2 726	2 786
Capital expenditure excluding capital grant funding			18 943	51 302	59 387	75 544	63 968	63 968	33 586	115 321	120 500	79 228
Cash receipts from ratepayers	18(1)a		67 601	433	711	636 635	633 577	633 577	633 577	714 647	758 385	797 659
Ratepayer & Other revenue	18(1)a		639 213	636 128	706 117	764 261	768 457	768 457	768 457	832 540	870 847	915 519
Change in consumer debtors (current and non-current)		N/A		(2 761)	33 259	78 331	(18 671)	—	—	(20 104)	34 149	31 582
Operating and Capital Grant Revenue	18(1)a		189 858	192 537	216 810	307 747	276 634	276 634	276 634	281 513	269 490	287 741
Capital expenditure - total	20(1)(vi)		79 574	84 807	104 311	183 160	148 541	148 541	102 165	181 908	180 363	183 490
Capital expenditure - renewal	20(1)(vi)		5 050	6 567	4 142	5 900	6 190	6 190		3 321	12 662	9 488
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										165 976	171 180	177 901
DoRA capital grants total MFY										29 731	34 788	33 442
Provincial operating grants										44 488	33 300	30 571
Provincial capital grants										40 735	29 613	45 191
District Municipality grants										—	—	—
Total gazetted/advised national, provincial and district grants										280 930	268 881	287 106
Average annual collection rate (arrears inclusive)												

Description	MFMA section	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
DoRA operating												
Operational Revenue: General Revenue: Equitable Share										161 287	167 903	174 474
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]										1 599	–	–
Local Government Financial Management Grant [Schedule 5B]										1 900	2 000	2 100
Municipal Infrastructure Grant [Schedule 5B]										1 190	1 277	1 328
										165 976	171 180	177 901
DoRA Capital												
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]										3 321	5 000	5 226
Municipal Infrastructure Grant [Schedule 5B]										22 615	24 268	25 226
Regional Bulk Infrastructure Grant (Schedule 5B)										3 795	5 520	2 990
										29 731	34 788	33 442

Description	MFMA section	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Trend												
Change in consumer debtors (current and non-current)			N/A	(2 761)	33 259	78 331	(18 671)	–	–	(20 104)	34 149	31 582
Total Operating Revenue			799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420
Total Operating Expenditure			799 680	796 795	874 170	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713
Operating Performance Surplus/(Deficit)			(355)	43 151	35 558	2 389	1 934	1 934	1 934	247	12 721	21 708
Cash and Cash Equivalents (30 June 2012)										–		
Revenue												
% Increase in Total Operating Revenue				5.1%	8.3%	7.0%	1.5%	0.0%	0.0%	8.6%	2.9%	4.4%
% Increase in Property Rates Revenue				(3.7%)	17.7%	7.3%	1.0%	0.0%	0.0%	11.0%	5.3%	5.2%
% Increase in Electricity Revenue				4.9%	9.8%	13.5%	(1.1%)	0.0%	0.0%	12.3%	3.7%	4.6%
% Increase in Property Rates & Services Charges				2.3%	6.5%	11.3%	(0.5%)	0.0%	0.0%	9.7%	4.7%	5.0%
Expenditure												
% Increase in Total Operating Expenditure				(0.4%)	9.7%	11.1%	1.5%	0.0%	0.0%	8.8%	1.8%	3.6%
% Increase in Employee Costs				3.0%	9.3%	18.6%	2.1%	0.0%	0.0%	4.1%	3.0%	4.8%
% Increase in Electricity Bulk Purchases				1.8%	21.5%	17.4%	(3.0%)	0.0%	0.0%	11.3%	5.4%	6.2%
Average Cost Per Budgeted Employee Position (Remuneration)					730887.4027	2107605.085				2238584.716		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			3.6%	2.8%	2.5%	2.8%	2.2%	2.2%		2.6%	2.8%	2.5%
Asset Renewal and R&M as a % of PPE			4.0%	5.4%	5.1%	7.5%	6.3%	6.3%		7.3%	7.6%	5.7%
Debt Impairment % of Total Billable Revenue			5.9%	5.0%	4.7%	2.8%	2.8%	2.8%	2.8%	3.3%	3.1%	3.9%
Capital Revenue												
Internally Funded & Other (R'000)			–	32 098	35 920	50 033	35 125	35 125	35 125	86 921	72 008	39 100
Borrowing (R'000)			60 631	33 505	44 924	107 616	84 573	84 573	84 573	66 588	59 863	104 262
Grant Funding and Other (R'000)			–	–	–	–	–	–	–	–	–	–
Internally Generated funds % of Non Grant Funding			420.1%	608.8%	598.4%	914.1%	636.8%	636.8%	636.8%	946.6%	520.4%	554.7%
Borrowing % of Non Grant Funding			320.1%	174.5%	191.7%	421.8%	293.2%	293.2%	293.2%	234.5%	123.4%	259.8%
Grant Funding % of Total Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Expenditure												
Total Capital Programme (R'000)			–	–	–	–	–	–	–	–	–	–
Asset Renewal			–	–	–	–	–	–	–	–	–	–
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			10.6%	0.1%	0.1%	83.3%	82.4%	82.4%	82.4%	85.8%	87.1%	87.1%
Cash Coverage Ratio			(0)	(0)	(0)	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			1.4%	2.8%	4.5%	3.5%	3.5%	3.5%	3.5%	3.4%	4.0%	4.7%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	66.2%	63.4%	63.4%	120.7%	55.8%	62.1%	54.8%
Reserves												
Surplus/(Deficit)			(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Operating Revenue			799 325	839 947	909 728	973 266	987 511	987 511	987 511	1 072 557	1 104 029	1 152 420
Total Operating Expenditure			799 680	796 795	874 170	970 877	985 578	985 578	985 578	1 072 310	1 091 308	1 130 713
Surplus/(Deficit) Budgeted Operating Statement			(355)	43 151	35 558	2 389	1 934	1 934	1 934	247	12 721	21 708
Surplus/(Deficit) Considering Reserves and Cash Backing			(67 827)	(29 535)	8 237	41 268	102 753	102 753	102 753	85 027	101 318	99 543
MTREF Funded (1) / Unfunded (0)	15		0	0	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15		✗	✗	✓	✓	✓	✓	✓	✓	✓	✓

Description	MFMA section	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
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References
15. Subject to figures provided in Schedule.

WC047 Bitou - Supporting Table SA11 Property rates summary

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Valuation:	1				2020/07/01			2024/07/01		
Date of valuation:					2021/2022			2025/2026		
Financial year valuation used	2				Y			Y		
Municipal by-laws s6 in place? (Y/N)					Y			Y		
Municipal/assistant valuer appointed? (Y/N)					N			N		
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3			-	1			1		
No. of data collectors (FTE)	3			-	1			-		
No. of internal valuers (FTE)	3			-	-			-		
No. of external valuers (FTE)	3			-	1			1		
No. of additional valuers (FTE)	4			-	1			1		
Valuation appeal board established? (Y/N)					Y			Y		
Implementation time of new valuation roll (mths)				-	-			12		
No. of properties	5			-	20 408			21 594		
No. of sectional title values	5			-	3 789			3 804		
No. of unreasonably difficult properties s7(2)				-	-			-		
No. of supplementary valuations				-	421					
No. of valuation roll amendments				-	421					
No. of objections by rate payers				-	-			-		
No. of appeals by rate payers				-	-			-		
No. of successful objections	8			-	-			-		
No. of successful objections > 10%	8			-	-			-		
Supplementary valuation				-	-			-		
Public service infrastructure value (Rm)	5			-	57			181		
Municipality owned property value (Rm)				-	652			787		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)				-	-	-	0	-	-	-
Valuation reductions-nature reserves/park (Rm)				-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)				-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)				-	1	1	1	239	239	239
Valuation reductions-public worship (Rm)				-	-	-	83	95	95	95
Valuation reductions-other (Rm)				-	-	-	-	-	-	-
Total valuation reductions:		-	-	-	1	1	84	84	84	84
Total value used for rating (Rm)	5			-	-	-	-	-	-	-
Total land value (Rm)	5			-	-	-	-	-	-	-
Total value of improvements (Rm)	5			-	-	-	-	-	-	-
Total market value (Rm)	5			-	-	-	-	-	-	-
Rating:										
Residential rate used to determine rate for other categories? (Y/N)					Yes			Yes		
Differential rates used? (Y/N)	5				Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)					Yes	Yes	Yes	Yes	Yes	Yes
Special rating area used? (Y/N)					Yes			Yes		
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-
Rates policy accompanying budget? (Y/N)					Yes			Yes		
Fixed amount minimum value (R'000)		-	-	-	-			-		
Non-residential prescribed ratio s19? (%)		0.0%	0.0%	0.0%	0.0%			0.0%		
Rate revenue:										
Rate revenue budget (R'000)	6			156 633	183 074	187 160	187 160	212 575	223 838	235 478
Rate revenue expected to collect (R'000)	6				173 920	177 802	177 802	187 644	198 152	209 050
Expected cash collection rate (%)					95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)	7			-	1 535	1 535	1 535	1 589	1 724	1 862
Rebates, exemptions - indigent (R'000)				5 189	3 295	7 357	7 357	6 201	6 201	6 201
Rebates, exemptions - pensioners (R'000)				-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)				-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)				-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)				-	-	-	-	-	-	-

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

WC047 Bitou - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Current Year 2024/25													
Valuation:													
No. of properties		520	65	–	15 939	494	10	35	531	1 363	4	–	19
No. of sectional title property values		–	–	–	3 741	–	–	–	–	–	–	–	4
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		64	2	–	279	17	–	–	2	20	–	–	0
Supplementary valuation (Rm)		193 121 000	5 000 000	–	#####	64 660 000	–	–	1 000	63 360 000	–	–	1 479 117
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		4	4	4	4	4	4	4	4	4	4	4	
Frequency of valuation (select)		5	5	5	5	5	5	5	5	5	5	5	
Method of valuation used (select)		Other	Other	Market	Market	Other	Other	Other	Other	Other	Other	Market	
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	
Phasing-in properties s21 (number)		–	–	–	15 393	–	–	–	–	–	–	–	15
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	
Is balance rated by uniform rate/variable rate?													
Valuation reductions:													
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	0	–	–	–	–	26
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	1	–	–	–	–	–	–	–	1 378
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:													
Total value used for rating (Rm)	6	1 882	111	–	23 803	2 000	–	216	40	1 404	17	–	29 471 641
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	1 882	111	–	24 889	2 000	–	216	57	1 404	17	–	30 574 885
Rating:													
Average rate	3	–	–	–	–	–	–	–	–	–	–	–	
Rate revenue budget (R '000)		19 538	1 223	–	151 286	3 024	35	2 116	147	9 730	–	–	187 098
Rate revenue expected to collect (R'000)		18 561	1 162	–	136 157	2 873	–	2 011	–	8 757	–	–	169 520
Expected cash collection rate (%)	4	95.0%	95.0%	0.0%	90.0%	95.0%	0.0%	95.0%	0.0%	90.0%	0.0%	0.0%	0
Special rating areas (R'000)					1 535								1 535
Rebates, exemptions - indigent (R'000)		–	–	–	5 804	–	–	–	–	–	–	–	5 804

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptns,reductns,discs (R'000)													-

References

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

WC047 Bitou - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Budget Year 2025/26													
Valuation:													
No. of properties		671	68	–	16 887	506	59	38	541	1 350	4	–	20
No. of sectional title property values		–	–	–	3 741	–	–	–	–	–	–	–	4
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		5	5		5	5	5	5	5	5	5	5	
Frequency of valuation (select)		5	5		5	5	5	5	5	5	5	5	
Method of valuation used (select)		Other	Other		Market	Other	Other	Other	Other	Other	Other	Other	
Base of valuation (select)		Land & impr.	Land & impr.		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	
Phasing-in properties s21 (number)		–	–		–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)		Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Flat rate used? (Y/N)		No	No		No	No	No	No	No	No	No	No	
Is balance rated by uniform rate/variable rate?													
Valuation reductions:													
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	0	–	–	–	27
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	1	–	–	–	–	–	–	–	1 378
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:													
Total value used for rating (Rm)	6	2 954	167	–	35 404	2 552	239	295	181	1 649	17	–	43 457 263
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	2 954	167	–	35 404	2 552	239	295	181	1 649	17	–	43 457 263
Rating:													
Average rate	3	–	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		25 274	1 390	–	175 697	3 300	–	2 552	180	11 831	–	–	220 223
Rate revenue expected to collect (R'000)		19 595	1 226	–	141 065	3 033	–	2 123	–	9 244	–	–	176 286
Expected cash collection rate (%)	4	95.0%	95.0%	0.0%	90.0%	95.0%	0.0%	95.0%	0.0%	90.0%	0.0%	0.0%	0
Special rating areas (R'000)					1 589								1 589
Rebates, exemptions - indigent (R'000)		–	–	–	6 201	–	–	–	–	–	–	–	6 201

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)	Sum
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptns,reductns,discs (R'000)		-	-	-	6 201	-	-	-	-	-	-	-	6 201

References

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

WC047 Bitou - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
							Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Property rates (rate in the Rand)	1								
Residential properties		Cent in Rand	0.0054	0.0056	0.0060	0.0064	0.0053	0.0056	0.0059
Residential properties - vacant land		Cent in Rand	0.0070	0.0073	0.0078	0.0083	0.0069	0.0073	0.0077
Formal/informal settlements		-	-	-	-	-	-	-	-
Small holdings		-	-	-	-	-	-	-	-
Farm properties - used		Cent in Rand	0.0013	0.0014	0.0015	0.0016	0.0013	0.0014	0.0015
Farm properties - not used		-	-	-	-	-	-	-	-
Industrial properties		Cent in Rand	0.0089	0.0094	0.0100	0.0106	0.0089	0.0094	0.0099
Business and commercial properties		Cent in Rand	0.0089	0.0093	0.0100	0.0106	0.0089	0.0094	0.0099
Communal land - residential		-	-	-	-	-	-	-	-
Communal land - small holdings		-	-	-	-	-	-	-	-
Communal land - farm property		-	-	-	-	-	-	-	-
Communal land - business and commercial		-	-	-	-	-	-	-	-
Communal land - other		-	-	-	-	-	-	-	-
State-owned properties		Cent in Rand	0.0089	0.0094	0.0100	0.0106	0.0089	0.0094	0.0099
Municipal properties		-	-	-	-	-	-	-	-
Public service infrastructure		Cent in Rand	0.0013	0.0014	0.0015	0.0016	0.0013	0.0014	0.0015
Privately owned towns serviced by the owner		-	-	-	-	-	-	-	-
State trust land		-	-	-	-	-	-	-	-
Restitution and redistribution properties		-	-	-	-	-	-	-	-
Protected areas		-	-	-	-	-	-	-	-
National monuments properties		-	-	-	-	-	-	-	-
Property rates by usage									
Business and commercial properties		Cent in Rand	0.0089	0.0093	0.0100	0.0106	0.0089	0.0094	0.0099
Industrial properties		Cent in Rand	0.0089	0.0093	0.0100	0.0106	0.0089	0.0094	0.0099
Mining properties		-	-	-	-	-	-	-	-
Residential properties		Cent in Rand	0.0054	0.0056	0.0060	0.0064	0.0053	0.0056	0.0059
Agricultural properties		Cent in Rand	0.0013	0.0014	0.0015	0.0016	0.0013	0.0014	0.0015
Public benefit organisations		Cent in Rand	0.0013	0.0014	0.0015	0.0016	0.0013	0.0014	0.0015
Public service purpose properties		Cent in Rand	0.0089	0.0094	0.0100	0.0106	0.0089	0.0094	0.0099
Public service infrastructure properties		Cent in Rand	0.0014	0.0013	0.0014	0.0015	0.0013	0.0014	0.0015
Vacant land		-	-	-	-	-	-	-	-
Sport Clubs and Fields (Bitou only)		Cent in Rand	0.0054	0.0056	0.0060	0.0064	0.0053	0.0056	0.0059
Sectional Title Garages (Drakenstein only)		-	-	-	-	-	-	-	-
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		Sec 15 (2)(e)	1 796	1 966	2 017	2 131	1 734	1 827	1 926
Indigent rebate or exemption		-	-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption		-	-	-	-	-	-	-	-
Temporary relief rebate or exemption		-	-	-	-	-	-	-	-
Bona fide farmers rebate or exemption		-	-	-	-	-	-	-	-
Other rebates or exemptions	2	-	-	-	-	-	-	-	-
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)		Includes accomodation	385	403	222	239	252	266	280
Service point - vacant land (Rands/month)		Domestic - per annum	4 617	4 838	5 167	5 555	5 855	6 171	6 505
Water usage - flat rate tariff (c/kl)		-	-	-	-	-	-	-	-
Water usage - life line tariff		(describe structure)	-	-	-	-	-	-	-
Water usage - Block 1 (c/kl)		0 - 25 kilolitres	-	-	8	9	9	10	11
Water usage - Block 2 (c/kl)		26 - 30 kilolitres	9	9	10	11	11	12	13
Water usage - Block 3 (c/kl)		31 - 40 kilolitres	13	13	14	15	16	17	18
Water usage - Block 4 (c/kl)		41 - 50 kilolitres	15	16	17	18	19	21	22
Water usage - Block 5 (c/kl)		51 - 60 kilolitres	20	21	22	24	25	27	28
Water usage - Block 6 (c/kl)		61 - 70 kilolitres	-	27	28	30	32	34	36
Other	2	Above 70 kilolitres	-	52	56	60	63	66	70
Waste water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)		Per Annum / per Unit	5 702	5 975	6 382	6 829	7 198	7 587	7 997

Description	Ref	Provide description of tariff structure where appropriate	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
							Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Service point - vacant land (<i>Rands/month</i>)	2	Single Residential Erven	5 702	5 975	6 382	6 829	7 198	7 587	7 997
Waste water - flat rate tariff (<i>c/kl</i>)			-	-	-	-	-	-	-
Volumetric charge - Block 1 (<i>c/kl</i>)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 2 (<i>c/kl</i>)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 3 (<i>c/kl</i>)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 4 (<i>c/kl</i>)		(fill in structure)	-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/fixed fee (<i>Rands/month</i>)	2	Basic Charge (Per Month)	353	379	437	437	480	527	580
Service point - vacant land (<i>Rands/month</i>)		Availability Charges	387	416	478	530	583	641	704
FBE		(how is this targeted?)	-	-	-	-	-	-	-
Life-line tariff - meter		(describe structure)	-	-	-	-	-	-	-
Life-line tariff - prepaid		(describe structure)	-	-	-	-	-	-	-
Flat rate tariff - meter (<i>c/kwh</i>)			-	-	-	-	-	-	-
Flat rate tariff - prepaid(<i>c/kwh</i>)			-	-	-	-	-	-	-
Meter - IBT Block 1 (<i>c/kwh</i>)		Block 1: 0 - 50kWh	1	1	1	2	2	2	2
Meter - IBT Block 2 (<i>c/kwh</i>)		Block 2: 51 - 350kWh	2	2	2	2	2	3	3
Meter - IBT Block 3 (<i>c/kwh</i>)		Block 3: 351 - 600kWh	2	2	3	3	3	4	4
Meter - IBT Block 4 (<i>c/kwh</i>)		Block 4: > 600kWh	3	3	3	4	4	4	5
Meter - IBT Block 5 (<i>c/kwh</i>)			-	-	-	-	-	-	-
Prepaid - IBT Block 1 (<i>c/kwh</i>)		Block 1: 0 - 50kWh	1	1	1	2	2	2	2
Prepaid - IBT Block 2 (<i>c/kwh</i>)		Block 2: 51 - 350kWh	2	2	2	2	2	3	3
Prepaid - IBT Block 3 (<i>c/kwh</i>)		Block 3: 351 - 600kWh	2	2	3	3	3	4	4
Prepaid - IBT Block 4 (<i>c/kwh</i>)		Block 4: > 600kWh	3	3	3	4	4	4	5
Prepaid - IBT Block 5 (<i>c/kwh</i>)		(fill in thresholds)	-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Waste management tariffs									
Domestic									
Street cleaning charge	2		-	-	-	-	-	-	-
Basic charge/fixed fee		Single Residential and	3 308	3 467	3 703	4 307	4 539	4 784	5 043
80l bin - once a week			-	-	-	-	-	-	-
250l bin - once a week			-	-	-	-	-	-	-

WC047 Bitou - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
							Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Exemptions, reductions and rebates (Rands)									
General residential rebate			15 000	15 000	15 000	15 000	15 000	15 000	
<i>In respect of all properties that are valued up to and</i>			335 000	335 000	985 000	335 000	335 000	335 000	
			-	-	-	-	-	-	
			-	-	-	-	-	-	
			-	-	-	-	-	-	
			-	-	-	-	-	-	
			-	-	-	-	-	-	
			-	-	-	-	-	-	
Water tariffs									
Basic (Minimum) Charges	(fill in thresholds)		-	-	-	-	-	-	
<i>Per Non-Profit Community Crèche (On Application Only)</i>	First 40 Kl water free		400	419	448	482	508	535	564
<i>Shops / Offices / Accomodation establishment</i>	Per Unit		500	524	560	602	634	669	705
<i>Restaurants</i>	Per Unit		1 000	1 048	1 120	1 204	1 269	1 337	1 409
<i>Hotels / Boarding Houses</i>	Per Unit		500	524	560	602	634	669	705
<i>Caravan Parks</i>	Per Unit		500	524	560	602	634	669	705
<i>Industrial</i>	Per Unit		1 000	1 048	1 120	1 204	1 269	1 337	1 409
<i>Schools</i>	Per Unit		1 000	1 048	1 120	1 204	1 269	1 337	1 409
<i>Rural Areas</i>	Per Unit		-	524	560	602	634	669	705
<i>Availability Charges - Per Annum</i>			-	-	-	-	-	-	-
<i>Domestic</i>	Per Unit		4 617	4 838	5 167	5 555	5 855	6 171	6 505
<i>Other</i>	Per Unit		12 006	12 582	13 438	14 446	15 226	16 048	16 914
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Waste water tariffs									
Single Residential and Churches	Per Annum / per Unit		5 702	5 975	6 382	6 829	7 198	7 587	7 997
<i>Single Residential properties utilised for business</i>	Per Unit or Equivalent as per		11 396	11 943	12 755	13 648	14 317	15 033	15 800
<i>General Residential, Shops, Offices, Hotels , including</i>	Per Annum		8 766	9 187	9 812	10 499	11 013	11 564	12 154
<i>Restaurants</i>	Per Unit or Equivalent as per		11 396	11 943	12 755	13 648	14 317	15 033	15 800
<i>Schools (As at 31 May each Year)</i>	Per learner per Annum		15	16	17	18	19	20	21
<i>Hostels (As at 31 May each Year)</i>	Per learner per Annum		15	16	17	18	19	20	21
<i>Group Housing & Resort Zones</i>	Per unit per Annum		5 702	5 975	6 382	6 829	7 164	7 522	7 906
			-	-	-	-	-	-	-
Electricity tariffs									
Domestic Consumer Tariffs	(fill in thresholds)		-	-		-	-	-	-
<i>Prepaid Meters</i>	(fill in thresholds)		-	-		-	-	-	-
<i>Lifeline 0- 30A</i>	(fill in thresholds)		-	-		-	-	-	-
<i>Basic Charge</i>	(fill in thresholds)		-	-		-	-	-	-
<i>Block 1: 0 - 50kWh</i>	(fill in thresholds)		1	1	1	1	2	2	2
<i>Block 2: 51 - 350kWh</i>	(fill in thresholds)		1	2	2	2	2	2	3
<i>Block 3: 351 - 600kWh</i>	(fill in thresholds)		2	2	2	3	3	3	4
<i>Block 4: > 600kWh</i>	(fill in thresholds)		2	3	3	3	4	4	4
<i>Single Phase</i>	(fill in thresholds)					-	-	-	-
<i>33A to 45A</i>	(fill in thresholds)					-	-	-	-

Description	Ref	Provide description of tariff structure where appropriate	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
							Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Basic Charge (Per Month)		(fill in thresholds)	308	353	379	437	484	537	596
Block 1: 0 - 50kWh		(fill in thresholds)	1	1	1	1	2	2	2
Block 2: 51 - 350kWh		(fill in thresholds)	1	2	2	2	2	2	3
Block 3: 351 - 600kWh		(fill in thresholds)	2	2	2	3	3	3	4
Block 4: > 600kWh		(fill in thresholds)	2	3	3	3	4	4	4

WC047 Bitou - Supporting Table SA14 Household bills

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		305.97	163.84	494.14	364.19	364.19	364.19	(16.3%)	304.65	321.10	338.44
Electricity: Basic levy		352.98	379.35	436.60	436.60	436.60	436.60	9.9%	479.80	527.30	579.50
Electricity: Consumption		2 176.63	2 268.54	2 611.07	2 896.21	2 896.21	2 896.21	9.9%	3 182.93	3 498.03	3 844.32
Water: Basic levy		384.73	403.20	222.30	239.00	239.00	239.00	5.4%	251.90	265.50	279.80
Water: Consumption		45.23	47.40	50.65	278.95	278.95	278.95	5.4%	293.90	309.75	326.50
Sanitation		475.13	497.94	531.80	569.08	569.08	569.08	5.4%	599.83	632.25	666.42
Refuse removal		275.69	288.92	308.57	358.90	358.90	358.90	5.4%	378.30	398.73	420.26
Other		-	-	-	-	-	-	-	-	-	-
sub-total		4 016.36	4 049.19	4 655.13	5 142.93	5 142.93	5 142.93	6.8%	5 491.31	5 952.66	6 455.24
VAT on Services		556.56	582.80	624.15	716.81	716.81	716.81	8.5%	778.00	844.73	917.52
Total large household bill:		4 572.92	4 631.99	5 279.28	5 859.74	5 859.74	5 859.74	7.0%	6 269.31	6 797.39	7 372.76
% increase/-decrease			1.3%	14.0%	11.0%	-	-		7.0%	8.4%	8.5%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		215.38	216.63	842.60	3 094.30	-	257.86	(16.3%)	215.70	227.35	239.63
Electricity: Basic levy		352.98	379.35	436.60	436.60	-	436.60	9.9%	479.80	527.30	579.50
Electricity: Consumption		1 155.22	866.04	904.58	1 154.85	-	1 154.85	9.9%	1 269.17	1 394.81	1 532.89
Water: Basic levy		384.73	403.20	222.30	239.00	-	239.00	5.4%	251.90	265.50	279.80
Water: Consumption		-	-	-	224.50	-	224.50	5.3%	236.50	249.25	262.75
Sanitation		475.13	497.94	531.80	569.08	-	569.08	5.4%	599.83	632.25	666.42
Refuse removal		275.69	288.92	308.57	358.90	-	358.90	5.4%	378.30	398.73	420.26
Other		-	-	-	-	-	-	-	-	-	-
sub-total		2 859.13	2 652.08	3 246.44	6 077.23	-	3 240.79	(43.5%)	3 431.20	3 695.19	3 981.24
VAT on Services		396.56	365.32	360.58	447.44	-	447.44	7.8%	482.33	520.18	561.24
Total small household bill:		3 255.69	3 017.40	3 607.01	6 524.67	-	3 688.23	(40.0%)	3 913.53	4 215.36	4 542.48
% increase/-decrease			(7.3%)	19.5%	80.9%	(100.0%)	-		6.1%	7.7%	7.8%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		116.59	488.82	562.62	623.94	-	623.94	9.9%	685.83	753.72	828.33
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		264.86	-	122.19	125.72	-	125.72	5.3%	132.44	139.58	147.14
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		381.45	488.82	684.81	749.66	-	749.66	9.2%	818.27	893.30	975.47
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		381.45	488.82	684.81	749.66	-	749.66	9.2%	818.27	893.30	975.47
% increase/-decrease			28.1%	40.1%	9.5%	(100.0%)	-		9.2%	9.2%	9.2%

WC047 Bitou - Supporting Table SA15 Investment particulars by type

Investment type		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Parent municipality											
Securities - National Government			-	-	-	-	-	-	-	-	
Listed Corporate Bonds			-	-	-	-	-	-	-	-	
Deposits - Bank			9 857	45 172	108 227	1 550	108 227	108 227	-	-	
Deposits - Public Investment Commissioners			-	-	-	-	-	-	-	-	
Deposits - Corporation for Public Deposits			-	-	-	-	-	-	-	-	
Bankers Acceptance Certificates			-	-	-	-	-	-	-	-	
Negotiable Certificates of Deposit - Banks			-	-	-	-	-	-	-	-	
Guaranteed Endowment Policies (sinking)			-	-	-	-	-	-	-	-	
Repurchase Agreements - Banks			-	-	-	-	-	-	-	-	
Municipal Bonds			-	-	-	-	-	-	-	-	
Municipality sub-total		1	9 857	45 172	108 227	1 550	108 227	108 227	-	-	
Consolidated total:			9 857	45 172	108 227	1 550	108 227	108 227	-	-	

WC047 Bitou - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
Municipality sub-total														
TOTAL INVESTMENTS AND INTEREST	1													

WC047 Bitou - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Parent municipality										
Annuity and Bullet Loans		65 625	82 764	107 718	129 483	126 812	126 812	150 928	205 121	225 371
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		1 251	-	-	1 251	-	-	-	-	-
Municipality sub-total	1	66 876	82 764	107 718	130 734	126 812	126 812	150 928	205 121	225 371
Total Borrowing	1	66 876	82 764	107 718	130 734	126 812	126 812	150 928	205 121	225 371
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

WC047 Bitou - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		120 153	129 838	148 376	157 422	158 510	158 510	165 976	171 180	177 901
Operational Revenue:General Revenue:Equitable Share		111 953	129 019	144 726	154 148	154 148	154 148	161 287	167 903	174 474
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		8 200	(902)	1 879	1 474	1 474	1 474	1 599	—	—
Local Government Financial Management Grant [Schedule 5B]		—	1 721	1 771	1 800	1 800	1 800	1 900	2 000	2 100
Municipal Infrastructure Grant [Schedule 5B]		—	—	—	—	1 088	1 088	1 190	1 277	1 328
Provincial Government:		11 084	12 806	11 307	9 393	25 408	25 408	44 488	33 300	30 571
Capacity Building and Other		11 084	12 806	11 307	9 393	25 408	25 408	44 488	33 300	30 571
District Municipality:		—	—	390	170	170	170	—	—	—
All Grants		—	—	390	170	170	170	—	—	—
Other Grant Providers:		—	129	832	—	928	928	583	609	635
Departmental Agencies and Accounts		—	129	832	—	928	928	583	609	635
Total Operating Transfers and Grants	5	131 237	142 774	160 905	166 985	185 015	185 015	211 047	205 089	209 108
Capital Transfers and Grants										
National Government:		5 301	39 862	25 557	34 874	30 810	30 810	29 731	34 788	33 442
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		—	10 775	3 774	—	—	—	3 321	5 000	5 226
Municipal Infrastructure Grant [Schedule 5B]		5 301	22 508	21 783	22 874	21 730	21 730	22 615	24 268	25 226
Regional Bulk Infrastructure Grant (Schedule 5B)		—	—	—	—	—	—	3 795	5 520	2 990
Water Services Infrastructure Grant [Schedule 5B]		—	6 579	—	12 000	9 080	9 080	—	—	—
Provincial Government:		11 123	5 600	16 023	95 980	57 827	57 827	40 735	29 613	45 191
Capacity Building and Other		—	5 600	—	980	980	980	—	—	—
Infrastructure		11 123	—	16 023	95 000	56 847	56 847	40 735	29 613	45 191
Total Capital Transfers and Grants	5	16 424	45 462	41 580	130 854	88 638	88 638	70 466	64 401	78 633
TOTAL RECEIPTS OF TRANSFERS & GRANTS		147 661	188 235	202 484	297 839	273 653	273 653	281 513	269 490	287 741

WC047 Bitou - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		16 160	9 716	16 547	12 762	13 681	13 681	13 596	12 591	13 178
Operational Revenue:General Revenue:Equitable Share		7 362	7 527	8 578	9 488	9 320	9 320	8 907	9 314	9 750
Energy Efficiency and Demand-side [Schedule 5B]		3 732	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		3 677	1 155	4 413	1 474	1 474	1 474	1 599	–	–
Local Government Financial Management Grant [Schedule 5B]		1 389	1 034	2 413	1 800	1 800	1 800	1 900	2 000	2 100
Municipal Infrastructure Grant [Schedule 5B]		–	–	1 142	–	1 088	1 088	1 190	1 277	1 328
Provincial Government:		21 788	26 383	17 807	21 182	30 221	30 221	44 691	33 620	31 592
Capacity Building and Other		21 788	26 383	17 807	21 182	30 221	30 221	44 691	33 620	31 592
District Municipality:		–	–	390	170	90	90	–	–	–
All Grants		–	–	390	170	90	90	–	–	–
Other Grant Providers:		699	438	801	550	928	928	583	609	635
Departmental Agencies and Accounts		247	438	801	550	928	928	583	609	635
Private Enterprises		452	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		38 647	36 537	35 545	34 664	44 920	44 920	58 870	46 819	45 406
Capital expenditure of Transfers and Grants										
National Government:		42 019	26 721	29 398	29 331	26 792	26 792	25 853	31 806	36 753
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		7 391	8 914	3 282	–	–	–	2 888	4 348	4 544
Municipal Infrastructure Grant [Schedule 5B]		34 628	12 086	26 116	18 896	18 896	18 896	19 665	22 658	29 608
Regional Bulk Infrastructure Grant (Schedule 5B)		–	–	–	–	–	–	3 300	4 800	2 600
Water Services Infrastructure Grant [Schedule 5B]		–	5 721	–	10 435	7 896	7 896	–	–	–
Provincial Government:		18 287	6 741	15 527	78 285	57 782	57 782	40 735	29 613	75 182
Capacity Building and Other		177	4 870	–	980	980	980	–	–	–
Infrastructure		18 110	1 871	15 527	77 305	56 802	56 802	40 735	29 613	75 182
District Municipality:		–	43	–	–	–	–	–	–	–
All Grants		–	43	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		60 306	33 505	44 924	107 616	84 573	84 573	66 588	61 419	111 935
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		98 953	70 042	80 469	142 280	129 493	129 493	125 458	108 239	157 340

WC047 Bitou - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(0)	–	(678)	2 246	1 142	1 142	1 142	5 891	10 831
Current year receipts		(118 147)	6 038	(3 650)	(3 274)	(4 362)	(4 362)	(4 689)	(3 277)	(3 428)
Conditions met - transferred to revenue		118 147	2 198	5 470	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		0	–	–	–	–	–	–	–	–
Closing Balance		0	8 236	1 142	(1 028)	(3 220)	(3 220)	(3 547)	2 614	7 403
Provincial Government:										
Balance unspent at beginning of the year		33 776	40 179	54 122	38 858	58 003	58 003	58 003	59 140	59 140
Current year receipts		(15 223)	(13 558)	(11 307)	(26 043)	(25 408)	(25 408)	(44 488)	(33 300)	(30 571)
Conditions met - transferred to revenue		20 594	27 042	15 130	(9 908)	–	–	–	–	–
Conditions still to be met - transferred to liabilities		755	410	58	–	–	–	–	–	–
Closing Balance		39 902	54 073	58 003	2 907	32 595	32 595	13 515	25 840	28 569
District Municipality:										
Current year receipts		–	–	(390)	(170)	(170)	(170)	–	–	–
Conditions met - transferred to revenue		–	–	390	–	–	–	–	–	–
Closing Balance		–	–	–	(170)	(170)	(170)	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		(850)	(497)	(360)	(497)	(392)	(392)	(392)	(392)	(392)
Current year receipts		(421)	(399)	(832)	–	(928)	(928)	(583)	(609)	(635)
Conditions met - transferred to revenue		775	536	801	–	–	–	–	–	–
Closing Balance		(497)	(360)	(392)	(497)	(1 319)	(1 319)	(975)	(1 000)	(1 027)
Total operating transfers and grants revenue		139 515	29 775	21 790	(9 908)	–	–	–	–	–
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(511)	(1 604)	(9 349)	(1 604)	(1 146)	(1 146)	(1 146)	(1 146)	(1 146)
Current year receipts		(34 354)	(37 805)	(25 557)	(34 874)	(30 810)	(30 810)	(29 731)	(34 788)	(33 442)
Conditions met - transferred to revenue		32 751	29 063	33 760	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		511	997	–	–	–	–	–	–	–
Closing Balance		(1 604)	(9 349)	(1 146)	(36 478)	(31 956)	(31 956)	(30 876)	(35 933)	(34 588)
Provincial Government:										
Balance unspent at beginning of the year		(20 181)	(28 463)	(26 609)	(24 314)	(26 085)	(26 085)	(26 085)	(26 079)	(26 079)
Current year receipts		(23 525)	(5 600)	(16 023)	(79 330)	(57 827)	(57 827)	(40 735)	(29 613)	(45 191)
Conditions met - transferred to revenue		15 519	7 504	16 547	–	–	–	–	–	–
Closing Balance		(28 186)	(26 559)	(26 085)	(103 644)	(83 912)	(83 912)	(66 820)	(55 692)	(71 270)
District Municipality:										
Balance unspent at beginning of the year		–	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)
Current year receipts		(120)	–	–	–	–	–	–	–	–
Closing Balance		(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)
Other grant providers:										
Current year receipts		–	(8 914)	–	–	–	–	–	–	–
Closing Balance		–	(8 914)	–	–	–	–	–	–	–
Total capital transfers and grants revenue		48 270	36 567	50 307	–	–	–	–	–	–
Total capital transfers and grants - CTBM	2	(29 910)	(44 942)	(27 351)	(140 242)	(115 988)	(115 988)	(97 816)	(91 746)	(105 978)
TOTAL TRANSFERS AND GRANTS REVENUE		187 785	66 342	72 097	(9 908)	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS - CTBM		(29 910)	(44 942)	(27 351)	(140 242)	(115 988)	(115 988)	(97 816)	(91 746)	(105 978)

WC047 Bitou - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash Transfers to other municipalities											
Operational	1	-	-	-	5 500	2 500	2 500	2 500	5 600	5 600	5 600
Total Cash Transfers To Municipalities:		-	-	-	5 500	2 500	2 500	2 500	5 600	5 600	5 600
Cash Transfers to Organisations											
Operational		3 650	3 985	4 826	3 733	3 723	3 723	3 723	3 733	3 751	437
Total Cash Transfers To Organisations		3 650	3 985	4 826	3 733	3 723	3 723	3 723	3 733	3 751	437
Cash Transfers to Groups of Individuals											
Operational		878	1 399	4 382	3 050	4 938	4 938	4 938	4 734	4 851	4 959
Total Cash Transfers To Groups Of Individuals:		878	1 399	4 382	3 050	4 938	4 938	4 938	4 734	4 851	4 959
TOTAL CASH TRANSFERS AND GRANTS	6	4 527	5 384	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997
Non-Cash Transfers to Groups of Individuals											
Operational	5	-	242	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	242	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	242	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	4 527	5 626	9 208	12 283	11 161	11 161	11 161	14 068	14 202	10 997

WC047 Bitou - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 715	5 244	5 780	5 882	5 882	5 882	6 052	6 337	6 634
Pension and UIF Contributions		311	422	515	882	882	882	392	410	429
Medical Aid Contributions		92	117	121	127	127	127	91	95	100
Motor Vehicle Allowance		403	399	375	346	346	346	500	523	548
Cellphone Allowance		570	538	584	642	642	642	642	672	704
Housing Allowances		108	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		6 198	6 721	7 376	7 879	7 879	7 879	7 676	8 037	8 415
% increase	4		8.4%	9.7%	6.8%	-	-	(2.6%)	4.7%	4.7%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 796	5 683	14 866	10 851	9 165	9 165	11 288	11 819	12 375
Pension and UIF Contributions		357	604	821	1 465	1 555	1 555	1 564	1 638	1 716
Medical Aid Contributions		136	89	74	193	188	188	184	193	202
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		483	478	526	905	925	925	950	995	1 042
Motor Vehicle Allowance		792	376	724	1 131	965	965	1 135	1 188	1 244
Cellphone Allowance		259	227	246	384	335	335	360	377	395
Housing Allowances		-	-	5	-	-	-	-	-	-
Other benefits and allowances		(6)	0	111	3	3	3	1	2	2
Payments in lieu of leave		127	114	60	348	325	325	361	379	397
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		63	43	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	11	(29)	2 204	2 204	2 204	2 109	2 242	2 378
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8 008	7 627	17 404	17 483	15 666	15 666	17 952	18 833	19 750
% increase	4		(4.8%)	128.2%	0.5%	(10.4%)	-	14.6%	4.9%	4.9%
Other Municipal Staff										
Basic Salaries and Wages		165 981	167 167	175 887	203 854	210 909	210 909	212 655	216 528	226 020
Pension and UIF Contributions		26 075	27 262	28 981	34 679	34 864	34 864	37 428	39 358	41 743
Medical Aid Contributions		17 745	18 035	18 623	24 393	24 688	24 688	24 593	25 949	27 511
Overtime		15 170	16 283	21 112	14 016	14 826	14 826	15 018	15 270	15 442
Performance Bonus		11 021	14 802	13 761	15 385	15 621	15 621	16 681	17 658	18 653
Motor Vehicle Allowance		9 599	11 223	10 803	12 536	12 890	12 890	13 718	14 671	15 282
Cellphone Allowance		1 639	1 688	1 695	1 709	1 827	1 827	1 879	1 951	2 364
Housing Allowances		887	965	911	1 045	1 058	1 058	1 006	1 060	1 110
Other benefits and allowances		11 577	12 096	12 850	13 027	12 977	12 977	13 448	14 142	14 677
Payments in lieu of leave		2 824	2 535	2 473	6 026	6 136	6 136	7 544	6 943	7 341
Long service awards		2 896	1 481	1 703	1 077	1 077	1 077	-	-	-
Post-retirement benefit obligations		4 678	5 166	5 184	25 708	26 077	26 077	27 191	28 366	30 204
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	1 746	1 835	1 930
Acting and post related allowance		-	-	1 431	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		270 092	278 702	295 416	353 455	362 951	362 951	372 907	383 730	402 276
% increase	4		3.2%	6.0%	19.6%	2.7%	-	2.7%	2.9%	4.8%
Total Parent Municipality		284 298	293 050	320 196	378 817	386 496	386 496	398 535	410 600	430 440
			3.1%	9.3%	18.3%	2.0%	-	3.1%	3.0%	4.8%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
In kind benefits	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		284 298	293 050	320 196	378 817	386 496	386 496	398 535	410 600	430 440
% increase	4		3.1%	9.3%	18.3%	2.0%	-	3.1%	3.0%	4.8%
TOTAL MANAGERS AND STAFF	5,7	278 100	286 329	312 820	370 938	378 617	378 617	390 859	402 563	422 025

WC047 Bitou - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Speaker	4	1	663 100	133 400	49 400	–	–	845 900
Executive Mayor		1	753 900	–	291 100	–	–	1 045 000
Deputy Executive Mayor		1	725 600	70 900	49 400	–	–	845 900
Executive Committee		–	1 312 100	–	280 100	–	–	1 592 200
Total for all other councillors		–	2 597 400	278 200	471 500	–	–	3 347 100
Total Councillors	8	3	6 052 100	482 500	1 141 500			7 676 100
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 852 500	336 100	748 000	154 400	–	3 091 000
Chief Finance Officer		1	1 890 100	412 400	796 500	157 600	–	3 256 600
HOD:Economic Development and Planning		1	1 510 200	343 800	686 200	135 200	–	2 675 400
HOD: Corporate Service		1	2 348 300	279 800	535 100	195 700	–	3 358 900
HOD: Community		1	1 871 800	47 400	554 700	156 000	–	2 629 900
HOD: Engineering		1	1 815 300	327 000	586 300	151 300	–	2 879 900
List of each official with packages >= senior manager								
Total Senior Managers of the Municipality	8,10	6	11 288 200	1 746 500	3 906 800	950 200		17 891 700
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	9	17 340 300	2 229 000	5 048 300	950 200		25 567 800

References

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

WC047 Bitou - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2023/24			Current Year 2024/25			Budget Year 2025/26		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			13	13	–	13	13	–	13	13	–
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	–
Municipal employees	5		–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3		6	–	3	6	–	4	6	1	3
Other Managers	7		35	32	–	34	29	–	34	29	1
Professionals			40	36	5	43	36	1	58	51	1
Finance			11	10	5	11	9	–	12	9	–
Spatial/town planning			5	5	–	5	5	–	5	5	–
Information Technology			2	2	–	3	3	–	3	3	–
Roads			3	3	–	3	2	–	2	2	–
Electricity			4	1	–	4	1	–	16	16	–
Water			2	2	–	2	2	–	3	3	–
Sanitation			–	–	–	2	2	–	3	3	–
Refuse			2	2	–	2	2	–	2	2	–
Other			11	11	–	11	10	1	12	8	1
Technicians			45	41	–	46	43	–	45	45	–
Finance			–	–	–	–	–	–	–	–	–
Spatial/town planning			1	1	–	1	1	–	1	1	–
Information Technology			2	2	–	3	3	–	6	6	–
Roads			1	1	–	1	1	–	1	1	–
Electricity			3	3	–	3	3	–	3	3	–
Water			2	2	–	2	2	–	2	2	–
Sanitation			3	3	–	3	3	–	3	3	–
Refuse			–	–	–	–	–	–	–	–	–
Other			33	29	–	33	30	–	29	29	–
Clerks (Clerical and administrative)			68	56	–	63	61	3	67	52	2
Service and sales workers			31	26	–	31	26	–	37	31	2
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	–
Craft and related trades			–	–	–	–	–	–	–	–	–
Plant and Machine Operators			232	216	–	218	212	–	218	204	–
Elementary Occupations			–	–	–	176	163	–	176	167	–
TOTAL PERSONNEL NUMBERS	9		470	420	8	630	583	8	654	593	9
% increase						34.0%	38.8%	–	3.8%	1.7%	12.5%
Total municipal employees headcount	6, 10		470	420	8	630	583	8	654	593	9
Finance personnel headcount	8, 10		–	–	–	–	–	–	66	53	–
Human Resources personnel headcount	8, 10		–	–	–	–	–	–	12	12	–

WC047 Bitou - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		24 260	24 260	24 260	24 260	24 260	24 260	24 260	24 260	24 260	24 260	24 260	24 260	291 114	302 005	315 893
Service charges - Water		8 456	8 456	8 456	8 456	8 456	8 456	8 456	8 456	8 456	8 456	8 456	8 456	101 466	106 931	112 674
Service charges - Waste Water Management		6 727	6 727	6 727	6 727	6 727	6 727	6 727	6 727	6 727	6 727	6 727	6 727	80 729	85 108	89 651
Service charges - Waste Management		4 404	4 404	4 404	4 404	4 404	4 404	4 404	4 404	4 404	4 404	4 404	4 404	52 852	55 710	58 717
Sale of Goods and Rendering of Services		665	665	669	665	665	669	665	665	669	665	665	670	8 000	8 255	8 673
Agency services		222	222	222	222	222	222	222	222	222	222	222	222	2 663	2 726	2 786
Interest earned from Receivables		1 164	1 164	1 164	1 164	1 164	1 164	1 164	1 164	1 164	1 164	1 164	1 164	13 965	13 205	12 490
Interest earned from Current and Non Current Assets		1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	12 573	12 698	13 333
Rental from Fixed Assets		111	111	171	111	111	171	111	111	171	111	111	171	1 569	1 663	1 760
Licence and permits		55	55	55	55	55	58	55	55	55	55	55	58	665	704	736
Operational Revenue		70	70	70	70	70	3 016	70	70	70	70	70	3 016	6 728	5 572	6 378
Non-Exchange Revenue																
Property rates		17 881	17 881	17 881	17 881	17 881	17 881	17 881	17 881	17 881	17 881	17 881	17 881	214 575	225 940	237 689
Surcharges and Taxes		129	129	129	129	129	129	129	129	129	129	129	129	1 547	1 861	2 213
Fines, penalties and forfeits		3	3	13 751	3	3	13 751	3	3	13 751	3	3	13 751	55 024	57 971	61 116
Licences or permits		68	68	68	68	68	68	68	68	68	68	68	68	819	846	854
Transfer and subsidies - Operational		2 664	4 564	46 954	2 664	2 664	46 963	2 664	2 664	46 954	2 664	2 664	46 963	211 047	205 089	209 108
Interest		203	203	203	203	203	203	203	203	203	203	203	203	2 433	2 189	1 970
Operational Revenue		1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	14 788	15 555	16 381
Total Revenue (excluding capital transfers and contributions)		69 361	71 261	127 462	69 361	69 361	130 421	69 361	69 361	127 462	69 361	69 361	130 422	1 072 557	1 104 029	1 152 420
Expenditure																
Employee related costs		32 515	32 515	32 545	32 515	32 916	32 545	32 515	32 515	32 545	32 515	32 515	35 834	393 991	405 870	425 517
Remuneration of councillors		640	640	640	640	640	640	640	640	640	640	640	640	7 676	8 037	8 415
Bulk purchases - electricity		20 869	20 869	20 869	20 869	20 869	20 869	20 869	20 869	20 869	20 869	20 869	20 869	250 425	263 847	280 180
Inventory consumed		1 737	1 737	1 798	1 737	1 737	1 816	1 737	1 737	1 798	1 737	1 737	1 816	21 128	22 358	20 568
Debt impairment		—	—	—	—	—	—	—	—	—	—	—	24 450	24 450	24 319	32 166
Depreciation and amortisation		3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	3 523	42 281	43 749	45 293
Interest		1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	16 046	21 171	27 178
Contracted services		10 744	10 744	12 182	10 744	10 744	12 585	10 744	10 744	12 182	10 744	10 744	12 586	135 492	117 840	111 673
Transfers and subsidies		956	1 256	1 306	956	1 906	956	956	1 006	956	956	956	1 906	14 068	14 202	10 997
Irrecoverable debts written off		5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 137	5 138	61 650	61 550	59 880
Operational costs		7 747	7 747	10 707	7 747	7 747	10 815	7 747	7 747	10 707	7 747	7 747	10 899	105 104	108 365	108 846
Other Losses		7 937	7 937	(20 090)	7 937	7 937	(20 090)	7 937	7 937	(20 090)	7 937	7 937	(3 226)	—	—	—
Total Expenditure		93 143	93 443	69 955	93 143	93 543	71 083	93 143	93 143	69 655	93 143	93 143	115 773	1 072 310	1 091 308	1 130 713
Surplus/(Deficit)		(23 782)	(22 182)	57 508	(23 782)	(24 182)	59 338	(23 782)	(23 782)	57 808	(23 782)	(23 782)	14 648	247	12 721	21 708
Transfers and subsidies - capital (monetary allocations)		5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	70 466	64 401	78 633
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(17 910)	(16 310)	63 380	(17 910)	(18 310)	65 211	(17 910)	(17 910)	63 680	(17 910)	(17 910)	20 521	70 713	77 122	100 341
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		(17 910)	(16 310)	63 380	(17 910)	(18 310)	65 211	(17 910)	(17 910)	63 680	(17 910)	(17 910)	20 521	70 713	77 122	100 341
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		(17 910)	(16 310)	63 380	(17 910)	(18 310)	65 211	(17 910)	(17 910)	63 680	(17 910)	(17 910)	20 521	70 713	77 122	100 341
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	(17 910)	(16 310)	63 380	(17 910)	(18 310)	65 211	(17 910)	(17 910)	63 680	(17 910)	(17 910)	20 521	70 713	77 122	100 341

WC047 Bitou - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Revenue by Vote																
Vote 1 - Council		–	–	782	–	–	782	–	–	782	–	–	782	3 126	3 250	2 365
Vote 2 - Office of the Municipal Manager		107	107	17 109	107	107	17 109	107	107	17 109	107	107	17 109	69 295	72 158	75 441
Vote 3 - Community Services		4 950	4 950	12 901	4 950	4 950	12 911	4 950	4 950	12 901	4 950	4 950	12 911	91 224	94 950	99 692
Vote 4 - Corporate Services		49	49	49	49	49	49	49	49	49	49	49	49	585	610	636
Vote 5 - Financial Services		19 325	21 225	23 304	19 325	19 325	23 304	19 325	19 325	23 304	19 325	19 325	23 304	249 715	262 009	275 371
Vote 6 - Economic Development & Planning		4 203	4 203	12 141	4 203	4 203	12 141	4 203	4 203	12 141	4 203	4 203	12 141	82 184	54 821	70 876
Vote 7 - Engineering Services		46 288	46 288	53 010	46 288	46 288	55 956	46 288	46 288	53 010	46 288	46 288	55 956	588 232	618 896	641 735
Vote 8 - Public Safety		313	313	14 039	313	313	14 042	313	313	14 039	313	313	14 042	58 663	61 736	64 938
Total Revenue by Vote		75 233	77 133	133 335	75 233	75 233	136 293	75 233	75 233	133 335	75 233	75 233	136 294	1 143 023	1 168 430	1 231 054
Expenditure by Vote to be appropriated																
Vote 1 - Council		769	1 069	1 204	769	769	1 917	769	769	904	769	769	1 992	12 471	12 940	13 535
Vote 2 - Office of the Municipal Manager		2 599	2 599	5 424	2 599	2 842	5 424	2 599	2 599	5 424	2 599	2 599	5 579	42 887	43 733	45 060
Vote 3 - Community Services		10 350	10 350	11 141	10 350	10 350	11 354	10 350	10 350	11 141	10 350	10 350	15 055	131 488	131 012	135 627
Vote 4 - Corporate Services		8 801	8 801	8 801	8 801	8 801	8 801	8 801	8 801	8 801	8 801	8 801	8 802	105 615	107 962	112 527
Vote 5 - Financial Services		2 532	2 532	2 610	2 532	2 689	2 610	2 532	2 532	2 610	2 532	2 532	41 841	70 080	66 443	68 469
Vote 6 - Economic Development & Planning		7 791	7 791	8 187	7 791	7 791	8 387	7 791	7 791	8 187	7 791	7 791	8 388	95 472	84 184	79 542
Vote 7 - Engineering Services		40 578	40 578	40 586	40 578	40 578	40 586	40 578	40 578	40 586	40 578	40 578	37 937	484 315	516 625	540 215
Vote 8 - Public Safety		19 724	19 724	(7 997)	19 724	19 724	(7 995)	19 724	19 724	(7 997)	19 724	19 724	(7 987)	125 814	124 149	123 765
Total Expenditure by Vote		93 143	93 443	69 955	93 143	93 543	71 083	93 143	93 143	69 655	93 143	93 143	111 607	1 068 143	1 087 047	1 118 740
Surplus/(Deficit) before assoc.		(17 910)	(16 310)	63 380	(17 910)	(18 310)	65 211	(17 910)	(17 910)	63 680	(17 910)	(17 910)	24 687	74 880	81 382	112 313
Surplus/(Deficit) after income tax		–	–	–	–	–	–	–	–	–	–	–	70 713	70 713	77 122	100 341
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	(17 910)	(16 310)	63 380	(17 910)	(18 310)	65 211	(17 910)	(17 910)	63 680	(17 910)	(17 910)	24 687	74 880	81 382	112 313

References

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

WC047 Bitou - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Revenue - Functional																
Governance and administration		19 537	21 437	41 300	19 537	19 537	41 301	19 537	19 537	41 300	19 537	19 537	41 301	323 396	338 743	354 573
Executive and council		107	107	17 891	107	107	17 892	107	107	17 891	107	107	17 892	72 422	75 409	77 807
Finance and administration		19 430	21 330	23 409	19 430	19 430	23 409	19 430	19 430	23 409	19 430	19 430	23 409	250 974	263 333	276 766
Community and public safety		3 745	3 745	28 556	3 745	3 745	28 559	3 745	3 745	28 556	3 745	3 745	28 559	144 187	121 470	141 045
Community and social services		11	11	3 217	11	11	3 217	11	11	3 217	11	11	3 217	12 958	12 985	13 763
Sport and recreation		26	26	26	26	26	26	26	26	26	26	26	26	318	335	353
Public safety		313	313	14 039	313	313	14 042	313	313	14 039	313	313	14 042	58 663	61 736	64 938
Housing		3 395	3 395	11 273	3 395	3 395	11 273	3 395	3 395	11 273	3 395	3 395	11 273	72 249	46 413	61 991
Economic and environmental services		2 704	2 704	2 704	2 704	2 704	5 659	2 704	2 704	2 704	2 704	2 704	5 660	38 363	41 320	40 016
Planning and development		2 694	2 694	2 694	2 694	2 694	5 649	2 694	2 694	2 694	2 694	2 694	5 649	38 233	37 690	39 870
Road transport		11	11	11	11	11	11	11	11	11	11	11	11	130	3 630	146
Trading services		49 205	49 205	60 673	49 205	49 205	60 673	49 205	49 205	60 673	49 205	49 205	60 673	636 335	666 392	694 885
Energy sources		24 818	24 818	31 540	24 818	24 818	31 540	24 818	24 818	31 540	24 818	24 818	31 540	324 704	338 341	353 718
Water management		10 781	10 781	10 781	10 781	10 781	10 781	10 781	10 781	10 781	10 781	10 781	10 781	129 374	137 108	140 981
Waste water management		8 694	8 694	8 694	8 694	8 694	8 694	8 694	8 694	8 694	8 694	8 694	8 694	104 327	109 332	114 610
Waste management		4 912	4 912	9 657	4 912	4 912	9 657	4 912	4 912	9 657	4 912	4 912	9 657	77 929	81 611	85 575
Other		42	42	101	42	42	101	42	42	101	42	42	102	741	506	536
Total Revenue - Functional		75 233	77 133	133 335	75 233	75 233	136 293	75 233	75 233	133 335	75 233	75 233	136 294	1 143 023	1 168 430	1 231 054
Expenditure - Functional																
Governance and administration		15 616	15 916	18 962	15 616	16 016	19 677	15 616	15 616	18 662	15 616	15 616	59 139	242 067	243 243	251 858
Executive and council		2 973	3 273	5 982	2 973	2 973	6 696	2 973	2 973	5 682	2 973	2 973	6 925	49 365	49 242	50 462
Finance and administration		12 076	12 076	12 412	12 076	12 234	12 414	12 076	12 076	12 412	12 076	12 076	51 647	185 654	187 094	194 261
Internal audit		567	567	567	567	810	567	567	567	567	567	567	567	7 048	6 907	7 135
Community and public safety		17 436	17 436	18 711	17 436	17 436	18 923	17 436	17 436	18 711	17 436	17 436	18 933	214 766	201 475	200 123
Community and social services		2 937	2 937	3 180	2 937	2 937	3 393	2 937	2 937	3 180	2 937	2 937	3 401	36 652	36 858	36 722
Sport and recreation		2 328	2 328	2 678	2 328	2 328	2 678	2 328	2 328	2 678	2 328	2 328	2 679	29 339	29 847	30 800
Public safety		8 961	8 961	9 264	8 961	8 961	9 264	8 961	8 961	9 264	8 961	8 961	9 265	108 748	107 187	106 387
Housing		3 209	3 209	3 588	3 209	3 209	3 588	3 209	3 209	3 588	3 209	3 209	3 588	40 028	27 583	26 214
Economic and environmental services		8 688	8 688	8 703	8 688	8 688	8 703	8 688	8 688	8 703	8 688	8 688	8 705	104 314	108 387	107 874
Planning and development		5 564	5 564	5 580	5 564	5 564	5 580	5 564	5 564	5 580	5 564	5 564	5 581	66 834	64 856	64 542
Road transport		3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 124	37 480	43 531	43 332
Trading services		40 917	40 917	41 117	40 917	40 917	41 117	40 917	40 917	41 117	40 917	40 917	42 167	492 852	519 591	544 317
Energy sources		26 156	26 156	26 156	26 156	26 156	26 156	26 156	26 156	26 156	26 156	26 156	15 405	303 121	319 695	341 349
Water management		5 212	5 212	5 212	5 212	5 212	5 212	5 212	5 212	5 212	5 212	5 212	10 212	67 544	73 452	77 422
Waste water management		4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	7 574	56 786	59 547	56 850
Waste management		5 075	5 075	5 275	5 075	5 075	5 275	5 075	5 075	5 275	5 075	5 075	8 975	65 402	66 897	68 695
Other		10 487	10 487	(17 537)	10 487	10 487	(17 337)	10 487	10 487	(17 537)	10 487	10 487	(17 337)	14 144	14 351	14 568
Total Expenditure - Functional		93 143	93 443	69 955	93 143	93 543	71 083	93 143	93 143	69 655	93 143	93 143	111 607	1 068 143	1 087 047	1 118 740
Surplus/(Deficit) before assoc.		(17 910)	(16 310)	63 380	(17 910)	(18 310)	65 211	(17 910)	(17 910)	63 680	(17 910)	(17 910)	24 687	74 880	81 382	112 313
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(17 910)	(16 310)	63 380	(17 910)	(18 310)	65 211	(17 910)	(17 910)	63 680	(17 910)	(17 910)	24 687	74 880	81 382	112 313

References

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

WC047 Bitou - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 3 - Community Services		58	58	58	58	58	58	58	58	58	58	58	58	700	8 500	6 500
Vote 4 - Corporate Services		20	20	20	20	20	20	20	20	20	20	20	20	239	60	30
Vote 7 - Engineering Services		10 889	10 889	10 889	10 889	10 889	10 889	10 889	10 889	10 889	10 889	10 889	10 889	130 662	133 671	137 522
Vote 8 - Public Safety		102	102	102	102	102	102	102	102	102	102	102	103	1 230	1 050	1 100
Capital multi-year expenditure sub-total	2	11 069	11 069	11 069	11 069	11 069	11 069	11 069	11 069	11 069	11 069	11 069	11 070	132 831	143 281	145 152
Single-year expenditure to be appropriated																
Vote 3 - Community Services		1 183	1 183	1 183	1 183	1 183	1 183	1 183	1 183	1 183	1 183	1 183	1 183	14 200	11 086	1 563
Vote 4 - Corporate Services		168	168	168	168	168	168	168	168	168	168	168	168	2 013	1 046	716
Vote 7 - Engineering Services		2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	31 147	19 950	29 460
Vote 8 - Public Safety		101	101	101	101	101	101	101	101	101	101	101	101	1 217	5 000	6 600
Capital single-year expenditure sub-total	2	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	4 048	48 577	37 082	38 338
Total Capital Expenditure	2	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 118	181 408	180 363	183 490

References

- 1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
- 2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC047 Bitou - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		242	242	242	242	242	242	242	242	242	242	242	242	2 904	3 806	846
Finance and administration		242	242	242	242	242	242	242	242	242	242	242	242	2 904	3 806	846
Community and public safety		808	808	808	808	808	808	808	808	808	808	808	808	9 695	20 636	12 763
Sport and recreation		642	642	642	642	642	642	642	642	642	642	642	642	7 700	14 586	5 063
Public safety		166	166	166	166	166	166	166	166	166	166	166	166	1 995	6 050	7 700
Economic and environmental services		3 152	3 152	3 152	3 152	3 152	3 152	3 152	3 152	3 152	3 152	3 152	3 152	37 819	34 046	70 163
Planning and development		4	4	4	4	4	4	4	4	4	4	4	4	50	50	50
Road transport		3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	37 769	33 996	70 113
Trading services		10 916	10 916	10 916	10 916	10 916	10 916	10 916	10 916	10 916	10 916	10 916	11 416	131 490	121 875	99 718
Energy sources		2 533	2 533	2 533	2 533	2 533	2 533	2 533	2 533	2 533	2 533	2 533	2 533	30 399	41 763	13 544
Water management		4 522	4 522	4 522	4 522	4 522	4 522	4 522	4 522	4 522	4 522	4 522	4 522	54 264	42 467	44 772
Waste water management		3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 269	3 769	39 727	34 646	38 402
Waste management		592	592	592	592	592	592	592	592	592	592	592	592	7 100	3 000	3 000
Total Capital Expenditure - Functional	2	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 618	181 908	180 363	183 490
Funded by:																
National Government		2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 154	25 853	30 250	29 080
Provincial Government		3 395	3 395	3 395	3 395	3 395	3 395	3 395	3 395	3 395	3 395	3 395	3 395	40 735	29 613	75 182
Transfers recognised - capital		5 549	5 549	5 549	5 549	5 549	5 549	5 549	5 549	5 549	5 549	5 549	5 549	66 588	59 863	104 262
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		7 243	7 243	7 243	7 243	7 243	7 243	7 243	7 243	7 243	7 243	7 243	7 243	86 921	72 008	39 100
Internally generated funds		2 325	2 325	2 325	2 325	2 325	2 325	2 325	2 325	2 325	2 325	2 325	2 825	28 400	48 492	40 128
Total Capital Funding		15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 618	181 908	180 363	183 490

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC047 Bitou - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Cash Receipts By Source															
Property rates	13 803	12 648	22 136	13 806	12 902	19 290	13 903	16 906	20 857	11 401	14 623	20 778	193 054	203 509	214 306
Service charges - electricity revenue	22 771	22 771	22 771	22 771	22 771	22 771	22 771	22 771	22 771	22 771	22 771	22 771	273 255	288 662	302 408
Service charges - water revenue	5 611	7 611	7 611	7 611	4 611	7 611	9 611	7 611	7 611	8 611	7 611	9 611	91 334	98 391	103 675
Service charges - sanitation revenue	6 055	6 055	6 055	6 055	6 055	6 055	6 055	6 055	6 055	6 055	6 055	6 055	72 656	78 299	82 479
Service charges - refuse revenue	3 964	3 964	3 964	3 964	3 964	3 964	3 964	3 964	3 964	3 964	3 964	3 964	47 567	51 253	54 019
Rental of facilities and equipment	167	167	227	167	167	227	167	167	227	167	167	227	2 245	2 379	2 519
Interest earned - external investments	-	-	4 191	-	-	4 191	-	-	4 191	-	-	-	12 573	12 698	13 333
Fines, penalties and forfeits	457	924	677	687	845	369	968	860	949	462	761	17 285	25 244	26 537	28 441
Licences and permits	117	117	117	117	117	120	117	117	117	117	117	120	1 408	1 470	1 505
Transfers and Subsidies - Operational	2 482	4 382	47 317	2 482	2 482	47 317	2 482	2 482	47 317	2 482	2 482	47 336	211 047	205 089	209 108
Other revenue	657	657	657	657	657	658	657	657	657	657	657	658	7 886	7 885	8 306
Cash Receipts by Source	56 084	59 296	115 722	58 318	54 572	112 573	60 696	61 590	114 715	56 687	59 209	128 804	938 267	976 173	1 020 100
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	5 872	70 466	64 401	78 633
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	64 400	64 400	74 808	43 400
Total Cash Receipts by Source	61 956	65 168	121 594	64 190	60 444	118 445	66 568	67 463	120 587	62 559	65 081	199 076	1 073 133	1 115 381	1 142 133
Cash Payments by Type															
Employee related costs	(28 737)	(28 737)	(29 021)	(28 737)	(28 737)	(29 021)	(28 737)	(28 737)	(29 021)	(28 737)	(28 737)	(29 021)	(345 981)	(356 982)	(373 726)
Remuneration of councillors	(640)	(640)	(640)	(640)	(640)	(640)	(640)	(640)	(640)	(640)	(640)	(640)	(7 685)	(8 047)	(8 425)
Finance charges	(1 337)	(1 337)	(1 337)	(1 337)	(1 337)	(1 337)	(1 337)	(1 337)	(1 337)	(1 337)	(1 337)	(1 337)	(16 046)	(21 171)	(27 178)
Bulk purchases - Electricity	(11 269)	(17 780)	(20 034)	(19 032)	(30 051)	(15 526)	(17 530)	(18 531)	(18 031)	(24 542)	(25 042)	(33 056)	(250 425)	(263 847)	(280 180)
Other materials	(1 806)	(1 806)	(1 806)	(1 806)	(1 806)	(1 806)	(1 806)	(1 806)	(1 806)	(1 806)	(1 806)	(1 806)	(21 673)	(23 026)	(18 928)
Contracted services	(11 018)	(11 018)	(11 018)	(11 018)	(11 018)	(11 018)	(11 018)	(11 018)	(11 018)	(11 018)	(11 018)	(11 018)	(132 212)	(115 500)	(108 131)
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	(5 600)	(5 600)	(5 600)	(5 600)
Transfers and grants - other	-	-	(213)	-	-	(3 029)	-	-	(213)	-	-	(3 329)	(6 783)	(6 898)	(3 692)
Other expenditure	(8 344)	(8 344)	(9 881)	(8 344)	(8 344)	(9 881)	(8 344)	(8 344)	(9 881)	(8 344)	(8 344)	(11 681)	(108 072)	(124 957)	(130 676)
Cash Payments by Type	(63 151)	(69 662)	(73 949)	(70 915)	(81 933)	(72 258)	(69 412)	(70 414)	(71 946)	(76 424)	(76 925)	(97 488)	(894 478)	(926 029)	(956 536)
Other Cash Flows/Payments by Type															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	(181 908)	(181 908)	(180 363)	(183 490)
Repayment of borrowing	-	-	-	-	-	(10 170)	-	-	-	-	-	(10 170)	(20 340)	(22 927)	(25 672)
Total Cash Payments by Type	(63 151)	(69 662)	(73 949)	(70 915)	(81 933)	(82 429)	(69 412)	(70 414)	(71 946)	(76 424)	(76 925)	(289 567)	(1 096 726)	(1 129 319)	(1 165 698)
NET INCREASE/(DECREASE) IN CASH HELD	(1 195)	(4 495)	47 645	(6 725)	(21 489)	36 016	(2 844)	(2 951)	48 641	(13 864)	(11 843)	(90 490)	(23 593)	(13 938)	(23 565)
Cash/cash equivalents at the month/year begin:	165 432	164 237	159 742	207 387	200 663	179 174	215 190	212 346	209 395	258 037	244 172	232 329	165 432	141 839	127 901
Cash/cash equivalents at the month/year end:	164 237	159 742	207 387	200 663	179 174	215 190	212 346	209 395	258 037	244 172	232 329	141 839	141 839	127 901	104 336

References

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.
2. Bulk purchases - Electricity & Waste Water - use detail information from Table SA1
3. Acquisition Inventory - Water & other inventory - use detail information from Table SA3

WC047 Bitou - NOT REQUIRED - municipality does not have entities

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R million										
Financial Performance										
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure										
Total sources		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets		-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
Community wealth/Equity		-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating		-	-	-	-	-	-	-	-	-
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end		-	-	-	-	-	-	-	-	-

WC047 Bitou - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand

References

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

WC047 Bitou - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
		Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

WC047 Bitou - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		54 837	33 243	39 021	99 385	70 783	70 783	96 116	82 125	111 174
Roads Infrastructure		23 865	2 780	7 138	44 573	33 079	33 079	17 269	12 245	40 591
Roads		23 865	2 780	7 138	44 573	33 079	33 079	16 769	12 245	39 091
Road Structures		–	–	–	–	–	–	500	–	1 500
Electrical Infrastructure		14 211	15 975	4 169	15 241	7 165	7 165	24 768	33 382	9 544
Power Plants		–	–	–	–	282	282	1 188	–	–
MV Substations		–	7 881	79	7 861	1 574	1 574	12 272	24 018	5 000
MV Networks		6 182	6 640	4 090	7 380	5 309	5 309	11 308	5 568	4 544
LV Networks		–	499	–	–	–	–	–	–	–
Capital Spares		8 028	955	–	–	–	–	–	3 796	–
Water Supply Infrastructure		10 972	14 445	23 214	18 043	13 915	13 915	32 446	21 568	25 257
Dams and Weirs		–	–	–	–	–	–	3 300	4 800	2 600
Boreholes		–	–	–	–	–	–	2 500	7 500	5 000
Pump Stations		2 284	9 802	19 184	4 443	4 443	4 443	–	2 100	2 150
Water Treatment Works		–	–	–	–	–	–	17 588	–	–
Bulk Mains		5 149	2 653	–	–	–	–	–	–	–
Distribution		3 539	1 524	3 854	13 400	9 294	9 294	8 809	6 903	15 226
Capital Spares		–	466	176	200	178	178	250	265	281
Sanitation Infrastructure		2 733	–	4 500	21 028	16 124	16 124	21 512	14 870	35 752
Pump Station		–	–	–	–	–	–	350	350	–
Reticulation		–	–	787	13 528	8 624	8 624	12 132	7 565	25 399
Waste Water Treatment Works		–	–	3 713	3 500	3 500	3 500	2 675	2 800	–
Outfall Sewers		2 733	–	–	–	–	–	655	655	8 353
Capital Spares		–	–	–	4 000	4 000	4 000	5 700	3 500	2 000
Solid Waste Infrastructure		3 056	–	–	500	500	500	–	–	–
Landfill Sites		3 056	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	500	500	500	–	–	–
Information and Communication Infrastructure		–	43	–	–	–	–	120	60	30
Distribution Layers		–	43	–	–	–	–	120	60	30
Community Assets		1 375	435	301	3 300	1 700	1 700	6 200	3 500	3 500
Community Facilities		325	435	301	3 300	1 700	1 700	6 200	3 500	3 500
Cemeteries/Crematoria		–	–	–	1 500	1 500	1 500	600	3 500	3 500
Parks		–	435	301	–	–	–	–	–	–
Public Open Space		325	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	1 800	200	200	5 600	–	–
Sport and Recreation Facilities		1 050	–	–	–	–	–	–	–	–
Outdoor Facilities		1 050	–	–	–	–	–	–	–	–
Other assets		–	1 906	7 986	2 995	5 640	5 640	1 500	1 500	1 500
Operational Buildings		–	1 906	7 986	2 995	5 640	5 640	1 500	1 500	1 500
Yards		–	–	5 664	1 795	2 506	2 506	–	–	–
Capital Spares		–	1 906	2 322	1 200	3 134	3 134	1 500	1 500	1 500
Computer Equipment		5 139	3 233	1 286	3 040	2 283	2 283	1 219	621	1 078
Computer Equipment		5 139	3 233	1 286	3 040	2 283	2 283	1 219	621	1 078
Furniture and Office Equipment		72	81	302	320	1 031	1 031	507	100	100
Furniture and Office Equipment		72	81	302	320	1 031	1 031	507	100	100
Machinery and Equipment		8 902	11 296	7 345	3 174	2 999	2 999	4 572	3 625	3 511
Machinery and Equipment		8 902	11 296	7 345	3 174	2 999	2 999	4 572	3 625	3 511
Transport Assets		3 736	2 978	13 530	4 830	5 017	5 017	4 300	13 350	6 500
Transport Assets		3 736	2 978	13 530	4 830	5 017	5 017	4 300	13 350	6 500
Total Capital Expenditure on new assets	1	74 061	53 171	69 771	117 043	89 454	89 454	114 414	104 821	127 363

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									

References

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

WC047 Bitou - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			2 891	6 387	1 602	1 040	1 040	1 040	200	2 987	1 250
Roads Infrastructure			–	–	–	–	–	–	200	1 250	1 250
Road Structures			–	–	–	–	–	–	200	1 250	1 250
Electrical Infrastructure			374	1 910	1 602	1 040	1 040	1 040	–	1 737	–
MV Substations			–	–	–	–	–	–	–	772	–
MV Networks			374	397	1 602	1 040	1 040	1 040	–	965	–
Capital Spares			–	1 513	–	–	–	–	–	–	–
Water Supply Infrastructure			–	2 724	–	–	–	–	–	–	–
Pump Stations			–	2 279	–	–	–	–	–	–	–
Distribution			–	445	–	–	–	–	–	–	–
Sanitation Infrastructure			2 517	1 753	–	–	–	–	–	–	–
Pump Station			298	–	–	–	–	–	–	–	–
Waste Water Treatment Works			1 423	–	–	–	–	–	–	–	–
Capital Spares			796	1 753	–	–	–	–	–	–	–
Community Assets			–	–	–	–	200	200	100	2 000	–
Community Facilities			–	–	–	–	200	200	100	2 000	–
Halls			–	–	–	–	200	200	100	2 000	–
Other assets			–	–	2 425	2 850	2 644	2 644	2 000	2 950	2 100
Operational Buildings			–	–	2 425	2 850	2 644	2 644	2 000	2 950	2 100
Yards			–	–	1 987	2 000	1 794	1 794	2 000	2 000	2 100
Capital Spares			–	–	438	850	850	850	–	950	–
Computer Equipment			2 159	180	114	250	246	246	1 021	425	138
Computer Equipment			2 159	180	114	250	246	246	1 021	425	138
Transport Assets			–	–	–	1 760	2 060	2 060	–	4 300	6 000
Transport Assets			–	–	–	1 760	2 060	2 060	–	4 300	6 000
Total Capital Expenditure on renewal of existing assets		1	5 050	6 567	4 142	5 900	6 190	6 190	3 321	12 662	9 488
Renewal of Existing Assets as % of total capex			1089.6%	7.7%	4.0%	3.2%	4.2%	4.2%	1.8%	7.0%	5.2%
Renewal of Existing Assets as % of deprecn"			14.0%	18.0%	8.5%	14.7%	15.0%	15.0%	7.9%	28.9%	20.9%

References

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

WC047 Bitou - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			29 877	19 502	20 885	21 744	17 072	17 072	24 163	28 889	26 949
Roads Infrastructure			15 789	10 423	9 448	7 731	7 159	7 159	7 563	11 529	8 841
Roads			15 305	9 041	9 448	7 731	7 159	7 159	7 563	10 979	8 341
Road Structures			–	183	–	–	–	–	–	–	–
Road Furniture			485	1 199	–	–	–	–	–	550	500
Storm water Infrastructure			–	–	–	800	800	800	800	840	882
Storm water Conveyance			–	–	–	800	800	800	800	840	882
Electrical Infrastructure			8 382	3 196	2 126	7 680	3 580	3 580	10 033	10 509	10 855
Power Plants			–	–	–	300	–	–	316	351	372
HV Switching Station			4 186	2 897	1 727	1 971	2 271	2 271	2 077	2 308	2 423
MV Substations			–	–	399	5 409	1 309	1 309	7 640	7 850	8 060
MV Networks			4 196	299	–	–	–	–	–	–	–
Water Supply Infrastructure			2 727	4 047	6 635	2 854	2 854	2 854	2 994	3 119	3 305
Dams and Weirs			2 011	2 312	4 768	63	63	63	18	20	21
Boreholes			–	–	1 090	1 234	1 234	1 234	1 283	1 335	1 414
Pump Stations			–	–	–	–	–	–	22	24	25
Water Treatment Works			716	1 735	765	1 537	1 537	1 537	1 648	1 717	1 820
Distribution			–	–	13	21	21	21	22	24	25
Sanitation Infrastructure			2 978	1 836	2 676	2 679	2 679	2 679	2 773	2 893	3 066
Pump Station			2 978	1 836	2 597	2 509	2 509	2 509	2 593	2 702	2 864
Reticulation			–	–	79	170	170	170	180	191	202
Community Assets			1 702	1 864	1 065	3 334	2 471	2 471	4 078	4 338	4 462
Community Facilities			1 136	1 671	1 052	2 784	1 871	1 871	3 117	3 342	3 442
Halls			836	910	263	440	540	540	410	565	568
Centres			–	–	115	981	450	450	1 891	1 958	2 049
Fire/Ambulance Stations			34	550	468	603	600	600	637	640	645
Cemeteries/Crematoria			15	–	–	261	51	51	180	180	180
Public Ablution Facilities			10	211	206	500	231	231	–	–	–
Airports			240	–	–	–	–	–	–	–	–
Sport and Recreation Facilities			567	193	13	550	600	600	961	996	1 020
Indoor Facilities			–	–	–	–	500	500	30	33	35
Outdoor Facilities			567	193	13	550	100	100	931	963	985
Other assets			6 435	5 448	4 133	6 660	4 873	4 873	6 160	6 989	7 534
Operational Buildings			6 435	5 448	4 133	6 660	4 873	4 873	6 160	6 989	7 534
Municipal Offices			6 348	5 448	4 133	6 660	4 873	4 873	6 160	6 989	7 534
Yards			87	–	–	–	–	–	–	–	–
Intangible Assets			4 563	5 907	7 203	8 315	9 271	9 271	10 666	11 135	11 625
Licences and Rights			4 563	5 907	7 203	8 315	9 271	9 271	10 666	11 135	11 625
Computer Software and Applications			4 563	5 907	7 203	8 315	9 271	9 271	10 666	11 135	11 625
Computer Equipment			278	118	176	–	–	–	–	–	–
Computer Equipment			278	118	176	–	–	–	–	–	–
Furniture and Office Equipment			71	92	20	214	321	321	5	6	7
Furniture and Office Equipment			71	92	20	214	321	321	5	6	7
Machinery and Equipment			263	1 209	859	1 952	1 852	1 852	1 848	1 856	2 070
Machinery and Equipment			263	1 209	859	1 952	1 852	1 852	1 848	1 856	2 070
Transport Assets			4 788	6 253	4 796	5 529	5 329	5 329	1 639	1 677	1 698
Transport Assets			4 788	6 253	4 796	5 529	5 329	5 329	1 639	1 677	1 698
Total Repairs and Maintenance Expenditure		1	47 976	40 393	39 137	47 749	41 188	41 188	48 559	54 890	54 345
R&M as a % of PPE			4.0%	3.3%	3.0%	3.4%	2.9%	2.9%	3.3%	3.4%	3.1%

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
R&M as % Operating Expenditure		6.0%	5.1%	4.5%	4.9%	4.2%	4.2%	4.9%	5.1%	5.0%

References

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

WC047 Bitou - Supporting Table SA34d Depreciation by asset class

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Depreciation by Asset Class/Sub-class											
Infrastructure			24 722	26 239	29 670	28 762	30 148	30 148	30 764	31 840	32 955
Roads Infrastructure			6 582	6 999	7 120	7 252	7 529	7 529	7 472	7 733	8 004
Roads			5 902	6 310	6 402	6 536	6 813	6 813	6 731	6 967	7 211
Road Structures			680	689	719	716	716	716	740	766	793
Storm water Infrastructure			1 023	1 146	2 150	1 188	1 188	1 188	1 732	1 792	1 855
Drainage Collection			285	324	326	336	336	336	342	354	366
Storm water Conveyance			738	822	1 824	852	852	852	1 390	1 438	1 488
Electrical Infrastructure			4 158	4 211	4 763	4 123	4 400	4 400	5 165	5 346	5 533
MV Substations			705	718	902	828	828	828	985	1 019	1 055
MV Networks			1 639	1 746	1 952	1 896	2 173	2 173	2 157	2 232	2 310
LV Networks			1 814	1 747	1 898	1 399	1 399	1 399	1 997	2 066	2 139
Capital Spares			–	–	11	–	–	–	27	28	29
Water Supply Infrastructure			7 160	7 254	8 014	8 506	8 783	8 783	8 393	8 687	8 991
Boreholes			425	432	433	447	447	447	450	465	482
Reservoirs			1 250	1 321	1 601	1 636	1 636	1 636	1 652	1 710	1 770
Pump Stations			1 567	1 616	1 999	2 057	2 057	2 057	2 013	2 083	2 156
Water Treatment Works			2 503	2 436	2 528	2 849	3 126	3 126	2 742	2 838	2 937
Bulk Mains			777	806	809	851	851	851	864	894	925
Distribution			638	643	643	665	665	665	673	696	721
Sanitation Infrastructure			4 658	5 251	5 879	5 898	6 452	6 452	6 302	6 522	6 750
Pump Station			3 060	3 459	3 798	3 838	3 838	3 838	3 837	3 971	4 110
Reticulation			812	873	879	917	1 194	1 194	931	963	997
Waste Water Treatment Works			468	602	884	796	1 074	1 074	1 184	1 226	1 269
Outfall Sewers			317	317	318	346	346	346	350	362	375
Solid Waste Infrastructure			965	1 148	1 237	1 277	1 277	1 277	1 159	1 199	1 241
Landfill Sites			129	263	263	272	272	272	275	284	294
Waste Transfer Stations			837	885	973	1 005	1 005	1 005	884	915	947
Information and Communication Infrastructure			177	229	507	519	519	519	543	562	581
Data Centres			–	–	273	282	282	282	285	295	305
Core Layers			25	31	25	26	26	26	26	27	28
Distribution Layers			152	198	208	212	212	212	232	240	248
Community Assets			2 810	2 822	2 997	3 085	3 085	3 085	3 210	3 322	3 441
Community Facilities			1 572	1 597	1 699	1 752	1 752	1 752	1 895	1 962	2 033
Halls			79	79	81	81	81	81	84	86	89
Centres			238	203	268	301	301	301	426	441	456
Clinics/Care Centres			3	3	3	3	3	3	3	3	4
Testing Stations			64	64	64	66	66	66	66	69	71
Libraries			655	660	664	683	683	683	706	731	756
Cemeteries/Crematoria			57	49	45	51	51	51	20	20	21
Public Open Space			91	136	165	148	148	148	168	173	182
Public Ablution Facilities			60	78	81	80	80	80	83	85	88
Airports			326	326	327	337	337	337	341	353	365
Sport and Recreation Facilities			1 238	1 225	1 299	1 333	1 333	1 333	1 314	1 360	1 408
Outdoor Facilities			1 238	1 225	1 299	1 333	1 333	1 333	1 314	1 360	1 408
Investment properties			1	1	(1 359)	1	1	1	1	1	1
Revenue Generating			1	1	(1 359)	1	1	1	1	1	1
Improved Property			1	1	(1 359)	1	1	1	1	1	1
Other assets			773	782	841	856	856	856	920	952	986
Operational Buildings			773	782	841	856	856	856	920	952	986
Municipal Offices			773	782	827	856	856	856	920	952	986
Capital Spares			–	–	14	–	–	–	–	–	–
Computer Equipment			1 539	1 246	1 007	1 264	1 264	1 264	1 095	1 133	1 173
Computer Equipment			1 539	1 246	1 007	1 264	1 264	1 264	1 095	1 133	1 173
Furniture and Office Equipment			713	533	404	836	836	836	455	471	487
Furniture and Office Equipment			713	533	404	836	836	836	455	471	487

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Machinery and Equipment		1 400	1 168	1 114	1 241	1 241	1 241	1 281	1 323	1 370
<u>Machinery and Equipment</u>		1 400	1 168	1 114	1 241	1 241	1 241	1 281	1 323	1 370
Transport Assets		4 177	3 604	3 973	3 958	3 958	3 958	4 557	4 707	4 881
<u>Transport Assets</u>		4 177	3 604	3 973	3 958	3 958	3 958	4 557	4 707	4 881
Land		-	-	10 203	-	-	-	-	-	-
<u>Land</u>		-	-	10 203	-	-	-	-	-	-
Total Depreciation	1	36 135	36 393	48 851	40 002	41 388	41 388	42 281	43 749	45 293

References

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

WC047 Bitou - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class											
Infrastructure			(2 922)	22 545	26 101	56 010	48 593	48 593	57 374	52 426	44 736
Roads Infrastructure			(13 906)	1 001	3 636	5 000	8 300	8 300	15 500	14 856	25 272
Roads			(13 906)	1 001	3 636	5 000	8 300	8 300	13 500	11 356	22 772
Road Structures			–	–	–	–	–	–	2 000	3 500	2 500
Storm water Infrastructure			–	4 875	1 213	7 620	9 558	9 558	4 000	2 500	2 500
Storm water Conveyance			–	4 875	1 213	7 620	9 558	9 558	4 000	2 500	2 500
Electrical Infrastructure			0	5 185	11 703	6 682	3 067	3 067	3 641	3 994	2 000
MV Networks			–	3 999	10 685	4 682	935	935	3 641	1 994	–
LV Networks			–	1 186	1 017	2 000	2 133	2 133	–	2 000	2 000
Capital Spares			0	–	–	–	–	–	–	–	–
Water Supply Infrastructure			3 000	7 284	3 900	22 485	14 276	14 276	15 367	14 350	12 814
Reservoirs			–	271	–	4 250	374	374	10 000	–	–
Pump Stations			–	1 012	–	–	–	–	–	–	–
Water Treatment Works			3 000	5 727	–	1 500	1 491	1 491	250	4 750	–
Distribution			–	273	3 900	16 235	11 910	11 910	3 517	1 600	–
Distribution Points			–	–	–	–	–	–	300	–	2 814
Capital Spares			–	–	–	500	500	500	1 300	8 000	10 000
Sanitation Infrastructure			7 983	4 201	5 649	14 223	13 392	13 392	18 865	16 726	2 150
Pump Station			3 742	4 201	4 199	–	–	–	900	900	–
Reticulation			1 657	–	1 450	2 000	1 169	1 169	1 500	1 500	1 500
Waste Water Treatment Works			2 585	–	–	12 223	12 223	12 223	16 165	13 926	–
Outfall Sewers			–	–	–	–	–	–	300	400	650
Community Assets			3 090	2 265	4 298	3 460	3 611	3 611	6 500	10 136	1 563
Community Facilities			1 814	1 599	662	504	656	656	1 200	–	–
Halls			332	1 599	449	–	152	152	–	–	–
Fire/Ambulance Stations			–	–	–	200	200	200	–	–	–
Libraries			214	–	213	304	304	304	–	–	–
Cemeteries/Crematoria			–	–	–	–	–	–	1 200	–	–
Parks			1 268	–	–	–	–	–	–	–	–
Sport and Recreation Facilities			1 276	666	3 636	2 955	2 955	2 955	5 300	10 136	1 563
Outdoor Facilities			1 276	666	3 636	2 955	2 955	2 955	5 300	10 136	1 563
Investment properties			–	–	–	435	435	435	–	–	–
Revenue Generating			–	–	–	435	435	435	–	–	–
Improved Property			–	–	–	435	435	435	–	–	–
Other assets			113	259	–	–	–	–	–	–	–
Operational Buildings			113	259	–	–	–	–	–	–	–
Municipal Offices			113	259	–	–	–	–	–	–	–
Computer Equipment			183	–	–	62	44	44	–	–	–
Computer Equipment			183	–	–	62	44	44	–	–	–
Machinery and Equipment			–	–	–	250	214	214	300	318	340
Machinery and Equipment			–	–	–	250	214	214	300	318	340
Total Capital Expenditure on upgrading of existing assets		1	463	25 069	30 398	60 217	52 898	52 898	64 174	62 880	46 639
Upgrading of Existing Assets as % of total capex			0.0%	29.6%	29.1%	32.9%	35.6%	35.6%	35.3%	34.9%	25.4%
Upgrading of Existing Assets as % of deprecn"			1.3%	68.9%	62.2%	150.5%	127.8%	127.8%	151.8%	143.7%	103.0%

References

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

WC047 Bitou - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Council		-	-	-				
Vote 2 - Office of the Municipal Manager		-	-	-				
Vote 3 - Community Services		14 900	19 586	8 063				
Vote 4 - Corporate Services		2 252	1 106	746				
Vote 5 - Financial Services		-	-	-				
Vote 6 - Economic Development & Planning		-	-	-				
Vote 7 - Engineering Services		161 809	153 621	166 982				
Vote 8 - Public Safety		2 447	6 050	7 700				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		181 408	180 363	183 490	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Council		12 471	12 940	13 535				
Vote 2 - Office of the Municipal Manager		42 887	43 733	45 060				
Vote 3 - Community Services		116 588	111 426	127 564				
Vote 4 - Corporate Services		103 363	106 856	111 781				
Vote 5 - Financial Services		70 080	66 443	68 469				
Vote 6 - Economic Development & Planning		95 472	84 184	79 542				
Vote 7 - Engineering Services		322 505	363 003	373 233				
Vote 8 - Public Safety		123 367	118 099	116 065				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total future operational costs		886 735	906 684	935 250	-	-	-	-
Future revenue by source	3							
Exchange Revenue		27 564	302 005	315 893				
Service charges - Electricity		291 114	302 005	315 893				
Service charges - Water		101 466	106 931	112 674				
Service charges - Waste Water Management		80 729	85 108	89 651				
Service charges - Waste Management		52 852	55 710	58 717				
Agency services		2 663	2 726	2 786				
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		556 388	854 485	895 613	-	-	-	-
Net Financial Implications		511 755	232 562	223 128	-	-	-	-

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

WC047 Bitou - Supporting Table SA36 Detailed capital budget

														2025/26 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality: List all capital projects grouped by function																
TOOLS & EQUIPMENT	Supply and deliver of tools and equipment	RDS2200							ALL WARDS					-	45	-
WITTEDRIFT-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTER	RDS2221							1	-34.008253	23.337233			4 000	-	
KRANSHOEK-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTER	RDS2222							7	-34.087317	23.295960			2 000	2 600	2 600
Bus shelters	Bus shelters	RDS2223							5 & 6	-34.051585	23.310703			500	-	-
KURLAND-STORMWATER UPGRADES	UPGRADING OF STORMWATER (MASTER	RDS2220							1	-33.951681	23.488319			2 000	2 500	2 500
KWANOKUTHULA-STORMWATER UPGRADES	UPGRADING OF STORMWATER(MASTER	RDS2223							5 & 6	-34.051585	23.310703			-	2 500	2 500
SPEEDHUMPS	CONSTRUCTION OF SPEEDHUMPS	RDS2205							ALL WARDS	Varies				200	500	500
UPGRADING OF HIGH STREET	UPGRADING OF HIGH STREET	RDS2230							2	-34.053510	23.370621			9 900	-	-
UPGRADING OF SEWELL STREET AND /	UPGRADING OF SEWELL STREET AND /	RDS2231							2	-34.054174	23.373511			-	7 200	-
UPGRADING OF LONGSHIPS DRIVE	UPGRADING OF LONGSHIPS DRIVE	RDS2232							2	-34.071180	23.368233			300	-	10 000
MAIN STREET WALKWAYS	Refurbishment of Main St walkways	RDS 2401							2	-34.055342	23.372235			200	1 250	1 250
BOSSIESGIF & NEW HORIZONS CULDESACS	Upgrading of New Horizon culdesacs	RDS 2402							4	-34.047874	23.338343			1 000	-	-
KWANOKUTHULA CULDESACS	Upgrading of Kwakokuthula culdesacs	RDS 2403							5	-34.047197	23.322190			-	1 000	-
EXTENSION OF MYMBI STREET	Upgrading of Mymbi St	RDS2236							6	-34.057721	23.316232			-	-	2 500
SISHUBA STREET SIDE WALKS	Construction of side walks along Sishuba St	RDS2235							5 & 6	-34.047466	23.322975			-	-	1 500
MARINE WAY SIDE WALKS	Construction of side walks along Sishuba St	RDS2236							2	-34.050832	23.358009			-	-	1 500
1 x NEW LDV BAKKIES WITH CANOPIES	1 X NEW LDV BAKKIES WITH CANOPIES	FLT2408							ADMINISTRATIVE					600	600	-
1 X NEW JETMACHINE -STORMWATER	1 X NEW JETMACHINE - STORMWATER	FLT2414							ADMINISTRATIVE					-	2 000	-
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADE	CONSTRUCTION OF NEW ROADS AND RETICULATION	RDS2303							3	340250.531°S	2302°1'18.191°S			3 475	3 600	-
EBENEZER (PORTION 3) 725	CONSTRUCTION OF NEW ROADS AND RETICULATION	RDS 2304							4	340229.514°S	23020°12.315°S			13 294	8 645	22 596
UPGRADING OF GRAVEL ROADS: WITTE	UPGRADING OF GRAVEL ROADS: WITTE	RDS 2405							1					-	1 556	7 672
KURLAND 1500	CONSTRUCTION OF NEW ROADS AND RETICULATION	RDS 2406							1					-	-	8 600
KWA-NOKUTHULA PHASE 5, PORTION 1	CONSTRUCTION OF NEW ROADS AND RETICULATION	RDS 2407							5&6					-	-	6 396
UPGRADING OF INFRASTRUCTURE - SHIP	UPGRADING OF ROADS	RDS 2409							2					300	-	-
WATER SERVICES: WASTE WATER PURIFICATION																
SLUDGE HANDLING GANSEVALLEI WWTP	SLUDGE HANDLING - MULTI DISK SCREW PUMP STATION EQUIPMENT	SEW2401							ALL WARDS	34° 2'14.84"S	23° 2'13.43"E			3 700	1 500	-
UPGRADE SEWER RETIC	Upgrade internal sewer reticulation based on security measures	WWP2302							ALL WARDS	34° 0'30.78"S 34° 0'30.134"S34° 0'50.67"E 51°12.57"E23°22'29.48"E23°21'57.34°03'30.35"S 34° 0'32.08"S34° 0'318.62"E 902.52"E23°18'44.48"E23°18'44.34° 2'14.84"S	33° 5'16.239.43"E	23° 29'50.52"E		2 000	2 000	2 000
SECURITY FENCING - WASTE WATER PL	Security Measures to meet legislative compliance	WWP2304							2 & 7	34° 2'14.84"S	33° 5'16.239.43"E	23° 29'50.52"E		1 500	1 500	1 500
KURLAND WASTE WATER TREATMENT	KURLAND Waste Water Treatment Works	WWP2305							1	33° 57'15.20"S	23° 29'50.52"E			16 165	11 811	-
KURLAND WASTE WATER TREATMENT	KURLAND Waste Water Treatment Works	WWP2305							1	33° 57'15.20"S	23° 29'50.52"E			-	2 116	-
GREEN VALLEY BULK OUTFALL SEWER	Construction of sewerage pipeline, pumpstation	WWT5501							1	34° 0'110.45"S	34° 0'027.20"S	23° 23'35.82"E		655	655	-
KWANOKUTHULA BULK OUTFALL SEWER	Construction of sewerage pipeline, pumpstation	WWT5502							5 & 6					-	-	8 353
KURLAND SEWER PS, RISING MAINS & C	Construction of sewerage pipeline, pumpstation	WWT5503							1	33° 57'43.37"S		23° 29'31.13"E		-	700	500
EBENEZER OUTFALL SEWER (HOUSING)	Construction of sewer pipeline and associated reticulation	WWT5504							4	34° 2'16.45"S	34° 2'18.01°S 50°E23°20'32.66"E23°20'46.34° 0'19.77"S	34° 0'21.43"S	23° 28'18.62"E	-	-	4 348
UPGRADING OF THE BULK WATER & SEWER	Construction of sewerage pipeline, pumpstation	WWT5505							1	34° 0'19.77"S	34° 0'21.43"S	23° 28'18.62"E		-	400	650
1 x SUPER SUCKER TRUCK - WASTE WATER	1 X SUPER SUCKER TRUCK -WASTE WATER	WWT5506							ADMINISTRATIVE					-	3 000	-
2X LDV WITH CANOPY- WASTE WATER	2X LDV WITH CANOPY- WASTE WATER	FLT2308							ADMINISTRATIVE					600	600	-
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADE	Construction of sewer reticulation for 100 erv	SEW2045							3	340250.531°S	2302°1'18.191°S			2 675	2 800	-
EBENEZER (PORTION 3) 725	Construction of sewer reticulation for 255 erv	SEW2056							4	340229.514°S	23020°12.315°S			11 632	7 565	12 653
KURLAND 1500	Construction of sewer reticulation for 250 erv	SEW2057							1					-	-	4 816
KWA-NOKUTHULA PHASE 5, PORTION 1	CONSTRUCTION OF SEWER RETICULATION	SEW2058							5&6					-	-	3 581
UPGRADING OF INFRASTRUCTURE - SHIP	UPGRADING OF SEWER RETICULATION	SEW2059							2					300	-	-
WATER SERVICES: WATER DISTRIBUTION																
UPGRADE SAND FILTER PLETT WTW	REFURBISH AND REPAIR SAND FILTERS	WTR2041							ALL WARDS	34° 3'22.47"S		23° 22'0.46"E		250	4 750	-
LABORATORY EQUIPMENT	Replace and upgrade aging laboratory equipment	WTR2042							ALL WARDS	34° 0'324.03"S		23° 22'00.66"E		300	318	340
TOOLS AND EQUIPMENT	GENERAL: TOOLS & EQUIPMENT	WTR2301							ADMINISTRATIVE	34° 0'324.03"S		23° 22'00.66"E		250	265	280
PUMP STATION EQUIPMENT	Capital Spares: new pumps, motors and filter	WTR2302							ALL WARDS	34° 0'316.29"S	34° 0'323.02°S	23° 22'00.54"E		2 600	2 765	2 931
KURLAND: UPGRADE WTW	UPGRADE WORKS FROM 0.6 TO 1.2M	WTR2303							1	33° 59'37.76"S		23° 29'45.39"E		17 588	-	-
KURLAND: UPGRADE WTW	UPGRADE WORKS FROM 0.6 TO 1.2M	WTR2303							1	33° 59'37.76"S		23° 29'45.39"E		2 167	-	-
REPLACEMENT OF AC PIPES	REPLACEMENT OF AC PIPES	WTR2304							ALL WARDS					2 000	2 000	2 100
WATER DEMAND MANAGEMENT	Domestic meters and water saving devices	WTR2205							ALL WARDS					250	265	281
NATURES VALLEY RESERVOIR	NATURES VALLEY RESERVOIR UPGRADE	WAT2211							1	33° 58'18.91"S		23° 33'39.06"E		10 000	-	-
NATURES VALLEY WTW	NATURES VALLEY WTW UPGRADE - CAPITAL SPARES	WAT2212							1	33° 57'58.85"S		23° 33'31.94"E		1 300	8 000	10 000
Upgrading of the bulk water supply pipeline	Construction of water pipeline and associate	WAT5501							1 & 2	34° 3'22.78"S	34° 1'35.54"S	23° 22'44.82"E		550	550	-
Upgrading of the bulk water supply pipeline	Construction of water pipeline and associate	WAT5502							1	34° 0'27.08"S		34° 0'14.02"S		350	350	-
Green Valley pump station and reservoir	Construction of water pumpstation, rising main and associated reticulation	WAT5503							1	34° 0'40.53"S		34° 0'52.16"S		350	350	-
WCWDM Projects – Bulk meters, meter replacement	Installation of bulk meters, meter replacement	WAT5505							ALL WARDS	34° 0'310.90"S	34° 0'512.43"S	23° 21'08.12"E		500	1 500	1 500
Upgrading of the Bulk Water and Sewerage	Construction of sewerage pipeline, pumpstation	WRT5556							1	34° 0'19.77"S		23° 28'18.62"E		-	400	650
Upgrading of the Kurland Bulk Water Source	Construction of reservoirs, pipelines, pumpstation	WRT5555							1	33° 59'37.24"S		23° 29'46.53"E		-	1 000	1 000
Groundwater exploration Kurland Groundwater	Drilling and equipping of new boreholes including water supply	WRT5502							1	33° 59'37.76"S		23° 29'45.39"E		2 500	7 500	5 000
1 X NEW TLB	1 X NEW TLB WATERSERVICES	FLT2402							ADMINISTRATIVE					-	4 800	1 500
1 X NEW LDV WITH SERVICE CANOPY	1 X NEW LDV SERVICE CANOPY -FLEET	FLT2308							ADMINISTRATIVE					-	-	-
WATER SERVICES FURNITURE & EQUIPMENT	Chairs, desk, book racks, white boards, etc	WRT5502							ADMINISTRATIVE					50	600	50
QOLWENI/BOSSIESGIF PHASE 4B: UPGRADE	Construction of water reticulation for 100 erv	WTR2311							3	340250.531°S		2302°1'18.191°S		1 350	50	-
EBENEZER (PORTION 3) 725	Construction of water reticulation for 255 erv	WTR2312							4	340229.514°S		23020°12.315°S		8 309	1 600	9 942
KURLAND 1500	Construction of water reticulation for 250 erv	WTR2315							1					-	5 403	3 784
KWA-NOKUTHULA PHASE 5, PORTION 1	CONSTRUCTION OF WATER RETICULATION	WTR2316							5&6					-	-	2 814
UPGRADING OF INFRASTRUCTURE - SHIP	UPGRADING OF WATER INFRASTRUCTURE	WTR2317							2					300	-	-
Planning Studies for the Bitou Bulk Water Supply	Construction of Waditriff dam and associated infrastructure	WTR2318							1					3 300	-	2 600
ELECTRICAL AND MECHANICAL ENGINEERING SERVICES																
MACHINERY AND EQUIPMENT	Supply and Delivery of Extension Ladders, Pumps, etc	ELE2220							ADMINISTRATIVE					490	200	-
PLETT: ASSET REPLACEMENT	Capital spares: replace defective mini-submersible pumps	ELE2301							ADMINISTRATIVE					1 500	1 500	1 500
SCADA SYSTEMS	Master Plan Project: Supply and Install Scada System	ELE2303							ALL WARDS					-	-	500
REPLACE FAULTY MV METER UNIT	Maintenance Related: Replacing faulty meter	ELE2304							ALL WARDS					-	950	-
BRAKKLOOF NEW 20MVA 66/11KV TRF	Masterplan Project: Brakkloof 66kV New 20MVA Transformer	ELE2206							MULTIPLE WARDS(2,3 & 4)					12 272	15 118	-
PLETT: UPGRADE OH TO U/G NETWORK	Ageing Low Voltage Networks to be upgraded	ELE2307							MULTIPLE WARDS(1,2 & 4)					-	2 000	2 000
ELECTRIFICATION OF INFORMAL SETTLEMENTS	New/Upgrade of Electrical Networks in Informal Settlements	ELE2204							MULTIPLE WARDS (1,3,5 & 6)					1 741	-	-
ELECTRIFICATION OF INFORMAL SETTLEMENTS	New/Upgrade of Electrical Networks in Informal Settlements	ELE2204							MULTIPLE WARDS (1,3,5 & 6)					-	800	-
ELECTRIFICATION OF 204 HOUSEHOLD	ELECTRIFICATION OF 204 HOUSEHOLD	EBER2024							4					1 188	-	-

Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
NEW HIGH MAST LIGHTS	High Mast Lights with Backup Supply In gree	ELE2309							MULTIPLE WARDS (1,4,5&6)					700	720	-
SECURITY KEY SITES	Provision of security at various key sites to c	ELE2208							MULTIPLE WARDS (2,4,5&6)					-	200	-
NEW STREETLIGHTS	New Streetlights	ELE2210							ALL WARDS					3 000	500	-
11KV LINKS KWANO AND SS1 SUB STATION	Masterplan Project: New MV Feeders betwe	ELE2214							MULTIPLE WARDS (4,5&6)					-	3 796	-
11KV LINKS KWANO TO LADYWOOD	Masterplan Project: Upgrade Golf Course an	ELE2315							MULTIPLE WARDS (4,5&6)					-	1 194	-
KEURBOOMS UPGRADE NETWORK	Create Additional Feed Supply for Keurboom	ELE2218							1					1 900	-	-
ELECTRIFICATION OF EBENEZER	ELECTRIFICATION OF EBENEZER	ELE2319							4					1 279	4 348	4 544
ELECTRIFICATION OF QOLWENI	INEP RE-IMBURSEMENT FOR QOLWENI E	ELE2325							3					1 609	-	-
ELECTRIFICATION OF EBENEZER	ELECTRIFICATION OF EBENEZER	ELE2317							4					4 720	-	-
KWANO ADDITIONAL 20 MVA TRANSFORMER	MasterPlan:	ELE2320							5,6 &7					-	600	5 000
REPLACE PMT CHRISTIE WITH 315 MVA MINISUB	Replace PMT Christie with 315 minisub to ca	ELE2321							ALL WARDS					-	772	-
REPLACE PMT STEYN WITH 500 KVA MINISUB	Replace PMT Steyn with 500kva minisub for	ELE2322							2					-	965	-
INSTALL NEW 1 MVA 22/11 TRANSFORMER	INSTALL NEW 1 MVA 22/11 transformer at f	ELE2323							ALL WARDS					-	8 100	-
TOOLS AND EQUIPMENT	2 POST LIFT , VEHICLE DIAGNOSTIC KIT	FLT2301							ADMINISTRATIVE					100	100	100
1 X NEW LDV WITH SERVICE CANOPY	1 X NEW LDV SERVICE CANOPY -FLEET	FLT2405							ADMINISTRATIVE					-	600	-
PROJECT MANAGEMENT UNIT (PMU)	Chairs, desk, book racks, white boards, etc	PMU5501							ADMINISTRATIVE					50	50	50
PUBLIC SAFETY: FIRE & DISASTER MANAGEMENT	SCBA's, Compressor,Generators, PTO pump	FR2406							ADMINISTRATIVE	5 34° 3'18.1332"	E 23°22'1.1316"			200	250	200
ESSENTIAL TOOLS, LOOSE GEAR & EQUIPMENT	Equipment essential in hazmat response for	FR2407							ADMINISTRATIVE	5 34° 3'18.1332"	E 23°22'1.1316"			200	-	-
HAZMAT PPE & DETECTION	12 Mattresses, 20 stacker chairs, industrial w	FR5501							ADMINISTRATIVE	5 34° 3'18.1332"	E 23°22'1.1316"			100	-	-
OFFICE FURNITURE & APPLIANCES	REPLACE RESCUE PUMPER CX 3857114y	FLT2415							ADMINISTRATIVE	5 34° 3'18.1332"	E 23°22'1.1316"			-	1 500	1 500
1 X NEW RESCUE PUMPER	REPLACE CX 4625 110yws) AND CX 36957f	FLT2416							ADMINISTRATIVE					-	800	-
1 X NEW 4X4 SKID LIGHTS	REPLACE SAMIL CX1297730 YRS OLD(f)	FLT2418							ADMINISTRATIVE					-	2 000	2 500
1 X NEW 4X4 TANKER	REPLACE TANKER PUMPER CX 10568 (s	FLT2419							ADMINISTRATIVE					-	-	2 000
1 X NEW 4X4 TANKER PUMPER																
PUBLIC SAFETY: LAW ENFORCEMENT SERVICES	This is protective equipment for Law Enforce	LAW2301							ADMINISTRATIVE					260	-	-
BULLET PROOF VESTS	portable radios are used as communication c	LAW2302							ADMINISTRATIVE					120	-	-
PORTABLE TWO WAY RADIOS	Fire arms are tools of trade for personnel pro	LAW2304							ADMINISTRATIVE					200	-	-
9MM HANDGUNS (FIRE ARMS)	2X NEW LDV WITH POLICE CANOPIES -L	FLT2302							ADMINISTRATIVE					-	600	600
2X NEW LDV WITH POLICE CANOPIES	FURNITURE & EQUIPMENT FOR TRAFFIC	TRF2425							ADMINISTRATIVE					115	-	-
PUBLIC SAFETY: TRAFFIC MANAGEMENT	2 X NEW TRAFFIC SEDANS	FLT2421							ADMINISTRATIVE					800	800	900
FURNITURE & EQUIPMENT FOR TRAFFIC	1 XNEW LDV & TRAILER -TRAFFIC DEPT	FLT2422							ADMINISTRATIVE					-	100	-
2x NEW SEDANS FOR TRAFFIC																
1 X LDV E/CAB WITH ROADBLOCK TRAILER																
PUBLIC SAFETY: COMMUNICATIONS & CUSTOMER RELATIONS MANAGEMENT																
1 CAMERA	1 CAMERA	CU5550							ADMINISTRATIVE					30	-	-
2 x PORTABLE LOUDHALERS	2 x PORTABLE LOUDHALERS	CU55502							ADMINISTRATIVE					12	-	-
INDOOR AND OUTDOOR COMPATIBLE SERVICES	INDOOR AND OUTDOOR COMPATIBLE SERVICES	CU55503							ADMINISTRATIVE					120	-	-
FURNITURE FOR COMMUNICATIONS & CUSTOMER RELATIONS MANAGEMENT	3 x GAZEBO'S	CU55504							ADMINISTRATIVE					60	-	-
3 x GAZEBO'S	BUILD IN SOUND AND LOUDHALING SYSTEMS	CU55505							ADMINISTRATIVE					30	-	-
1 X NEW LOUD HALING SYSTEM		CU55506							ADMINISTRATIVE					200	-	-
HORTICULTURE & RECREATIONAL SERVICES																
CONSTRUCTION OF REGIONAL CEMETERY	CONSTRUCTION OF REGIONAL CEMETERY	HOR2207							4	34° 2'43.57"S	23°19'44.16"E			600	3 500	3 500
UPGRADING AND FENCING AT KWANOKI	UPGRADING AND FENCING AT KWANOKI	HOR2303							5	34° 0'43.38"S	23°19'39.62"E			1 200	-	-
UPGRADING OF GREENVALLEY SPORTS FIELDS	UPGRADING OF GREENVALLEY SPORTS FIELDS	HOR2209							7	34° 3'15.52"S	23°19'2.60"E			3 500	2 488	-
UPGRADING OF KWANO SPORTFIELD F	UPGRADING OF KWANO SPORTFIELD F	HOR2230							5&7					-	5 248	1 563
WARD 1-UPGRADING OF KURLAND SPORTS FIELDS	UPGRADING OF SPORTSFIELDS - KURLA	HOR2305							1					1 800	-	-
WARD 1-UPGRADING OF KURLAND SPORTS FIELDS	UPGRADING OF SPORTSFIELDS - KURLA	HOR2305							1					-	2 400	-
RIDE ON LAWNMOWER	3 X NEW LAWNMOWERS -PARKS	HOR5501							ADMINISTRATIVE					300	-	-
1 X NEW TRACTOR	1 X NEW TRACTOR -PARKS	HOR5502							ADMINISTRATIVE					300	-	-
1 X NEW 3 TON TIPPER TRUCK	1 X NEW 3 TON TIPPER TRUCK -PARKS	HOR5503							ADMINISTRATIVE					-	950	-
COMMUNITY HALLS, SPORTFIELDS & SERVICES CENTRES																
CONSTRUCTION OF QOLWENI HALL	Replacement of aluminium doors and window	FAC2223							3					100	2 000	-
INTERGRATED WASTE MANAGEMENT																
KURLAND VILLAGE-WASTE DROP-OFF	New Drop-off facilities at Kurland	WAS202							1	33°57'12.61"S	23°29'48.49"E			5 600	-	-
1x NEW SKIP TRUCK	1 X NEW SKIP TRUCK WASTE MANAGEM	FLT2401							ADMINISTRATIVE					1 500	-	-
1X NEW HOOKLIFT TRUCK-WASTE MANU	1 X NEW HOOKLIFT TRUCK & TRAILER	FLT2304							ADMINISTRATIVE					-	3 000	3 000
INFORMATION & COMMUNICATION TECHNOLOGY																
BITUU LAPTOP REPLACEMENT	Replacement of equipment older than 5 Year	ICT2301							ADMINISTRATIVE					756	402	85
BITUU COMPUTER OPERATIONAL SPARE PARTS	Operational in nature / Loans while servicing	ICT2302							ADMINISTRATIVE					150	300	257
BITUU HANDHELD DEVICES	For paper less agenda, workforce and meter	ICT501							ADMINISTRATIVE					220	38	38
BITUU REPAIRS MAINTENANCE & EQUIPMENT	Operational in nature / Replacement of failed	ICT2304							ADMINISTRATIVE					265	23	53
BITUU NEW USERS	BITUU NEW USERS	ICT2305							ADMINISTRATIVE					396	232	232
DEPARTMENTAL REQUESTS	DEPARTMENTAL REQUESTS HUMAN RESOUR	ICT116							ADMINISTRATIVE					102	24	24
BITUU MONITORS	DEPARTMENTAL REQUESTS HUMAN RESOUR	ICT117							ADMINISTRATIVE					22	27	27
LAW ENFORCEMENT 2 WAY RADIOS	TRAFFIC 2 WAY RADIOS	ICT2331							ADMINISTRATIVE					56	-	-
BEACH CONTROL ENFORCEMENT 2 WAY RADIOS	BEACHES 2 WAY RADIOS	ICT505							ADMINISTRATIVE					63	-	-
ICT OFFICE FURNITURE & EQUIPMENT	ICT OFFICE FURNITURE & EQUIPMENT	ICT2337							ADMINISTRATIVE					12	-	-
SCADA CONNECTIVITY	SCADA CONNECTIVITY	ICT2406							ADMINISTRATIVE					90	-	-
BITUU BIOMETRIC DEVICES	New devices / Replacement of aged or faulty	ICT171							ADMINISTRATIVE					120	60	30
Parent Capital expenditure												-	-	181 908	180 363	183 490
Entities:	List all capital projects grouped by Entity															
Entity A	Water project A															
Entity B	Electricity project B															
Entity Capital expenditure												-	-	-	-	-
Total Capital expenditure												-	-	181 908	180 363	183 490

Reconciliation
Must reconcile with Budgeted Capital Expenditure
Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Function
Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.
Distinguish projects approved in terms of MFMA section 19(1)(a) and MRRR Regulation 13
Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
											check	104 311	148 541	(0)	(0)	0

WC047 Bitou - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand													Previous target year to complete	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude		Original Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
Parent municipality:																		
List all capital projects grouped by Function																		
Entities:																		
List all capital projects grouped by Entity																		
Entity Name																		
Project name																		

References

List all projects with planned completion dates in current year that have been re-budgeted in the MTREF

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

ANNEXURE D

Bitou Municipality

**Tariffs for 2025 - 2026, 2026 -
2027 and 2027 - 2028**



BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Property Rates Tariffs	Conditions	Ratio	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
	Power to levy rates									
(a)	Property rates are set in terms of Chapter 2,section 3 of the Municipal Property Rates Act,No.6 of 2004									
(b)	Property rates to be levied in accordance with the Latest General Valuation Roll and Council's approved Rates Policy									
1.1	Properties (Residential to business ratio 1:2 maximum)									
1.1.1	Residential	Rand in rand	1:1	R 0.00638	R 0.00534	-16.30%	R 0.00563	5.43%	R 0.00593	5.33%
(i)	Vacant Land	Rand in rand	1:1.3	R 0.00829	R 0.00693	-16.41%	R 0.00730	5.34%	R 0.00769	5.34%
(ii)	Private open places/ Private open spaces	Rand in rand	1:1	R 0.00638	R 0.00534	-16.30%	R 0.00563	5.43%	R 0.00593	5.33%
(iii)	Natures Valley Special Rating Area	Rand in rand		R 0.00114	R 0.00092	-19.30%	R 0.00097	5.43%	R 0.00102	5.15%
1.1.2	Business and Commercial Properties	Rand in rand	1:1.67	R 0.01064	R 0.00890	-16.35%	R 0.00938	5.39%	R 0.00989	5.44%
(i)	Business: Vacant Land	Rand in rand	1:2	R 0.01275	R 0.01067	-16.31%	R 0.01125	5.44%	R 0.01186	5.42%
1.1.3	Industrial Properties	Rand in rand	1:1.67	R 0.01064	R 0.00890	-16.35%	R 0.00938	5.39%	R 0.00989	5.44%
(i)	Industrial : Vacant Land	Rand in rand	1:2	R 0.01275	R 0.01067	-16.31%	R 0.01125	5.44%	R 0.01186	5.42%
1.1.4	Properties owned by an organ of state and used for public service purposes	Rand in rand	1:1.67	R 0.01064	R 0.00890	-16.35%	R 0.00938	5.39%	R 0.00989	5.44%
(i)	State Owned: Vacant Land	Rand in rand	1:2	R 0.01275	R 0.01067	-16.31%	R 0.01125	5.44%	R 0.01186	5.42%
1.1.5	Agricultural:	Rand in rand	1:0.25	R 0.00160	R 0.00134	-16.25%	R 0.00141	5.22%	R 0.00149	5.67%
(i)	Agricultural Vacant	Rand in rand	1:0.25	R 0.00160	R 0.00134	-16.25%	R 0.00141	5.22%	R 0.00149	5.67%
1.1.6	Other:	Rand in rand								
(i)	Public benefit organisations	Rand in rand	1:0.25	R 0.00160	R 0.00134	-16.25%	R 0.00141	5.22%	R 0.00149	5.67%
(ii)	Sport Clubs/Fields not operating from municipal property	Rand in rand	1:1	R 0.00638	R 0.00534	-16.30%	R 0.00563	5.43%	R 0.00593	5.33%
(iii)	Public Service Infrastructure	Rand in rand	1:0.25	R 0.00160	R 0.00134	-16.25%	R 0.00141	5.22%	R 0.00149	5.67%
1.2	Relief measures related to categories of properties									
1.2.1	Residential properties									
(i)	Domestic Properties with values up to R 350,000 (three hundred and fifty thousand rand) (excluding accommodation establishments and vacant land) in terms of Section 15(1)(b) of the Act will be exempted	Sec 15 (2)(e)		R 350,000	R 350,000	0.00%	R 350,000	0.00%	R 350,000	0.00%
				R 2,138.32	R 1,788.70	-16.35%	R 1,885.29	5.40%	R 1,987.10	5.40%
1.3	Penalty In respect of Properties operating as Accomodation Establishments/Businesses without approval/registration									
1.3.1	Surcharge of:		0	100% of Residential Tariff		100% of Residential Tariff	-	100% of Residential Tariff	-	0.00%
1.4	Relief measures related to specific purposes									
1.4.1	Social or economic conditions of the area where the property is situated e.g. an area declared by the national or provincial government to be a disaster area within the meaning of the Disaster Management Act, No. 57 of 2002	Section 15(2)(d)(i) & (ii)		On discretion of the Head: Finance	On discretion of the Head: Finance		On discretion of the Head: Finance		On discretion of the Head: Finance	
1.4.2	Retention and restoration of historical buildings of cultural interest.			20.00%	20.00%	0.00%	20.00%	0.00%	20.00%	0.00%
1.4.3	Interest Payable on Late Payment of an Account			Prime Plus 1 %	Prime Plus 1 %		Prime Plus 1 %		Prime Plus 1 %	

*All Tariffs exclude VAT, accept if specifically mentioned.

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

Electricity Tariffs		Current Tariffs:		Budget Year:		% Increase/ (Decrease)		Budget Year + 1:		% Increase/ (Decrease)		Budget Year + 2:		% Increase/ (Decrease)		
		2024 - 2025		2025 - 2026				2026 - 2027				2027 - 2028				
<p>Note on Tariff circuit breakers: Due to international standardisation the 30A , 45A and 60 A circuit breakers are becoming unavailable. As a result the new standard circuit breakers will be 32A, 40A and 63A. Thus where reference is made to 30A this will also refer to 32A, and 45A to 40A, and 60A to 63A.</p>																
1.1	<p>Domestic Consumer Tariffs</p> <p>This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets including accommodation establishments with three or less bedrooms, with separate meters and includes churches, welfare buildings, registered schools, crèches, hospitals, halls, sport clubs or similar premises with circuit breaker sizes not in excess of 60Amp single phase or 60Amp three phase. Should Consumers require supplies in excess hereof, the Commercial Consumer or Bulk Supply tariff will be applicable.</p> <p>Second dwellings: Applications for electrification of second dwelling will be subject to the following; Owner of property must give permission in writing. The owners' supply will be split in such a way that non of the properties will have a supply of less than 20A. The tenant must employ an electrician to do the cabling from the nearest kiosk to the municipality's approval and provide a Certificate of Compliance for the house wiring, The tenant must get a quotation from the municipality for the meter installation. If there is no capacity to split the supply as indicated, the tenant must do a grid study to determine capacity for a connection.</p>															
1.1.1	<p>Prepaid Meters</p> <p>The practical implementation of the Inclining Block Tariffs (IBT) for prepaid meters is based on the number of units purchased during a calendar month. Any purchases made during the calendar month will be calculated by the vending system in accordance with the IBT rates. If the consumer purchases more than once in a month, the previous purchases will be taken into account when the rate for the additional units is determined. Due to the inclining rates, it will not be beneficial for a consumer to purchase much more than the required monthly consumption. At the end of the month, the system resets and the first purchases in the next month is at the Block 1 rate. If a consumer does not purchase any units in a full calendar month/s, this will not affect the rates of the next purchase in a calendar month thereafter. Consumers will be responsible for all costs relating to the conversion from conventional to prepayment metering.</p> <p>Customers residing in sub-economic areas receive the first 50kWh purchased per month for free. The 50kWh allocation is not covered by the equitable share. Customers residing in sub-economic areas and are registered as indigents with their names appearing on the indigent register do not pay a basic charge monthly. These indigent customers are on a one-part tariff (prepaid meters) using average of less than 350kWh per month based on an average usage over 4 months. Customers simply residing in sub-economic areas are not be exempt from paying a monthly basic charge and are liable for paying for any energy consumption over the monthly 50kWh allocation and the tariff groups respective monthly basic charge.</p>															
1.1.1.1	<p>Lifeline</p>															
(a)	<p>These consumers, who reside in sub-economic areas, receive the first 50kWh (Block 1) purchased per month for free.</p>															
1.1.1.1.1	Lifeline 0- 30A															
(i)	Block 1: 0 - 50kWh		R	1.60140	R	1.75990	9.90%	R	1.82920	3.94%	R	1.91650	4.77%			
(ii)	Block 2: 51 - 350kWh		R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%			
(iii)	Block 3: 351 - 600kWh		R	3.00480	R	3.30230	9.90%	R	3.43240	3.94%	R	3.59610	4.77%			
(iv)	Block 4: > 600kWh		R	3.60220	R	3.95882	9.90%	R	4.11480	3.94%	R	4.31108	4.77%			
1.1.2	<p>Single Phase</p> <p>The Basic Charge is billed on the monthly rates and taxes account. The Basic Charge is 20% less than the Basic charge for Conventional Meters. The aim is for the prepayment meter tariff to be between 10 and 20% cheaper than the conventional meter tariff at the average consumption level.</p>															
1.1.2.1	33A to 45A															
(i)	Basic Charge (Per Month)		R	436.60	R	479.80	9.89%	R	498.70	3.94%	R	522.50	4.77%			
(ii)	Block 1: 0 - 50kWh		R	1.60140	R	1.75994	9.90%	R	1.82928	3.94%	R	1.91654	4.77%			
(iii)	Block 2: 51 - 350kWh		R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%			
(iv)	Block 3: 351 - 600kWh		R	3.00480	R	3.30228	9.90%	R	3.43239	3.94%	R	3.59612	4.77%			
(v)	Block 4: > 600kWh		R	3.60220	R	3.95882	9.90%	R	4.11480	3.94%	R	4.31108	4.77%			
1.1.2.2	46A to 63A															
(i)	Basic Charge (Per Month)		R	644.70	R	708.50	9.90%	R	736.40	3.94%	R	771.50	4.77%			
(ii)	Block 1: 0 - 50kWh		R	1.60140	R	1.75994	9.90%	R	1.82928	3.94%	R	1.91654	4.77%			
(iii)	Block 2: 51 - 350kWh		R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%			
(iv)	Block 3: 351 - 600kWh		R	3.00480	R	3.30228	9.90%	R	3.43239	3.94%	R	3.59612	4.77%			
(v)	Block 4: > 600kWh		R	3.60220	R	3.95882	9.90%	R	4.11480	3.94%	R	4.31108	4.77%			

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Current Tariffs:		Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)			
Electricity Tariffs		2024 - 2025		2025 - 2026		2026 - 2027		2027 - 2028				
1.1.3	Three Phase											
(a)	The Basic Charge is billed on the monthly rates and taxes account. The Basic Charge is 20% less than the Basic charge for Conventional Meters. The aim is for the prepayment meter tariff to be between 10 and 20% cheaper than the conventional meter tariff at the average consumption level.											
1.1.3.1	0A to 45A	R	1,307.60	R	1,437.10	9.90%	R	1,493.70	3.94%	R	1,564.90	4.77%
(i)	Basic Charge (Per Month)	R	1,307.60	R	1,437.10	9.90%	R	1,493.70	3.94%	R	1,564.90	4.77%
(ii)	Block 1: 0 - 50kWh	R	1.60140	R	1.75994	9.90%	R	1.82928	3.94%	R	1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%
(iv)	Block 3: 351 - 600kWh	R	3.01080	R	3.30887	9.90%	R	3.43924	3.94%	R	3.60329	4.77%
(v)	Block 4: > 600kWh	R	3.60950	R	3.96684	9.90%	R	4.12313	3.94%	R	4.31980	4.77%
1.1.3.2	46A to 63A	R	1,680.00	R	1,846.30	9.90%	R	1,919.00	3.94%	R	2,010.50	4.77%
(i)	Basic Charge (Per Month)	R	1,680.00	R	1,846.30	9.90%	R	1,919.00	3.94%	R	2,010.50	4.77%
(ii)	Block 1: 0 - 50kWh	R	1.60140	R	1.75994	9.90%	R	1.82928	3.94%	R	1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%
(iv)	Block 3: 351 - 600kWh	R	2.88310	R	3.16853	9.90%	R	3.29337	3.94%	R	3.45046	4.77%
(v)	Block 4: > 600kWh	R	3.60950	R	3.96684	9.90%	R	4.12313	3.94%	R	4.31980	4.77%
1.2	Conventional meters											
(a)	For the purposes of the implementation of the IBT for the conventional meters, the billing period on which the IBT charges will be applied, means the period between successive monthly meter readings (normally between 25 and 36 days), irrespective of whether such readings are taken on the last day of the calendar month. Estimated charges are raised during months during which no meter readings can be taken, which is normally based on the previous month's consumption.											
(b)	Customers residing in sub-economic areas receive the first 50kWh purchased per month for free. The 50kWh allocation is covered by a portion of the equitable share. Customers residing in sub-economic areas and are registered as indigents with their names appearing on the indigent register do not pay a basic charge monthly. These indigent customers are on a one-part tariff (prepaid meters) using average of less than 350kWh per month based on an average usage over 4 months. Customers simply residing in sub-economic areas are not be exempt from paying a monthly basic charge and are liable for paying for any energy consumption over the monthly 50kWh allocation and the tariff groups respective monthly basic charge.											
1.2.1	Single Phase											
(a)	The existing consumers with 80A and 100A single phase circuit breaker sizes are being phased-out in line with NERSA's requirements. Their Basic Charge will be increased annually up to eventually the same value as that of a 60A three phase circuit breaker. It will therefore be advantageous for these consumers to either convert a 60A single phase supply or a 30A or 45A three phase supply, if possible.											
1.2.1.1	15A to 32A	R	457.00	R	502.20	9.89%	R	522.00	3.94%	R	546.90	4.77%
(i)	Basic Charge (Per Month)	R	457.00	R	502.20	9.89%	R	522.00	3.94%	R	546.90	4.77%
(ii)	Block 1: 0 - 50kWh	R	1.60140	R	1.75994	9.90%	R	1.82928	3.94%	R	1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%
(iv)	Block 3: 351 - 600kWh	R	3.00480	R	3.30228	9.90%	R	3.43239	3.94%	R	3.59612	4.77%
(v)	Block 4: > 600kWh	R	3.60220	R	3.95882	9.90%	R	4.11480	3.94%	R	4.31108	4.77%
1.2.1.2	33A to 45A	R	604.50	R	664.30	9.89%	R	690.50	3.94%	R	723.40	4.76%
(i)	Basic Charge (Per Month)	R	604.50	R	664.30	9.89%	R	690.50	3.94%	R	723.40	4.76%
(ii)	Block 1: 0 - 50kWh	R	1.60140	R	1.75994	9.90%	R	1.82928	3.94%	R	1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%
(iv)	Block 3: 351 - 600kWh	R	3.00480	R	3.30228	9.90%	R	3.43239	3.94%	R	3.59612	4.77%
(v)	Block 4: > 600kWh	R	3.60220	R	3.95882	9.90%	R	4.11480	3.94%	R	4.31108	4.77%
1.2.1.3	46A to 63A	R	804.90	R	884.60	9.90%	R	919.50	3.95%	R	963.40	4.77%
(i)	Basic Charge (Per Month)	R	804.90	R	884.60	9.90%	R	919.50	3.95%	R	963.40	4.77%
(ii)	Block 1: 0 - 50kWh	R	1.60140	R	1.75994	9.90%	R	1.82928	3.94%	R	1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%
(iv)	Block 3: 351 - 600kWh	R	3.00480	R	3.30228	9.90%	R	3.43239	3.94%	R	3.59612	4.77%
(v)	Block 4: > 600kWh	R	3.60220	R	3.95882	9.90%	R	4.11480	3.94%	R	4.31108	4.77%
1.2.1.4	80 A- (To be Phased Out)	R	1,366.10	R	1,501.30	9.90%	R	1,560.50	3.94%	R	1,634.90	4.77%
(i)	Basic Charge (Per Month)	R	1,366.10	R	1,501.30	9.90%	R	1,560.50	3.94%	R	1,634.90	4.77%
(ii)	Block 1: 0 - 50kWh	R	1.60140	R	1.75994	9.90%	R	1.82928	3.94%	R	1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R	2.08020	R	2.28610	9.90%	R	2.37620	3.94%	R	2.48950	4.77%

*All Tariffs exclude VAT, accept if specifically mentioned.

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs:		Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)			
		2024 - 2025		2025 - 2026		2026 - 2027		2027 - 2028				
(iv)	Block 3: 351 - 600kWh	R	3.00480	R	3.30228	9.90%	R	3.43239	3.94%	R	3.59612	4.77%
(v)	Block 4: > 600kWh	R	3.60220	R	3.95882	9.90%	R	4.11480	3.94%	R	4.31108	4.77%

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
1.2.1.5	100 A (To be Phased Out)							
(i)	Basic Charge (Per Month)	R 1,710.20	R 1,879.50	9.90%	R 1,953.60	3.94%	R 2,046.80	4.77%
(ii)	Block 1: 0 - 50kWh	R 1.60140	R 1.75994	9.90%	R 1.82928	3.94%	R 1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R 2.08020	R 2.28610	9.90%	R 2.37620	3.94%	R 2.48950	4.77%
(iv)	Block 3: 351 - 600kWh	R 3.00480	R 3.30228	9.90%	R 3.43239	3.94%	R 3.59612	4.77%
(v)	Block 4: > 600kWh	R 3.60220	R 3.95882	9.90%	R 4.11480	3.94%	R 4.31108	4.77%
1.2.2	Three Phase							
(a)	The existing 80A and 100A three phase tariffs must be phased-out in line with NERSA's requirements.New consumers requiring more than 60A three phase will be charged on the Commercial Tariffs.							
1.2.2.1	15A to 32A							
(i)	Basic Charge (Per Month)	R 1,088.90	R 1,196.70	9.90%	R 1,243.80	3.94%	R 1,303.10	4.77%
(ii)	Block 1: 0 - 50kWh	R 1.60140	R 1.75994	10%	R 1.82928	3.94%	R 1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R 2.08020	R 2.28614	9.90%	R 2.37621	3.94%	R 2.48956	4.77%
(iv)	Block 3: 351 - 600kWh	R 3.00480	R 3.30228	9.90%	R 3.43239	3.94%	R 3.59612	4.77%
(v)	Block 4: > 600kWh	R 3.60220	R 3.95882	9.90%	R 4.11480	3.94%	R 4.31108	4.77%
1.2.2.2	33A to 45A							
(i)	Basic Charge (Per Month)	R 1,635.00	R 1,796.90	9.90%	R 1,867.70	3.94%	R 1,956.80	4.77%
(ii)	Block 1: 0 - 50kWh	R 1.60140	R 1.75994	9.90%	R 1.82928	3.94%	R 1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R 2.08020	R 2.28614	9.90%	R 2.37621	3.94%	R 2.48956	4.77%
(iv)	Block 3: 351 - 600kWh	R 3.00480	R 3.30228	9.90%	R 3.43239	3.94%	R 3.59612	4.77%
(v)	Block 4: > 600kWh	R 3.60220	R 3.95882	9.90%	R 4.11480	3.94%	R 4.31108	4.77%
1.2.2.3	46A to 63A							
(i)	Basic Charge (Per Month)	R 2,099.30	R 2,307.10	9.90%	R 2,398.00	3.94%	R 2,512.40	4.77%
(ii)	Block 1: 0 - 50kWh	R 1.60140	R 1.75994	9.90%	R 1.82928	3.94%	R 1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R 2.08020	R 2.28614	9.90%	R 2.37621	3.94%	R 2.48956	4.77%
(iv)	Block 3: 351 - 600kWh	R 3.00480	R 3.30228	9.90%	R 3.43239	3.94%	R 3.59612	4.77%
(v)	Block 4: > 600kWh	R 3.60220	R 3.95882	9.90%	R 4.11480	3.94%	R 4.31108	4.77%
1.2.2.4	80 A (To be Phased Out)							
(i)	Basic Charge (Per Month)	R 3,360.10	R 3,692.70	9.90%	R 3,838.20	3.94%	R 4,021.30	4.77%
(ii)	Block 1: 0 - 50kWh	R 1.60140	R 1.75994	9.90%	R 1.82928	3.94%	R 1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R 2.08020	R 2.28614	9.90%	R 2.37621	3.94%	R 2.48956	4.77%
(iv)	Block 3: 351 - 600kWh	R 3.00480	R 3.30228	9.90%	R 3.43239	3.94%	R 3.59612	4.77%
(v)	Block 4: > 600kWh	R 3.60220	R 3.95882	9.90%	R 4.11480	3.94%	R 4.31108	4.77%
1.2.2.5	100 A (To be Phased Out)							
(i)	Basic Charge (Per Month)	R 3,983.00	R 4,377.30	9.90%	R 4,549.80	3.94%	R 4,766.80	4.77%
(ii)	Block 1: 0 - 50kWh	R 1.60140	R 1.75994	9.90%	R 1.82928	3.94%	R 1.91654	4.77%
(iii)	Block 2: 51 - 350kWh	R 2.08020	R 2.28614	9.90%	R 2.37621	3.94%	R 2.48956	4.77%
(iv)	Block 3: 351 - 600kWh	R 3.00480	R 3.30228	9.90%	R 3.43239	3.94%	R 3.59612	4.77%
(v)	Block 4: > 600kWh	R 3.60220	R 3.95882	9.90%	R 4.11480	3.94%	R 4.31108	4.77%
Relief measures according to income group categories								
Domestic per basic Electricity category								
Category A: R 5,201 – R 6,710 - % discount on basic electricity		40%	44%	10%	40%	-9%	40%	0%
Category B: R 6,711 – R 8,723 - % discount on basic electricity		30%	33%	10%	30%	-9%	30%	0%
(Category C: R 8,724 – R 11,340 - discount on basic electricity		20%	22%	10%	20%	-9%	20%	0%
Category D: R 11,341 – R 14,743 - discount on basic electricity		10%	11%	10%	10%	-9%	10%	0%

*All Tariffs exclude VAT, accept if specifically mentioned.

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
1.3	Small Scale Embedded Generation							
(a)	SSEG refers in this instance to consumers who wish to fit alternative energy sources (Wind, Solar etc) to supplement their energy consumption and wishes to export excess energy to the grid.. These systems are generally Grid Tied to the municipal network allowing the consumer to draw energy (electricity kWh or Units) from the municipal network when their energy source does not produce enough energy for their use. In the opposite case where their energy source is producing more energy than the consumer is using, there is the option to feed this excess energy back into the municipal network to which the consumer would receive credit.							
(b)	All consumers must make application to the municipality via the Electrical Engineering Division on the prescribed form or online. The applicant will be required to sign a contract with the municipality to ensure all conditions are met. Additional cost might apply for the upgrading of infrastructure based on the normal conditions of upgrading of a supply							
(c)	The consumer must change to the tariff structure below. It must be noted that this tariff will only be available when council approves it SSEG							
(d)	The consumer must fit a "bi-directional" electricity meter with a modem to the municipalities specification to enable the billing to be properly applied, which will be read remotely.							
(e)	The consumer will have to maintain a net consumer of energy in the year as no cash will be paid to the consumer							
(f)	Potential customers must comply to the prescripts of the latest Bitou "Requirements for Embedded Generation" document.							
(g)	Only for cusomers with a plant rated under 1MW							
(h)	A sign must be placed outside the property to indicate that the premises generates electricity							
1.3.1	Domestic: SSEG Single Phase							
(i)	Basic Charge	R 743.200	R 816.80	9.90%	R 849.00	3.94%	R 889.50	4.77%
(ii)	Energy Charge per kWh	R 2.28000	R 2.50572	9.90%	R 2.50572	0.00%	R 2.62524	4.77%
(iii)	Export Energy Charge per kWh	R 1.06897	R 1.17480	9.90%	R 1.22109	3.94%	R 1.27934	4.77%
1.3.2	Domestic: SSEG Three Phase							
(i)	Basic Charge	R 1,690.10000	R 1,857.40	9.90%	R 1,930.60	3.94%	R 2,022.70	4.77%
(ii)	Energy Charge per kWh	R 2.28000	R 2.50572	9.90%	R 2.60445	3.94%	R 2.72868	4.77%
(iii)	Export Energy Charge per kWh	R 1.22256	R 1.34359	9.90%	R 1.39653	3.94%	R 1.46314	4.77%
1.3.3	Commercial: SSEG Single phase							
(i)	Basic Charge	R 1,921.00000	R 2,111.000	9.89%	R 2,194.000	3.93%	R 2,299.000	4.79%
(ii)	Energy Charge per kWh	R 3.00000	R 3.00000	0.00%	R 3.00000	0.00%	R 3.00000	0.00%
(iii)	Export energy charge	R 1.06897	R 1.17480	9.90%	R 1.22109	3.94%	R 1.27934	4.77%
1.4.4	Commercial: SSEG Three phase							
(i)	Basic Charge	R 5,156.00000	R 5,666.000	9.89%	R 5,889.000	3.94%	R 6,170.000	4.77%
(ii)	Energy Charge per kWh	R 3.00000	R 3.00000	0.00%	R 3.00000	0.00%	R 3.00000	0.00%
(iii)	Export energy charge	R 1.22256	R 1.34359	9.90%	R 1.39653	3.94%	R 1.46314	4.77%
2.0	Commercial Consumer And Temporary Supply Consumer Tariffs							
(a)	This tariff is for shops, office buildings, hotels, including accommodation establishments with four or more bedrooms, single residential properties utilised for business purposes, clubs (excl. sport clubs), industrial undertakings, temporary supplies, or similar premises with circuit breaker sizes not in excess of 60Amp single phase or 100Amp three phase. Should Consumers have supplies in excess hereof, the Bulk Supply tariff will be applicable.							

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs:	Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
		2024 - 2025	2025 - 2026		2026 - 2027		2027 - 2028	
2.1	Prepaid Meters							
(a)	The total Service Charge payable at each transaction is calculated using the number of days between the previous and present purchases. Consumers will therefore find that they do not receive the same amount of kWh for the same rand value if the number of days between purchases varies.							
2.1.1	Single Phase - 60A							
(i)	Basic Charge (Per Day)	R 46.50	R 51.10	9.89%	R 53.10	3.91%	R 55.60	4.71%
(ii)	Energy charge [R/kWh]	R 2.76773	R 3.04	9.90%	R 3.16158	3.94%	R 3.31239	4.77%
2.1.2	Three Phase - 60A							
(i)	Basic Charge (Per Day)	R 127.80	R 140.50	9.94%	R 146.00	3.91%	R 153.00	4.79%
(ii)	Energy charge [R/kWh]	R 2.76773	R 3.04	9.90%	R 3.16158	3.94%	R 3.31239	4.77%
2.1.3	Three Phase - 100A							
(i)	Basic Charge (Per Day)	R 208.60	R 229.30	9.92%	R 238.30	3.92%	R 249.70	4.78%
(ii)	Energy charge [R/kWh]	R 2.65169	R 2.91	9.90%	R 3.02903	3.94%	R 3.17351	4.77%
2.2	Conventional Meters - Single Phase							
(a)	The 15A, 80A and 100A single phase circuit breaker sizes are being phased-out in line with NERSA's requirements. The 80A and 100A single phase Basic Charge will be increased annually up to eventually the same value as that of a 60A three phase circuit breaker. It will therefore be advantageous for these consumers to either convert a 60A single phase supply or a 30A or 45A three phase supply.							
2.2.1	Single Phase - 15A (To be Phased Out)							
(i)	Basic Charge (Per Month)	R 837.30	R 920.20	9.90%	R 956.50	3.94%	R 1,002.10	4.77%
(ii)	Energy charge [R/kWh]	R 2.75710	R 3.03005	9.90%	R 3.14943	3.94%	R 3.29966	4.77%
2.2.2	Single Phase - 30A / 32A							
(i)	Basic Charge (Per Month)	R 894.50	R 983.10	9.90%	R 1,021.80	3.94%	R 1,070.50	4.77%
(ii)	Energy charge [R/kWh]	R 2.74790	R 3.01990	9.90%	R 3.13890	3.94%	R 3.28860	4.77%
2.2.3	Single Phase - 40A / 45A							
(i)	Basic Charge (Per Month)	R 1,340.70	R 1,473.40	9.90%	R 1,531.50	3.94%	R 1,604.60	4.77%
(ii)	Energy charge [R/kWh]	R 2.74790	R 3.01990	9.90%	R 3.13890	3.94%	R 3.28860	4.77%
2.2.4	Single Phase - 60A / 63A							
(i)	Basic Charge (Per Month)	R 1,536.60	R 1,688.70	9.90%	R 1,755.20	3.94%	R 1,838.90	4.77%
(ii)	Energy charge [R/kWh]	R 2.74940	R 3.02160	9.90%	R 3.14070	3.94%	R 3.29050	4.77%
2.2.5	Single Phase - 80A (To be Phased Out)							
(i)	Basic Charge (Per Month)	R 2,814.80	R 3,093.50	9.90%	R 3,215.40	3.94%	R 3,368.80	4.77%
(ii)	Energy charge [R/kWh]	R 2.69890	R 2.96610	9.90%	R 3.08300	3.94%	R 3.23010	4.77%

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
2.3	Conventional Meters - Three Phase							
	The existing consumers with 15A three phase circuit breaker size must be advised that their circuit breakers are being phased-out, therefore no new consumers must be allowed on this tariff. Their Basic Charge will be increased annually up to eventually the same value as that of a 30A three phase circuit breaker. It will therefore be advantageous for these consumers to either convert a 30A single phase supply or a 30A three phase supply.							
(a)								
2.2.1	Three Phase - 15A (To be Phased Out)							
(i)	Basic Charge (Per Month)	R 2,157.50	R 2,371.10	9.90%	R 2,464.50	3.94%	R 2,582.10	4.77%
(ii)	Energy charge [R/kWh]	R 2.61830	R 2.87750	9.90%	R 2.99090	3.94%	R 3.13360	4.77%
2.3.1	3 Phase - 30A / 32A							
(i)	Basic Charge (Per Month)	R 2,062.60	R 2,266.80	9.90%	R 2,356.10	3.94%	R 2,468.50	4.77%
(ii)	Energy charge [R/kWh]	R 2.57550	R 2.83050	9.90%	R 2.94200	3.94%	R 3.08230	4.77%
2.3.2	3 Phase - 40A / 45A							
(i)	Basic Charge (Per Month)	R 2,918.50	R 3,207.40	9.90%	R 3,333.80	3.94%	R 3,492.80	4.77%
(ii)	Energy charge [R/kWh]	R 2.47560	R 2.72070	9.90%	R 2.82790	3.94%	R 2.96280	4.77%
2.3.3	3 Phase - 60A / 63A							
(i)	Basic Charge (Per Month)	R 4,124.90	R 4,533.30	9.90%	R 4,711.90	3.94%	R 4,936.70	4.77%
(ii)	Energy charge [R/kWh]	R 2.57550	R 2.83050	9.90%	R 2.94200	3.94%	R 3.08230	4.77%
2.3.4	3 Phase - 80A (To be Phased Out)							
(i)	Basic Charge (Per Month)	R 5,484.60	R 6,027.60	9.90%	R 6,265.10	3.94%	R 6,563.90	4.77%
(ii)	Energy charge [R/kWh]	R 2.57550	R 2.83050	9.90%	R 2.94200	3.94%	R 3.08230	4.77%
2.3.5	3 Phase -100A (To be Phased Out)							
(i)	Basic Charge (Per Month)	R 6,854.70	R 7,533.30	9.90%	R 7,830.10	3.94%	R 8,203.60	4.77%
(ii)	Energy charge [R/kWh]	R 2.57550	R 2.83050	9.90%	R 2.94200	3.94%	R 3.08230	4.77%
3.0	Bulk Supply Tariffs							
	The Bulk Supply tariff is for Consumers with a notified maximum demand of 60kVA or more or who require a supply greater than a 100Amp three phase circuit breaker size. The Notified Maximum Demand (NMD) is the maximum demand notified in writing by the Consumer and accepted by the Municipality.							
(a)								
(b)	Customers who exceeds their notified maximum demand (NMD) will be penalised. This will be based on the actual maximum demand measured in kVA during the billing month, which therefore changes on a monthly basis depending on the customer's actual usage.							
(c)	Consumers will be exempt or any two events that are within 5% of the NMD in a year.							
(d)	On the third event, where the NMD is exceeded by 5% or for any one event where the NMD is exceeded by greater than 5%, an additional demand charge will be levied that is equal to "Highest Amount exceeded x R/kVA(network demand charge) x event number" and the notified demand will be restated to the highest demand recorded by the customer. This might require a change to the circuit breaker and metering infrastructure which will be for the customers account.							
3.1	Normal Bulk							
	The Network Demand Charge is payable per month for the demand supplied (maximum demand reading). The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading during the previous 12 months.							
(a)								
3.1.1	Low voltage (< 500V)							
(i)	Basic Charge (Per Month)	R 1,683.80	R 1,850.50	9.90%	R 1,923.40	3.94%	R 2,015.10	4.77%
(ii)	Energy charge [R/kWh]	R 1.24450	R 1.36771	9.90%	R 1.42160	3.94%	R 1.48941	4.77%
(iii)	Network Demand Charge [R/kVA]	R 356.06429	R 391.31	9.90%	R 406.73245	3.94%	R 426.13359	4.77%
(iv)	Network Access Charge [R/kVA]	R 89.51244	R 98.37	9.90%	R 102.25011	3.94%	R 107.12744	4.77%
3.1.2	High Voltage (>= 500V and < 66kV)							
(i)	Basic Charge (Per Month)	R 1,683.80	R 1,850.50	9.90%	R 1,923.40	3.94%	R 2,015.10	4.77%
(ii)	Energy charge [R/kWh]	R 1.18220	R 1.29924	9.90%	R 1.35043	3.94%	R 1.41485	4.77%
(iii)	Demand Charge [R/kVA]	R 294.91000	R 324.1	9.90%	R 336.87587	3.94%	R 352.94485	4.77%
(iv)	Network Access Charge [R/kVA]	R 74.19439	R 81.54	9.90%	R 84.75229	3.94%	R 88.79497	4.77%

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Current Tariffs:		Budget Year:		Budget Year + 1:		Budget Year + 2:		Budget Year + 3:					
Electricity Tariffs		2024 - 2025		2025 - 2026		2026 - 2027		2027 - 2028		2028 - 2029					
3.2	Time of Use (TOU)														
<p>The TOU tariff is available for Consumers with a minimum notified demand of 60kVA or who require a supply greater than 100A three phase circuit breaker size, and who are able to manage their energy consumption according to Eskom's specified time schedule, i.e. Peak, Standard and Off-Peak for the "Megaflex" tariff. The TOU tariff will only be available to residential developments with a bulk supply after 60% of the erven inside the development have been built on and occupation of the houses have been taken. This tariff is based on the Eskom "Megaflex" tariff, except that there is a single Basic Charge and Eskom's various kWh charges are included in one Energy Charge. The Network Demand Charge is payable per month for the demand supplied (maximum demand reading) during peak and standard periods. No Network Demand Charge is payable during off-peak periods. The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading during the previous 12 months. The charge is applicable during all time periods. The Reactive Energy Charge is applied to kVAh in excess of 30% (0.96 Power Factor) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period and accumulated for the month and will only be applicable during high-demand season. The difference between the Low and High Voltage charges is 5% and in line with Eskom tariffs. The following conditions are applicable to the TOU tariff: (i) Consumers with a minimum notified demand of 60kVA, and who are able to manage their energy consumption according to Eskom's specified time schedule, i.e. Peak, Standard and Off-Peak, for "Megaflex" tariff. (ii) Consumers must have the necessary electronic metering equipment installed and correctly programmed for this tariff at their cost. (iii) Where existing Consumers consider conversion to TOU, it will be the consumers' responsibility to do a tariff study. (iv) At least 6 months TOU data (3 x high demand season and 3 x low demand season) must be available before the conversion can be implemented. (v) A change of tariff will apply for a minimum period of 12 months with three months mutual notice thereafter.</p>															
(a)															
3.2.1	Low voltage (< 500V)														
(i)	Basic Charge (Per Month)	R	1,683.80	R	1,850.50		9.90%	R	1,923.40		3.94%	R	2,015.10		4.77%
(ii)	Network Demand Charge	R	98.01	R	107.71		9.90%	R	111.95		3.94%	R	117.29		4.77%
(iii)	Network Access Charge	R	78.68	R	86.47		9.90%	R	89.88		3.94%	R	94.17		4.77%
(iv)	Active Energy Charge:														
(iv)(i)	High Demand (June to August):														
(iv)(i)(a)	Peak	R	5.96320	R	6.55356		9.90%	R	6.81177		3.94%	R	7.13669		4.77%
(iv)(i)(b)	Standard	R	1.90890	R	2.09788		9.90%	R	2.18054		3.94%	R	2.28455		4.77%
(iv)(i)(c)	Off-Peak	R	1.22860	R	1.35023		9.90%	R	1.40343		3.94%	R	1.47037		4.77%
(iv)(ii)	Low Demand (September to May):														
(iv)(ii)(a)	Peak	R	2.04440	R	2.24680		9.90%	R	2.33532		3.94%	R	2.44671		4.77%
(iv)(ii)(b)	Standard	R	1.45260	R	1.59641		9.90%	R	1.65931		3.94%	R	1.73846		4.77%
(iv)(ii)(c)	Off-Peak	R	0.97540	R	1.07196		9.90%	R	1.11420		3.94%	R	1.16735		4.77%
(v)	Reactive Energy Charge (R/kVAh)	R	0.28920	R	0.31783		9.90%	R	0.33035		3.94%	R	0.34611		4.77%
3.2.2	High Voltage (>= 500V and < 66kV)														
(i)	Basic Charge (Per Month)	R	1,683.80	R	1,850.50		9.90%	R	1,923.40		3.94%	R	2,015.10		4.77%
(ii)	Network Demand Charge	R	106.70	R	117.26		9.90%	R	121.88		3.94%	R	127.70		4.77%
(iii)	Network Access Charge	R	85.65	R	94.13		9.90%	R	97.84		3.94%	R	102.50		4.77%
(iv)	Active Energy Charge:														
(iv)(i)	High Demand (June to August):														
(iv)(i)(a)	Peak	R	5.66500	R	6.22584		9.90%	R	6.47114		3.94%	R	6.77981		4.77%
(iv)(i)(b)	Standard	R	1.81340	R	1.99293		9.90%	R	2.07145		3.94%	R	2.17026		4.77%
(iv)(i)(c)	Off-Peak	R	1.04860	R	1.15241		9.90%	R	1.19781		3.94%	R	1.25495		4.77%
(iv)(ii)	Low Demand (September to May):														
(iv)(ii)(a)	Peak	R	1.94210	R	2.13437		9.90%	R	2.21846		3.94%	R	2.32428		4.77%
(iv)(ii)(b)	Standard	R	1.38020	R	1.51684		9.90%	R	1.57660		3.94%	R	1.65180		4.77%
(iv)(ii)(c)	Off-Peak	R	9.26600	R	10.18333		9.90%	R	10.58455		3.94%	R	11.08943		4.77%
(v)	Reactive Energy Charge (R/kVAh)	R	2.52200	R	2.77168		9.90%	R	2.88088		3.94%	R	3.01830		4.77%

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
4.0	Other Tariffs							
4.1	STREETLIGHTS							
(a)	All streetlight consumption must be metered in order to reduce unaccounted for losses. Where the consumption cannot be metered, the consumption must be calculated, i.e. kWh = number of lights x wattage x hours in use.							
4.1.1	Streetlight usage							
(i)	Energy charge [R/kWh]	R 2.94220	R 3.23348	9.90%	R 3.36088	3.94%	R 3.52119	4.77%
4.2	DEPARTMENTAL							
(a)	The respective Commercial and Bulk Supply Tariffs as per Tariffs above shall be applicable to all municipal buildings, pump stations, waste water works, water treatment works, etc.							
4.3	AVAILABILITY CHARGES							
(a)	This Tariff is applicable on Vacant Properties, based on the zoning of the property.							
4.3.1	Availability Charges							
(i)	Residential (Per Month)	R 530.50	R 583.00	9.90%	R 606.00	3.95%	R 634.90	4.77%
(ii)	Other (Per Month)	R 1,207.61	R 1,327.16	9.90%	R 1,379.45	3.94%	R 1,445.25	4.77%
4.4	CONNECTION FEES							
4.4.1	Single Phase - Domestic							
(i)	Prepayment meter (customers consuming less than 600kWh per month)	R 3,435.00	R 3,775.10	9.90%	R 3,923.80	3.94%	R 4,111.00	4.77%
(ii)	Smart meter (customers consuming more than 600kWh per month)	R 4,125.00	R 4,533.40	9.90%	R 4,712.00	3.94%	R 4,936.80	4.77%
(iii)	Cable 20 Meter inside Erf-To be Phased-Out	R 12,560.60	R 13,804.10	9.90%	R 14,348.00	3.94%	R 15,032.40	4.77%
(ii)(ii)	More than 20 Meter Cable inside Erf as well as rural areas-To be Phased-Out	R 12,592.10 Plus cost of cable plus 10 % of total	R 13,838.70	9.90%	R 14,383.90	3.94%	R 15,070.00	4.77%
4.4.2	Other							
(i)	A Minimum fee equal to "other areas" above would be applied-To be Phased-Out	Cost Plus 10 %						
4.5	SERVICE FEES							
4.5.1	Service Calls - Normal Working Hours							
(i)	All Areas	R 1,040.00	R 1,143.00	9.90%	R 1,188.00	3.94%	R 1,244.70	4.77%
(ii)	Rural-To be Phased-Out	R -	R -	0.00%	R -	0.00%	R -	0.00%
4.5.2	Service Calls - Outside Normal Working Hours							
(i)	All Areas	R 1,560.00	R 1,714.40	9.90%	R 1,781.90	3.94%	R 1,866.90	4.77%
(ii)	Rural-To be Phased-Out	R -	R -	0.00%	R -	0.00%	R -	0.00%
4.5.3	Service Calls - Sundays & Public Holidays							
(i)	All Areas	R 2,080.00	R 2,285.90	9.90%	R 2,376.00	3.94%	R 2,489.30	4.77%
(ii)	Rural-To be Phased-Out	R -	R -	0.00%	R -	0.00%	R -	0.00%
4.5.4	Hire of Cherry Picker (if available)							
(i)	Per Hour (Includes 2 X Staff Members)	R 1,008.70	R 1,108.60	9.90%	R 1,152.30	3.94%	R 1,207.30	4.77%
4.5.5	Temporary Dis- / Reconnection (on request)							
(i)	Less than 48 Hours Notice	R 886.80	R 974.60	9.90%	R 1,013.00	3.94%	R 1,061.30	4.77%
(ii)	More than 48 Hours Notice	R 656.30	R 721.30	9.90%	R 749.70	3.94%	R 785.50	4.78%

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs:		Budget Year:	% Increase/	Budget Year + 1:	% Increase/	Budget Year + 2:	% Increase/
		2024 - 2025		2025 - 2026	(Decrease)	2026 - 2027	(Decrease)	2027 - 2028	(Decrease)
4.5.6	Reconnection (after sale of property)	R	1,304.30	R	1,433.40	9.90%	R	1,489.90	3.94%
(i)	Reconnection by new Owner							R	1,561.00
									4.77%
4.5.7	Re-inspection / Test Installation- To be Phased-Out								
(i)	Town	R	1,277.60	R	1,404.10	9.90%	R	1,459.40	3.94%
(ii)	Rural	R	1,897.20	R	2,085.00	9.90%	R	2,167.10	3.94%
								R	2,270.50
									4.77%
4.5.8	Meter Test								
(i)	Deposit in Advance-To be Phased-Out	R	577.80	R	-	-100.00%	R	-	0.00%
(ii)	Testing of Meter-To be Phased-Out								
(iii)	Meter Test fee will be refunded should meter be found to be faulty	R	2,400.00	R	2,638.00	9.92%	R	2,742.00	3.94%
								R	2,873.00
									4.78%
4.5.9	Special Meter Reading								
(i)	Town	R	656.30	R	721.30	9.90%	R	749.70	3.94%
(ii)	Rural	R	886.80	R	974.60	9.90%	R	1,013.00	3.94%
								R	1,061.30
									4.77%
4.5.10	Downgrade of supply								
(i)	ALL Areas								
(ii)	Single Phase to Single Phase	R	1,040.00	R	1,143.00	9.90%	R	1,188.00	3.94%
(iii)	Three Phase to Three Phase	R	1,040.00	R	1,143.00	9.90%	R	1,188.00	3.94%
(iv)	Three Phase to Single Phase	R	1,040.00	R	1,143.00	9.90%	R	1,188.00	3.94%
(v)	Three Phase- To be Phased-Out	R	2,595.20	R	2,852.10	9.90%	R	2,964.50	3.94%
(vi)	Bulk Supply to bulk	Cost plus 10%		Cost plus 10%		Cost plus 10%		Cost plus 10%	
(vii)	Bulk to three Phase								
(vii)(l)	Application for the reduction of capacity of tariff changes will only be allowed until 31 December annually for implementation on 1 July the following year. Amended CoC to be submitted. Cost of metering infrastructure to be added where applicable. Customer to provide approved Circuit Breaker.	Cost plus 10%		Cost plus 10%		Cost plus 10%		Cost plus 10%	
4.5.11	Upgrade of Supply								
(i)	Domestic Single Phase up to 60 Amp-To be Phased-Out	No Charge		No Charge		No Charge		No Charge	
(ii)	Rural Single Phase up to 60 Amp-To be Phased-Out	R	886.80	R	974.60	9.90%	R	1,013.00	3.94%
(iii)	Other-To be Phased-Out	Cost plus 10%		Cost plus 10%		Cost plus 10%		Cost plus 10%	
(i)	Single phase to Single phase	Request quote		Request quote		Request quote		Request quote	
(ii)	Three phase to three phase	Request quote		Request quote		Request quote		Request quote	
(iii)	Single phase to three phase ... Request Quote	Request quote		Request quote		Request quote		Request quote	
4.5.12	Non Payment								
(i)	Disconnection	R	790.00	R	868.20	9.90%	R	902.40	3.94%
(ii)	Reconnection	R	790.00	R	868.20	9.90%	R	902.40	3.94%
(iii)	Pre-paid Unblocking Fee	R	51.00	R	56.00	9.80%	R	58.20	3.93%
								R	61.00
									4.81%
4.5.13	Penalty for tampering with Meter (Payable before replacement)								
(i)	1st Incident	R	4,616.00	R	5,073.00	9.90%	R	5,272.90	3.94%
(ii)	2nd Incident	R	5,616.00	R	6,172.00	9.90%	R	6,415.20	3.94%
(iii)	3rd Incident	R	6,616.00	R	7,271.00	9.90%	R	7,557.50	3.94%
(iv)	Surcharge: Inaccessible Electricity Meters								
	Customers will be notified in writing whenever an electrical meter has for whatever reason become inaccessible. Consumers will have 14 days from the date of notification to arrange for a reading to be taken.								
	A surcharge will therefore be levied if no response is received on or before the notice period has ended. The surcharge is applicable per incident.								
		R	768.20	R	844.30	9.91%	R	877.60	3.94%
(v)	Relocation of electricity meters (as a result of access issues)	R	768.00	R	844.00	9.90%	R	877.00	3.91%
								R	919.50
									4.77%
								R	919.00
									4.79%

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
	Customer to employ electrician to do all auxiliary wiring. Municipality will only fit meter and do inspection. CoC required where applicable.							
(vi)	Relocation of electricity meters (by customer request)	R 1,040.00	R 1,143.00	9.90%	R 1,188.00	3.94%	R 1,245.00	4.80%
		Customer must get Quotation	Customer must get Quotation	0.00%	Customer must get Quotation		Customer must get Quotation	

NON-COST OF SUPPLY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Electricity Tariffs	Current Tariffs:	Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
		2024 - 2025	2025 - 2026		2026 - 2027		2027 - 2028	
4.5.14	Penalty for Illegal electricity connections A penalty for connecting illegally to a municipal electric main will be billed to the customer who benefited from illegal connection. This penalty fee is in addition to the calculation of the average consumption of electricity units consumed, for the period defined in the municipal bylaws. If for any reason the credit meter cannot be read, municipality may render an estimated account. If any calculating, reading or metering error is discovered in respect of any account rendered to a consumer, the error shall be corrected in subsequent accounts, any such correction shall only apply in respect of accounts for a period of 6 months preceding the date on which the error in the accounts was discovered, and shall be based on the actual tariffs applicable during the period.							
4.5.15	Augmentation Fees (As determined by Council from time to time)							
(i)	Per ERU	R 21,166.00	R 23,261.40	9.90%	R 24,177.90	3.94%	R 25,331.20	4.77%
4.5.16	Penalty for Late Payment							
(i)	Interest Payable on Late Payment of an Account	Prime Plus 1 %	Prime Plus 1 %		Prime Plus 1 %		Prime Plus 1 %	

COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
<p>Note on Tariff circuit breakers: Due to international standardisation the 30A , 45A and 60 A circuit breakers are becoming unavailable. As a result the new standard circuit breakers will be 32A, 40A and 63A. Thus where reference is made to 30A this will also refer to 32A, and 45A to 40A, and 60A to 63A.</p>									
1.1	Domestic Consumer Tariffs	<p>This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets including accommodation establishments with three or less bedrooms, with separate meters and includes churches, welfare buildings, registered schools, crèches, hospitals, halls, sport clubs or similar premises with circuit breaker sizes not in excess of 60Amp single phase or 60Amp three phase. Should Consumers require supplies in excess hereof, the Commercial Consumer or Bulk Supply tariff will be applicable. A rebate of 10% will apply to schools and crèches.</p>							
1.1.1	Prepaid Meters	<p>A flat tariff rate charged for the energy consumption of customer based on the customer classes. This flat rate allows the customer to monitor their energy usage over a month and budget for future energy purchases based on their typical monthly consumption. Consumers will be responsible for all costs relating to the conversion from conventional to prepayment metering.</p> <p>Customers residing in sub-economic areas receive the first 50kWh purchased per month for free. The 50kWh allocation is covered by a portion of the equitable share. Customers residing in sub-economic areas and are registered as indigents with their names appearing on the indigent register do not pay a basic charge monthly. These indigent customers are on a one-part tariff (prepaid meters) using average of less than 400kWh per month based on an average usage over 4 months. Customers simply residing in sub-economic areas are not be exempt from paying a monthly basic charge and are liable for paying for any energy consumption over the monthly 50kWh allocation and the tariff groups respective monthly basic charge.</p>							
1.1.1.1	Lifeline	<p>These are consumers who are registered as indigents and appear on the indigent register and reside in sub-economic areas, receive the first 50kWh purchased per month for free. All indigent and poor sub-economic households are defined in the credit control policy.</p>							
1.1.1.1.1	Lifeline 0- 30A								
(i)	Block 1: 0 - 50kWh- Tariff Dis-Continued		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 2: 51 - 350kWh- Tariff Dis-Continued		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 3: 351 - 600kWh- Tariff Dis-Continued		R 2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 4: > 600kWh- Tariff Dis-Continued		R 2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Energy Charge [R/kWh]	per unit consumed	R 2.40330	R 2.64120	9.90%	R 2.90270	9.90%	R 3.04116	4.77%
1.1.2	Single Phase	<p>An energy charge is billed based on the unit consumed by the customer. A flat rate is applicable to the customer class.</p> <p>The Basic Charge is billed on the monthly rates and taxes account. The monthly basic charge is calculated based on the size of the circuit breaker connection of the customers electricity meter.</p>							
1.1.2.1	33A to 45A- Tariff Dis-Continued								
(i)	Basic Charge (Per Month)		R 379.35	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 3: 351 - 600kWh		R 2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R 2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.1.2.2	46A to 63A-Tariff Dis-Continued								
(i)	Basic Charge (Per Month)		R 504.93	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 3: 351 - 600kWh		R 2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R 2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.1.2.3	30A - 45A								
(i)	Monthly Basic Charge	per ampere per month	R 9.70222	R 10.66270	9.90%	R 11.71840	9.90%	R 12.27740	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.46217	R 2.70590	9.90%	R 2.97380	9.90%	R 3.11570	4.77%
1.1.2.4	60A-63A								
(i)	Monthly Basic Charge	per ampere per month	R 9.68667	R 10.64560	9.90%	R 11.69960	9.90%	R 12.25770	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.46217	R 2.70590	9.90%	R 2.97380	9.90%	R 3.11570	4.77%
1.1.3	Three Phase	<p>An energy charge is billed based on the unit consumed by the customer. A flat rate is applicable to the customer class.</p>							

***All Tariffs exclude VAT, accept if specifically mentioned.**

***The Cost Of Supply tariffs are subject to approval by NERSA.**

COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs:			Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
			2024 - 2025	2025 - 2026		2026 - 2027		2027 - 2028			
(b)	The Basic Charge is billed on the monthly rates and taxes account. The monthly basic charge is calculated based on the size of the circuit breaker connection of the customers electricity meter.										
1.1.3.1	0A to 45A-Tariff Dis-Continued										
(i)	Basic Charge (Per Month)		R 1,024.24	R -	-100.00%	R -	0.00%	R -	0.00%		
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%		
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%		
(iv)	Block 3: 351 - 600kWh		R 2.35830	R -	-100.00%	R -	0.00%	R -	0.00%		
(v)	Block 4: > 600kWh		R 2.82720	R -	-100.00%	R -	0.00%	R -	0.00%		
1.1.3.2	46A to 63A-Tariff Dis-Continued										
(i)	Basic Charge (Per Month)		R 1,315.94	R -	-100.00%	R -	0.00%	R -	0.00%		
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%		
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%		
(iv)	Block 3: 351 - 600kWh		R 2.25830	R -	-100.00%	R -	0.00%	R -	0.00%		
(v)	Block 4: > 600kWh		R 2.82720	R -	-100.00%	R -	0.00%	R -	0.00%		
1.1.3.3	45A										
(i)	Monthly Basic Charge	per ampere per month	R 29.87844	R 32.83640	9.90%	R 36.08720	9.90%	R 37.80856	4.77%		
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.61797	R 2.87710	9.90%	R 3.16200	9.90%	R 3.31283	4.77%		
1.1.3.4	60A - 63A										
(i)	Monthly Basic Charge	per ampere per month	R 31.37236	34.4782	9.90%	37.8916	9.90%	39.69903	4.77%		
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.61797	2.8771	9.90%	3.162	9.90%	3.31283	4.77%		
1.2	Conventional meters										
	A flat tariff rate charged for the energy consumption of customer based on the customer classes. This flat rate allows the customer to monitor their energy usage over a month and budget for future energy purchases based on their typical monthly consumption. The billing period between successive monthly readings (normally between 25 and 36 days), irrespective of whether such readings are taken on the last day of the calendar month. Estimated charges are raised during months which no readings can be taken, which is based on the previous month's										
(a)	Customers residing in sub-economic areas receive the first 50kWh purchased per month for free. The 50kWh allocation is covered by a portion of the equitable share. Customers residing in sub-economic areas and are registered as indigents with their names appearing on the indigent register do not pay a basic charge monthly. These indigent customers are on a one-part tariff (prepaid meters) using average of less than 400kWh per month based on an average usage over 4 months. Customers simply residing in sub-economic areas are not be exempt from paying a monthly basic charge and are liable for paying for any energy consumption over the monthly 50kWh allocation and the tariff groups respective monthly basic charge.										
(b)											
1.2.1	Single Phase										
	The existing consumers with 80A and 100A single phase circuit breaker sizes are being phased-out in line with NERSA's requirements. Their Basic Charge will be increased annually up to eventually the same value as that of a 60A three phase circuit breaker. It will therefore be advantageous for these consumers to either convert a 60A single phase supply or a 30A or 45A three phase supply, if possible.										
(a)											
1.2.1.1	15A to 32A- Tariff Dis-Continued										
(i)	Basic Charge (Per Month)		R 357.94	R -	-100.00%	R -	0.00%	R -	0.00%		
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%		
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%		
(iv)	Block 3: 351 - 600kWh		R 2.35360	R -	-100.00%	R -	0.00%	R -	0.00%		
(v)	Block 4: > 600kWh		R 2.82150	R -	-100.00%	R -	0.00%	R -	0.00%		
1.2.1.2	33A to 45A-Tariff Dis-Continued										
(i)	Basic Charge (Per Month)		R 473.54	R -	-100.00%	R -	0.00%	R -	0.00%		
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%		
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%		
(iv)	Block 3: 351 - 600kWh		R 2.35360	R -	-100.00%	R -	0.00%	R -	0.00%		
(v)	Block 4: > 600kWh		R 2.82150	R -	-100.00%	R -	0.00%	R -	0.00%		
1.2.1.3	46A to 63A-Tariff Dis-Continued										
(i)	Basic Charge (Per Month)		R 630.50	R -	-100.00%	R -	0.00%	R -	0.00%		
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%		
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%		
(iv)	Block 3: 351 - 600kWh		R 2.35360	R -	-100.00%	R -	0.00%	R -	0.00%		
(v)	Block 4: > 600kWh		R 2.82150	R -	-100.00%	R -	0.00%	R -	0.00%		
1.2.1.4	80 A- Tariff Dis-Continued										
(i)	Basic Charge (Per Month)		R 1,070.02	R -	-100.00%	R -	0.00%	R -	0.00%		
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%		
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%		

COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
(iv)	Block 3: 351 - 600kWh		R 2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R 2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.2.1.5	100 A -Tariff Dis-Continued								
(i)	Basic Charge (Per Month)		R 1,339.49	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 1: 0 - 50kWh		R 1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 2: 51 - 350kWh		R 1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 3: 351 - 600kWh		R 2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R 2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.2.1.6	30A								
(i)	Monthly Basic Charge	per ampere per month	R 13.73333	R 15.09290	9.90%	R 16.58710	9.90%	R 17.37830	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.46217	R 2.70590	9.90%	R 2.97380	9.90%	R 3.11565	4.77%
	45A								
(i)	Monthly Basic Charge	per ampere per month	R 12.11111	R 13.31010	9.90%	R 14.62780	9.90%	R 15.32555	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.46217	R 2.70590	9.90%	R 2.97380	9.90%	R 3.11565	4.77%
	60A								
(i)	Monthly Basic Charge	per ampere per month	R 13.37033	R 14.69400	9.90%	R 16.14870	9.90%	R 16.91899	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.46217	R 2.70590	9.90%	R 2.97380	9.90%	R 3.11565	4.77%
	80A - 100A								
(i)	Monthly Basic Charge	per ampere per month	R 15.41800	R 16.94440	9.90%	R 18.62190	9.90%	R 19.51016	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	2.462165253	R 2.70590	9.90%	R 2.97380	9.90%	R 3.11565	4.77%
1.2.2	Three Phase								
(a)	The existing 80A and 100A three phase tariffs must be phased-out in line with NERSA's requirements.New consumers requiring more than 60A three phase will be charged on the Commercial Tariffs.								

COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

			Current Tariffs:		Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
		Conditions		2024 - 2025	2025 - 2026		2026 - 2027		2027 - 2028	
1.2.2.1	15A to 32A-Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R	852.87	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 1: 0 - 50kWh		R	1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 2: 51 - 350kWh		R	1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 3: 351 - 600kWh		R	2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R	2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.2.2.2	33A to 45A-Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R	1,280.62	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 1: 0 - 50kWh		R	1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 2: 51 - 350kWh		R	1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 3: 351 - 600kWh		R	2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R	2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.2.2.3	46A to 63A-Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R	1,644.28	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 1: 0 - 50kWh		R	1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 2: 51 - 350kWh		R	1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 3: 351 - 600kWh		R	2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R	2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.2.2.4	80 A -Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R	2,631.90	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 1: 0 - 50kWh		R	1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 2: 51 - 350kWh		R	1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 3: 351 - 600kWh		R	2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R	2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.2.2.5	100 A- Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R	3,119.82	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Block 1: 0 - 50kWh		R	1.25430	R -	-100.00%	R -	0.00%	R -	0.00%
(iii)	Block 2: 51 - 350kWh		R	1.62940	R -	-100.00%	R -	0.00%	R -	0.00%
(iv)	Block 3: 351 - 600kWh		R	2.35360	R -	-100.00%	R -	0.00%	R -	0.00%
(v)	Block 4: > 600kWh		R	2.82150	R -	-100.00%	R -	0.00%	R -	0.00%
1.2.2.6	30A - 45A									
(i)	Monthly Basic Charge	per ampere per month	R	37.91633	R 41.67000	9.90%	R 45.79540	9.90%	R 47.97984	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R	2.61797	R 2.87710	9.90%	R 3.16200	9.90%	R 3.31283	4.77%
1.2.2.7	60A									
(i)	Monthly Basic Charge	per ampere per month	R	37.91633	R 41.67000	9.90%	R 45.79540	9.90%	R 47.97984	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R	2.61797	R 2.87710	9.90%	R 3.16200	9.90%	R 3.31283	4.77%
1.2.2.8	80A-100A									
(i)	Monthly Basic Charge	per ampere per month	R	37.91633	R 41.67000	9.90%	R 45.79540	9.90%	R 47.97984	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R	2.61797	R 2.87710	9.90%	R 3.16200	9.90%	R 3.31283	4.77%
Relief measures according to income groupn categories										
Domestic per basic Electricity category										
Category A: R 5,201 – R 6,710 - % discount on basic electricity				40%	40%	0%	40%	0%	40%	0%
Category B: R 6,711 – R 8,723 - % discount on basic electricity				30%	30%	0%	30%	0%	30%	0%
(Category C: R 8,724 – R 11,340 - discount on basic electricity				20%	20%	0%	20%	0%	20%	0%
Category D: R 11,341 – R 14,743 - discount on basic electricity				10%	10%	0%	10%	0%	10%	0%
1.3	Small Scale Embedded Generation									
(a)	SSEG refers in this instance to consumers who wish to fit various renewable energy sources (Wind, Solar etc) to supplement their energy consumption by harvesting solar energy for their own use. These systems are generally Grid Tied to the municipal network allowing the consumer to draw energy (electricity kWh or Units) from the municipal network when their renewable plant does not produce enough energy for their use. In the opposite case where the renewable plant is producing more energy than the consumer is using, there is the option to feed this excess energy back into the municipal network to which the consumer receives credit for supplying electricity back into the grid.									

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COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs:	Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
			2024 - 2025	2025 - 2026		2026 - 2027		2027 - 2028	
(b)	All consumers must make application to the municipality via the Electrical Engineering Department on the prescribed form. This must comply with the municipal regulations as published. The applicant will be required to sign a contract with the municipality to ensure all conditions are met.								
(c)	Additional cost might applied for the upgrading of infrastructure based on the normal conditions of upgrading of a supply								
(d)	The consumer must change to the tariff structure below. It must be noted that this tariff will only be available when council approves it SSEG								
(e)	The consumer must fit a "4-Quadrant" electricity meter with a modem to the municipalities specification to enable the billing to be properly applied, which will be read remotely.								
(f)	The consumer will have to maintain a net consumer of energy in the year as no cash will be paid to the consumer								
(g)	All installation work is to comply with SANS10142-1 Rev 2, and any new regulation that may be published. A copy of a valid Certificate of Compliance must be issued by a registered electrician, and submitted to the Electrical Engineering Department								
(h)	Only for customers with a plant rated under 1MW								
(i)	A sign must be placed outside the property to indicate that the premises generates electricity								
	This tariff will only be applicable after council approves SSEG policy								
1.3.1	Domestic: SSEG Single Phase								
(i)	Basic Charge	per ampere per month	R 13.37033	R 14.69	9.90%	R 16.30	10.92%	R 17.08	4.77%
(ii)	Energy Charge per kWh	per unit consumed	R 2.46217	R 2.70592	9.90%	R 2.70592	0.00%	R 2.83499	4.77%
(iii)	Export Energy Charge per kWh-Tariff Dis-Continued	per unit exported	R 0.83730	R -	-100.00%	R -	0.00%	R -	0.00%
1.3.2	Domestic: SSEG Three Phase								
(i)	Basic Charge	per ampere per month	R 37.91633	R 41.67	9.90%	R 46.22	10.92%	R 48.43	4.77%
(ii)	Energy Charge per kWh	per unit consumed	R 2.61797	R 2.87715	9.90%	R 3.19133	10.92%	R 3.34356	4.77%
(iii)	Export Energy Charge per kWh-Tariff -Dis- Continued	per unit exported	R 0.95760	R -	-100.00%	R -	0.00%	R -	0.00%
1.3.3	Commercial: SSEG Single phase								
(i)	Monthly Basic Charge	per ampere per month	R 32.87156	R 36.12584	9.90%	R 40.07079	10.92%	R 41.98217	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.68879	R 2.95498	9.90%	R 3.27767	10.92%	R 3.43401	4.77%
(iii)	Export energy charge- Tariff Dis-Continued	per unit exported	R 1.06897	R -	-100.00%	R -	0.00%	R -	0.00%
1.4.4	Commercial: SSEG Three phase								
(i)	Basic Charge	per ampere per month	R 67.26077	R 73.91959	9.90%	R 81.99160	10.92%	R 85.90260	4.77%
(ii)	Energy Charge per kWh	per unit consumed	R 2.61394	R 2.87272	9.90%	R 3.18643	10.92%	R 3.33842	4.77%
(iii)	Export energy charge	per unit exported	R 1.17133	R 1.28729	9.90%	R 1.41474	9.90%	R 1.48222	4.77%
2.0	Commercial Consumer And Temporary Supply Consumer Tariffs								
(a)	This tariff is for shops, office buildings, hotels, including accommodation establishments with four or more bedrooms, single residential properties utilised for business purposes, clubs (excl. sport clubs), industrial undertakings, temporary supplies, or similar premises with circuit breaker sizes not in excess of 60Amp single phase or 100Amp three phase. Should Consumers have supplies in excess hereof, the Bulk Supply tariff will be applicable.								
2.1	Prepaid Meters								
(a)	The total Service Charge payable at each transaction is calculated using the number of days between the previous and present purchases. Consumers will therefore find that they do not receive the same amount of kWh for the same rand value if the number of days between purchases varies.								
(b)	A flat rate rate charged for the energy consumption of customer. This flat rate allows the customer to monitor their energy usage over a month and budget for future energy purchases based on their typical monthly consumption. Consumers will be responsible for all costs relating to the conversion from conventional to prepayment metering.								
(c)	Commercial customer will be charged a monthly basic charge based on the size of the circuit breaker connection of the meter.								
2.1.1	Single Phase - 60A-Tariff Dis-Continued								
(i)	Basic Charge (Per Day)		R 36.37	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy charge [R/kWh]		R 2.16790	R -	-100.00%	R -	0.00%	R -	0.00%
	Single Phase - 30A-60A								
(i)	Basic Charge (Per Day)		R 45.45	R 49.95	9.90%	R 54.89642	9.90%	R 57.51498	4.77%
(ii)	Energy charge [R/kWh]		R 2.71401	R 2.98	9.90%	R 3.27799	9.90%	R 3.43435	4.77%
2.1.2	Three Phase - 30A								
(i)	Basic Charge (Per Day)		R 100.05	R 69.95	-30.08%	R 76.88	9.90%	R -	-100.00%
(ii)	Energy charge [R/kWh]		R 2.16790	R 2.95	35.99%	R 3.23998	9.90%	R -	-100.00%
	Three Phase - 60A								
(i)	Basic Charge (Per Day)		R 2.16790	R 126.00	5712.08%	R 131.00000	3.97%	R 137.00000	4.58%
(ii)	Energy charge [R/kWh]		R 2.16790	R 3.00	38.38%	R 3.00000	0.00%	R 3.00000	0.00%

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COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
2.1.3	Three Phase - 100A-Tariff Dis-Continued								
(i)	Basic Charge (Per Day)		R 163.39	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy charge [R/kWh]		R 2.07700	R -	-100.00%	R -	0.00%	R -	0.00%
2.1.4	Single Phase - 60A-100A-Tariff Dis-Continued								
(i)	Monthly Basic Charge	per ampere per month	R 2.07700	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.07700	R -	-100.00%	R -	0.00%	R -	0.00%
2.1.5	Three Phase 60A - 100A-Tariff Dis-ontinued								
(i)	Monthly Basic Charge	per ampere per month	R 2.07700	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.07700	R -	-100.00%	R -	0.00%	R -	0.00%
2.2	Conventional Meters - Single Phase								
(a)	The 15A, 80A and 100A single phase circuit breaker sizes are being phased-out in line with NERSA's requirements.The 80Aan 100A single phase Basic Charge will be increased anually up to eventually the same value as that of a 60A three phase circuit breaker. It will therefore be advantageous for these consumers to either convert a 60A single phase supply or a 30A or 45A three phase supply.								
2.2.1	Single Phase - 15A								
(i)	Basic Charge (Per Month)		R 50.33	R 55.31	9.90%	R 60.78	9.90%	R 63.68	4.77%
(ii)	Energy charge [R/kWh]		R 2.68879	R 2.95498	9.90%	R 3.24753	9.90%	R 3.40244	4.77%
2.2.2	Single Phase - 30A / 32A-Tariff Dis-Continued								
(i)	Basic Charge (Per Month)		R 700.57	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy charge [R/kWh]		R 2.15240	R -	-100.00%	R -	0.00%	R -	0.00%
2.2.3	Single Phase - 40A / 45A-Tariff Dis-Continued								
(i)	Basic Charge (Per Month)		R 1,050.15	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy charge [R/kWh]		R 2.15240	R -	-100.00%	R -	0.00%	R -	0.00%
2.2.4	Single Phase - 60A / 63A-Tariff Dis-Continued								
(i)	Basic Charge (Per Month)		R 1,203.56	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy charge [R/kWh]		R 2.15350	R -	-100.00%	R -	0.00%	R -	0.00%
2.2.5	Single Phase - 80A-Tariff Dis-Continued								
(i)	Basic Charge (Per Month)		R 2,204.77	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy charge [R/kWh]		R 2.11400	R -	-100.00%	R -	0.00%	R -	0.00%
2.2.6	Single Phase- 60A - 100A-Tariff Dis-Continued								
(i)	Monthly Basic Charge	per ampere per month	R 2.11400	R -	-100.00%	R -	0.00%	R -	0.00%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.11400	R -	-100.00%	R -	0.00%	R -	0.00%
2.2.7	Single Phase- 30A - 60A								
(i)	Monthly Basic Charge	per ampere per month	R 32.87156	R 36.12584	9.90%	R 39.70230	9.90%	R 41.59610	4.77%
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.68879	R 2.95498	9.90%	R 3.24753	9.90%	R 3.40244	4.77%

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COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs:		Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
			2024 - 2025	2025 - 2026			2026 - 2027		2027 - 2028	
2.3	Conventional Meters - Three Phase									
(a)	The existing consumers with 15A three phase circuit breaker size must be advised that their circuit breakers are being phased-out, therefore no new consumers must be allowed on this tariff. Their Basic Charge will be increased annually up to eventually the same value as that of a 30A three phase circuit breaker. It will therefore be advantageous for these consumers to either convert a 30A single phase supply or a 30A three phase supply.									
2.2.1	Three Phase - 15A									
(i)	Basic Charge (Per Month)		R 129.67	R 142.51	9.90%	R 156.62	9.90%	R 164.09	4.77%	
(ii)	Energy charge [R/kWh]		R 2.61390	R 2.87272	9.90%	R 3.15712	9.90%	R 3.30771	4.77%	
2.3.1	3 Phase - 30A / 32A-Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R 1,615.52	R -	-100.00%	R -	0.00%	R -	0.00%	
(ii)	Energy charge [R/kWh]		R 2.01730	R -	-100.00%	R -	0.00%	R -	0.00%	
2.3.2	3 Phase - 40A / 45A-Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R 2,286.01	R -	-100.00%	R -	0.00%	R -	0.00%	
(ii)	Energy charge [R/kWh]		R 2.01730	R -	-100.00%	R -	0.00%	R -	0.00%	
2.3.3	3 Phase - 60A / 63A-Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R 3,230.97	R -	-100.00%	R -	0.00%	R -	0.00%	
(ii)	Energy charge [R/kWh]		R 2.01730	R -	-100.00%	R -	0.00%	R -	0.00%	
2.3.4	3 Phase - 80A-Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R 4,295.88	R -	-100.00%	R -	0.00%	R -	0.00%	
(ii)	Energy charge [R/kWh]		R 2.01730	R -	-100.00%	R -	0.00%	R -	0.00%	
2.3.5	3 Phase -100A-Tariff Dis-Continued									
(i)	Basic Charge (Per Month)		R 5,369.15	R -	-100.00%	R -	0.00%	R -	0.00%	
(ii)	Energy charge [R/kWh]		R 2.01730	R -	-100.00%	R -	0.00%	R -	0.00%	
2.3.6	3 Phase-10A - 100A-Tariff Dis-Continued									
(i)	Monthly Basic Charge	per ampere per month	R 2.01730	R -	-100.00%	R -	0.00%	R -	0.00%	
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.01730	R -	-100.00%	R -	0.00%	R -	0.00%	
2.3.7	15A									
(i)	Monthly Basic Charge	per ampere per month	R 129.67333	R 142.51099	9.90%	R 156.61958	9.90%	R 164.09033	4.77%	
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.61394	R 2.87272	9.90%	R 3.15712	9.90%	R 3.30771	4.77%	
2.3.8	30A-100A									
(i)	Monthly Basic Charge	per ampere per month	R 67.26077	R 73.91959	9.90%	R 81.23762	9.90%	R 85.11265	4.77%	
(ii)	Energy Charge [R/kWh]	per unit consumed	R 2.61394	R 2.87272	9.90%	R 3.15712	9.90%	R 3.30771	4.77%	
3.0	Bulk Supply Tariffs									
(a)	The Bulk Supply tariff is for Consumers with a notified maximum demand of 60kVA or more or who require a supply greater than a 100Amp three phase circuit breaker size. The Notified Maximum Demand (NMD) is the maximum demand notified in writing by the Consumer and accepted by the Municipality.									
(b)	Customers who exceeds their notified maximum demand (NMD) will be penalised. This will be based on the actual maximum demand measured in kVA during the billing month, which therefore changes on a monthly basis depending on the customer's actual usage.									
(c)	Consumers will be exempt for the first two events or any two events that are within 5% of the NMD.									
(d)	On the third event or for any other event where the NMD is exceeded by greater than 5%, a fee will be charge based on "Amount exceeded x R/kVA x event number"									
3.1	Normal Bulk									
(a)	The Network Demand Charge is payable per month for the demand supplied (maximum demand reading). The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading during the previous 12 months.									
3.1.1	Low voltage (< 500V)									
(i)	Basic Charge (Per Month)		R 1,635.58	R 1,797.51	9.90%	R 1,975.46	9.90%	R 2,069.69	4.77%	
(ii)	Energy charge [R/kWh]		R 1.20886	R 1.32854	9.90%	R 1.46007	9.90%	R 1.52972	4.77%	
(iii)	Network Demand Charge [R/kVA]		R 346.00596	R 380.26055	9.90%	R 417.90634	9.90%	R 437.84047	4.77%	
(iv)	Network Access Charge [R/kVA]		R 86.98384	R 95.59523	9.90%	R 105.05916	9.90%	R 110.07048	4.77%	
3.1.2	High Voltage (>= 500V and < 66kV)									
(i)	Basic Charge (Per Month)		R 1,635.58	R 1,797.51	9.90%	R 1,975.46	9.90%	R 2,069.69	4.77%	

*All Tariffs exclude VAT, accept if specifically mentioned.

*The Cost Of Supply tariffs are subject to approval by NERSA.

COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs:		Budget Year:	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
			2024 - 2025		2025 - 2026		2026 - 2027		2027 - 2028	
(ii)	Energy charge [R/kWh]		R 1.14836	R	1.26204	9.90%	R 1.38699	9.90%	R 1.45315	4.77%
(iii)	Demand Charge [R/kVA]		R 328.58219	R	361.11182	9.90%	R 396.86189	9.90%	R 415.79220	4.77%
(iv)	Network Access Charge [R/kVA]		R 82.59833	R	90.77556	9.90%	R 99.76234	9.90%	R 104.52100	4.77%

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COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
3.2	Time of Use (TOU)								
	<p>The TOU tariff is for Consumers with a minimum notified demand of 60kVA or who require a supply greater than 100A three phase circuit breaker size, and who are able to manage their energy consumption according to Eskom's specified time schedule, i.e. Peak, Standard and Off-Peak for the "Megaflex" tariff. The TOU tariff will only be available to residential developments with a bulk supply after 60% of the erven inside the development have been built on and occupation of the houses have been taken. This tariff is based on the Eskom "Megaflex" tariff, except that there is a single Basic Charge and Eskom's various kWh charges are included in one Energy Charge. The Network Demand Charge is payable per month for the demand supplied (maximum demand reading) during peak and standard periods. No Network Demand Charge is payable during off-peak periods. The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading during the previous 12 months. The charge is applicable during all time periods. The Reactive Energy Charge is applied to kVAh in excess of 30% (0,96 Power Factor) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period and accumulated for the month and will only be applicable during high-demand season. The difference between the Low and High Voltage charges is 5% and in line with Eskom tariffs. The following conditions are applicable to the TOU tariff: (i) Consumers with a minimum notified demand of 60kVa, and who are able to manage their energy consumption according to Eskom's specified time schedule, i.e. Peak, Standard and Off-Peak, for "Megaflex" tariff. (ii) Consumers must have the necessary electronic metering equipment installed and correctly programmed for this tariff at their cost. (iii) Where existing Consumers consider conversion to TOU, it will be the consumers' responsibility to do a tariff study. (iv) At least 6 months TOU data (3 x high demand season and 3 x low demand season) must be available before the conversion can be implemented. (v) A change of tariff will apply for a minimum period of 12 months with three months mutual notice thereafter.</p>								
(a)									
3.2.1	Low voltage (< 500V)								
(i)	Basic Charge (Per Month)		R 1,635.58	R 1,797.51	9.90%	R 1,975.46	9.90%	R 2,069.69	4.77%
(ii)	Network Demand Charge		R 95.24	R 104.67	9.90%	R 115.03	9.90%	R 120.52	4.77%
(iii)	Network Access Charge		R 76.45	R 84.02	9.90%	R 92.34	9.90%	R 96.74	4.77%
(iv)	Active Energy Charge:								
(iv)(i)	High Demand (June to August):								
(iv)(i)(a)	Peak		R 5.79259	R 6.36605	9.90%	R 6.99629	9.90%	R 7.33001	4.77%
(iv)(i)(b)	Standard		R 1.85435	R 2.03793	9.90%	R 2.23968	9.90%	R 2.34651	4.77%
(iv)(i)(c)	Off-Peak		R 1.07220	R 1.17835	9.90%	R 1.29500	9.90%	R 1.35677	4.77%
(iv)(ii)	Low Demand (September to May):								
(iv)(ii)(a)	Peak		R 1.98593	R 2.18253	9.90%	R 2.39860	9.90%	R 2.51301	4.77%
(iv)(ii)(b)	Standard		R 1.41103	R 1.55072	9.90%	R 1.70425	9.90%	R 1.78554	4.77%
(iv)(ii)(c)	Off-Peak		R 0.94755	R 1.04136	9.90%	R 1.14445	9.90%	R 1.19904	4.77%
(v)	Reactive Energy Charge (R/kVAh)		R 0.28086	R 0.30867	9.90%	R 0.33923	9.90%	R 0.35541	4.77%
3.2.2	High Voltage (>= 500V and < 66kV)								
(i)	Basic Charge (Per Month)		R 1,635.58	R 1,797.51	9.90%	R 1,975.46	9.90%	R 2,069.69	4.77%
(ii)	Network Demand Charge		R 103.68	R 113.94	9.90%	R 125.22	9.90%	R 131.20	4.77%
(iii)	Network Access Charge		R 83.23	R 91.47	9.90%	R 100.53	9.90%	R 105.32	4.77%
(iv)	Active Energy Charge:								
(iv)(i)	High Demand (June to August):								
(iv)(i)(a)	Peak		R 5.50294	R 6.04773	9.90%	R 6.64646	9.90%	R 6.96350	4.77%
(iv)(i)(b)	Standard		R 1.76159	R 1.93599	9.90%	R 2.12766	9.90%	R 2.22915	4.77%
(iv)(i)(c)	Off-Peak		R 1.01862	R 1.11946	9.90%	R 1.23029	9.90%	R 1.28897	4.77%
(iv)(ii)	Low Demand (September to May):								
(iv)(ii)(a)	Peak		R 1.01862	R 1.11946	9.90%	R 1.23029	9.90%	R 1.28897	4.77%
(iv)(ii)(b)	Standard		R 1.88659	R 2.07336	9.90%	R 2.27862	9.90%	R 2.38731	4.77%
(iv)(ii)(c)	Off-Peak		R 1.34064	R 1.47337	9.90%	R 1.61923	9.90%	R 1.69647	4.77%
(v)	Reactive Energy Charge (R/kVAh)		R 0.24505	R 0.26931	9.90%	R 0.29597	9.90%	R 0.31009	4.77%
4.0	Other Tariffs								
4.1	STREETLIGHTS								
(a)	All streetlight consumption must be metered in order to reduce unaccounted for losses. Where the consumption cannot be metered, the consumption must be calculated, i.e. kWh = number of lights x wattage x hours in use.								
(b)	Private Street lighting where electricity is not metered will be charged a fixed monthly charge, or the consumption will be calculated i.e. kWh = number of lights x wattage x hours in use.								
4.1.1	Streetlight usage								
(i)	Energy charge [R/kWh]	per unit consumed	R 190.71121	R 209.59162	9.90%	R 230.34119	9.90%	R 241.32846	0.04770
(ii)	Fixed Charge [R/POD]	per light point per month	R 2.73765	R 3.00868	9.90%	R 3.30654	9.90%	R 3.46426	0.04770
4.2	DEPARTMENTAL								
(a)	The respective Commercial and Bulk Supply Tariffs as per Tariffs above shall be applicable to all municipal buildings, pump stations, waste water works, water treatment works, etc.								
4.3	AVAILABILITY CHARGES								
(a)	This Tariff is applicable on Vacant Properties, based on the zoning of the property.								
4.3.1	Availability Charges								
(i)	Residential (Per Month)		R 530.50845	R 583.02880	9.90%	R 640.74864	9.90%	R 671.31235	4.77%
(ii)	Other (Per Month)		R 1,207.61345	R 1,327.16720	9.90%	R 1,458.55670	9.90%	R 1,528.12985	4.77%

COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
4.4	CONNECTION FEES								
4.4.1	Single Phase - Domestic								
(i)	PDI Areas		R 606.96	R 667.05	9.90%	R 693.33	3.94%	R 726.40	4.77%
(ii)	Other Areas - including Rural								
(ii)(i)	Cable 20 Meter inside Erf		R 9,838.44	R 10,812.45	9.90%	R 11,238.46	3.94%	R 11,774.53	4.77%
(ii)(ii)	More than 20 Meter Cable inside Erf as well as rural areas		R 9,863.07 Plus cost of cable plus 10 % of total	R 10,839.52 Plus cost of cable plus 10 % of total	9.90%	R 11,266.59 Plus cost of cable plus 10 % of total	3.94%	R 11,804.01 Plus cost of cable plus 10 % of total	4.77%
4.4.2	Other								
(i)	A Minimum fee equal to "other areas" above would be applied		Cost Plus 10 %	Cost Plus 10 %		Cost Plus 10 %		Cost Plus 10 %	
4.5	SERVICE FEES								
4.5.1	Service Calls - Normal Working Hours								
(i)	Town		R 1,029.47	R 1,131.39	9.90%	R 1,175.97	3.94%	R 1,232.06	4.77%
(ii)	Rural		R 1,394.43	R 1,532.48	9.90%	R 1,592.86	3.94%	R 1,668.84	4.77%
4.5.2	Service Calls - Outside Normal Working Hours								
(i)	Town		R 1,029.47	R 1,131.39	9.90%	R 1,175.97	3.94%	R 1,232.06	4.77%
(ii)	Rural		R 1,394.43	R 1,532.48	9.90%	R 1,592.86	3.94%	R 1,668.84	4.77%
4.5.3	Service Calls - Sundays & Public Holidays								
(i)	Town		R 1,029.47	R 1,131.39	9.90%	R 1,175.97	3.94%	R 1,232.06	4.77%
(ii)	Rural		R 1,394.43	R 1,532.48	9.90%	R 1,592.86	3.94%	R 1,668.84	4.77%
4.5.4	Hire of Cherry Picker								
(i)	Per Hour (Includes 2 X Staff Members)		R 790.09	R 868.31	9.90%	R 902.52	3.94%	R 945.57	4.77%
4.5.5	Temporary Dis- / Reconnection								
(i)	Less than 48 Hours Notice		R 694.60	R 763.37	9.90%	R 793.44	3.94%	R 831.29	4.77%
(ii)	More than 48 Hours Notice		R 514.08	R 564.98	9.90%	R 587.24	3.94%	R 615.25	4.77%
4.5.6	Reconnection								
(i)	Reconnection by new Owner		R 1,021.62	R 1,122.77	9.90%	R 1,167.00	3.94%	R 1,222.67	4.77%
4.5.7	Re-inspection / Test Installation								
(i)	Town		R 1,000.69	R 1,099.76	9.90%	R 1,143.09	3.94%	R 1,197.62	4.77%
(ii)	Rural		R 1,486.00	R 1,633.11	9.90%	R 1,697.46	3.94%	R 1,778.43	4.77%
4.5.8	Meter Test (If no Fault is Found)								
(i)	Deposit in Advance		R 452.60	R 497.41	9.90%	R 517.01	3.94%	R 541.67	4.77%
(ii)	Testing of Meter		Cost plus 10%	Cost plus 10%		Cost plus 10%		Cost plus 10%	
4.5.9	Special Meter Reading								
(i)	Town		R 514.08	R 564.98	9.90%	R 587.24	3.94%	R 615.25	4.77%
(ii)	Rural		R 694.60	R 763.37	9.90%	R 793.44	3.94%	R 831.29	4.77%
4.5.10	Reduction in MCB Scale								
(i)	Town								
(i)(i)	Single Phase		R 452.60	R 497.41	9.90%	R 517.01	3.94%	R 541.67	4.77%
(i)(ii)	Three Phase		R 1,356.50	R 1,490.79	9.90%	R 1,549.53	3.94%	R 1,623.44	4.77%
(ii)	Rural								
(i)(i)	Single Phase		R 677.59	R 744.68	9.90%	R 774.02	3.94%	R 810.94	4.77%
(i)(ii)	Three Phase		R 2,032.78	R 2,234.03	9.90%	R 2,322.05	3.94%	R 2,432.81	4.77%
(iii)	Bulk Supply		Cost plus 10%	Cost plus 10%		Cost plus 10%		Cost plus 10%	
4.5.11	Increase in MCB Scale								
(i)	Domestic Single Phase up to 60 Amp		No Charge	No Charge		No Charge		No Charge	
(ii)	Rural Single Phase up to 60 Amp		R 694.60	R 763.37	9.90%	R 793.44	3.94%	R 831.29	4.77%
(iii)	Other		Cost plus 10%	Cost plus 10%		Cost plus 10%		Cost plus 10%	
4.5.12	Non Payment								
(i)	Disconnection		R 618.73	R 679.98	9.90%	R 706.78	3.94%	R 740.49	4.77%
(ii)	Reconnection		R 618.73	R 679.98	9.90%	R 706.78	3.94%	R 740.49	4.77%

477

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COST OF SUPPLY TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

		Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
(iii)	Pre-paid Unblocking Fee		R 40.00	R 40.00	0.00%	R 42.00	5.00%	R 44.00	4.76%
4.5.13	Penalty for tampering with Meter (Payable before replacement)								
(i)	1st Incident		R 2,191.06	R 2,407.98	9.90%	R 2,502.85	3.94%	R 2,622.24	4.77%
(ii)	2nd Incident		R 3,261.09	R 3,583.94	9.90%	R 3,725.14	3.94%	R 3,902.83	4.77%
(iii)	3rd Incident		R 4,357.27	R 4,788.64	9.90%	R 4,977.32	3.94%	R 5,214.74	4.77%
(iv)	Surcharge: Inaccessible Electricity Meters Customers will be notified in writing whenever an electrical meter has for whatever reason become inaccessible. Consumers will have 14 days from the date of notification to arrange for a reading to be taken. A surcharge will therefore be levied if no response is received on or before the notice period has ended. The surcharge is applicable per incident.								
(v)	Relocation of electricity meters Where the meter is still inaccessible after the notice period of the third notice has ended, the electricity meter will be relocated to allow electricity readings to be taken.		R 601.73	R 661.30	9.90%	R 687.35	3.94%	R 720.14	4.77%
			Cost + 10% as determined by the head: Public Works	Cost + 10% as determined by the head: Public Works		Cost + 10% as determined by the head: Public Works		Cost + 10% as determined by the head: Public Works	
4.5.14	Penalty for Illegal electricity connections A penalty for connecting illegally to a municipal electric main will be billed to the customer who benefited from illegal connection. This penalty fee is in addition to the calculation of the average consumption of electricity units consumed, for the period defined in the municipal bylaws. If for any reason the credit meter cannot be read, municipality may render an estimated account. If any calculating, reading or metering error is discovered in respect of any account rendered to a consumer, the error shall be corrected in subsequent accounts, any such correction shall only apply in respect of accounts for a period of 6 months preceding the date on which the error in the accounts was discovered, and shall be based on the actual tariffs applicable during the period.								
			R 16,578.83	R 18,220.14	9.90%	R 18,938.01	3.94%	R 19,841.35	4.77%
4.5.15	Augmentation Fees (As determined by Council from time to time)								
(i)	Per ERU		R 21,151.94	R 23,245.99	9.90%	R 24,161.88	3.94%	R 25,314.40	4.77%
4.5.16	Penalty for Late Payment								
(i)	Interest Payable on Late Payment of an Account		Prime Plus 1 %	Prime Plus 1 %		Prime Plus 1 %		Prime Plus 1 %	

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

			Current Tariffs:	Budget Year: 2025	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
	Refuse Removal Tariffs	Conditions	2024 - 2025	- 2026		2026 - 2027		2027 - 2028	
3.1	Domestic/Churches/Creches and Agriculture		R 358.92	R 378.30	5.40%	R 398.73	5.40%	R 420.26	5.40%
(i)	One Removal per Week per Bin/ or equivalent	Per Unit per Annum	R 4,306.78	R 4,539.35	5.40%	R 4,784.47	5.40%	R 5,042.83	5.40%
(ii)	Two Removals per Week per Bin/ or equivalent	Per Unit per Annum	R 13,041.00	R 13,745.21	5.40%	R 14,487.45	5.40%	R 15,269.77	5.40%
	Relief measures according to income group categories								
	Domestic								
	Category A: R 5,201 – R 6,710 - % discount on Basic Refuse	Rebate of :	40%	40%	0.00%	40%	0.00%	40%	0.00%
	Category B: R 6,711 – R 8,723 - % discount on Basic Refuse	Rebate of :	30%	30%	0.00%	30%	0.00%	30%	0.00%
	Category C: R 8,724 – R 11,340 - % discount on Basic Refuse	Rebate of :	20%	20%	0.00%	20%	0.00%	20%	0.00%
	Category D: R 11,341 – R 14,743 - % discount on Basic Refuse	Rebate of :	10%	10%	0.00%	10%	0.00%	10%	0.00%
3.2	Group Housing								
(i)	Per Dwelling Unit	Per Annum	R 4,122.34	R 4,344.95	5.40%	R 4,579.58	5.40%	R 4,826.88	5.40%
(ii)	If central Collection Points are made available by the Home Owner's Association the following rebate will apply.	Rebate of :	20.00%	20.00%	0.00%	20.00%	0.00%	20.00%	0.00%
3.3	Business / Commercial/Schools								
(i)	One Removal per Week per Bin	Per Annum	R 5,807.74	R 6,121.36	5.40%	R 6,451.91	5.40%	R 6,800.31	5.40%
(ii)	Two Removals per Week per Bin	Per Annum	R 11,083.36	R 11,681.86	5.40%	R 12,312.68	5.40%	R 12,977.56	5.40%
(iii)	Three Removals per Week per Bin	Per Annum	R 16,435.30	R 17,322.81	5.40%	R 18,258.24	5.40%	R 19,244.18	5.40%
(iv)	Four Removals per Week per Bin	Per Annum	R 21,643.19	R 22,811.92	5.40%	R 24,043.76	5.40%	R 25,342.12	5.40%
(v)	Five Removals per Week per Bin	Per Annum	R 26,323.19	R 27,744.64	5.40%	R 29,242.85	5.40%	R 30,821.96	5.40%
(vi)	Daily Removal per Bin-Six Removal	Per Annum	R 27,137.06	R 28,602.46	5.40%	R 30,146.99	5.40%	R 31,774.93	5.40%
(vii)	PDI Areas - One Removal per Week per Bin-To be Dis-Continued	Per Annum	R -	R -	0.00%	R -	0.00%	R -	0.00%
(viii)	Registered Schools and Public benefit organizations qualify for a rebate of	Rebate of :	10.00%	10.00%	0.00%	10.00%	0.00%	10.00%	0.00%
3.4	Agriculture/Agricultural mixed-use properties- Applicable to domestic agricultural properties only, on Agricultural businesses the business/commercial tariffs will be applicable								
(i)	One Removal per Bin/Equivalent per Week from central collection points or property	Per Annum	4,307.00	4,539.58	5.40%	4,784.72	5.40%	5,043.09	5.40%
3.5	Special removals								
(i)	Removals in Addition to the above per skip bin/Load	Per skip/load	R 1,625.00	R 1,712.75	5.40%	R 1,805.24	5.40%	R 1,902.72	5.40%
(ii)	Removals in addition to the above per bin	Per Bin	R 81.75	R 86.16	5.39%	R 90.81	5.40%	R 95.71	5.40%
(iii)	Removals in addition to the above per bin - on Sundays	Per Bin	R 844.80	R 890.42	5.40%	R 938.50	5.40%	R 989.18	5.40%
(iv)	Removals in Addition to the above per skip bin/Load - on Sundays	Per Container/Skip Bin	R 4,993.00	R 5,262.62	5.40%	R 5,546.80	5.40%	R 5,846.33	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Refuse Removal Tariffs	Conditions	Current Tariffs:		Budget Year: 2025	% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
			2024 - 2025		- 2026		2026 - 2027		2027 - 2028	
3.6	Garden Refuse Collection by Municipality Resources									
(i)	Up to Half Load (Skip-Bin)	Per Incident	R	920.08	R	969.76	5.40%	R	1,022.13	5.40%
(ii)	Full Load (Skip-Bin)	Per Incident	R	1,610.14	R	1,697.09	5.40%	R	1,788.73	5.40%
3.7	Wheelie bins									
(i)	Purchase of Wheelie Bin		Cost plus + 10%		Cost plus + 10%		Cost plus + 10%		Cost plus + 10%	
(ii)	Hire of Wheelie bin	Per Day	R	81.94	R	86.37	5.40%	R	91.03	5.40%
3.8	Definitions and General Points									
(i)	Each dwelling, flat etc. shall be deemed to be one residential unit									
(ii)	Each ten caravan sites shall be deemed to be one residential unit									
(iii)	Calculated results shall be rounded up to the next integer figure.									
(iv)	Each Chalet/unit shall be deemed one accomodation establishment.									
(v)	Four refuse bags Per Unit will be considered the equivalent of one 240l wheelie bin									
(vi)	Tariffs are applicable per category, where the waste is collected from individual property or central/assigned collection point.									

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Refuse Removal Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
3.9	Private Dumping at Drop Off waste facility and Transfer Station (where applicable)								
3.9.1	Garden waste - Clean (See point (iii) under General Points								
(i)	Private User- (See point (i) under General Points	Car/LDV/trailer (1 Free Load per week, per client up to 1 Ton (1000kg)	Free	Free		Free		Free	
(ii)(iii)	LDV & Trailer <= Half Full		R 93.28	R 98.32	5.40%	R 103.63	5.40%	R 109.23	5.40%
(ii)(iv)	LDV & Trailer > Half Full		R 132.50	R 139.66	5.40%	R 147.20	5.40%	R 155.15	5.40%
(ii)(v)	3 Ton Truck <=Half Full		R 157.94	R 166.47	5.40%	R 175.46	5.40%	R 184.93	5.40%
(ii)(vi)	5 Ton Truck <=Half Full		R 346.62	R 365.34	5.40%	R 385.07	5.40%	R 405.86	5.40%
(ii)(vii)	7 Ton Truck <=Half Full		R 453.68	R 478.18	5.40%	R 504.00	5.40%	R 531.22	5.40%
(ii)(viii)	Skip Bin (2m³)		R 177.02	R 186.58	5.40%	R 196.66	5.40%	R 207.28	5.40%
(ii)(ix)	Skip Bin (3m³)		R 350.86	R 369.81	5.40%	R 389.78	5.40%	R 410.83	5.40%
(ii)(x)	Skip Bin (6m³)		R 429.30	R 452.48	5.40%	R 476.91	5.40%	R 502.66	5.40%
(ii)	Other users - (See point (ii) under General Points								
(ii)(i)	LDV > Half Full		R 46.64	R 49.16	5.40%	R 51.81	5.40%	R 54.61	5.40%
(ii)(ii)	LDV & Trailer <= Half Full		R 66.78	R 70.39	5.40%	R 74.19	5.40%	R 78.19	5.40%
(ii)(iii)	3 Ton Truck <=Half Full		R 100.70	R 106.14	5.40%	R 111.87	5.40%	R 117.91	5.40%
(ii)(iv)	5 Ton Truck <=Half Full		R 146.28	R 154.18	5.40%	R 162.51	5.40%	R 171.29	5.40%
(ii)(v)	7 Ton Truck <=Half Full		R 216.24	R 227.92	5.40%	R 240.23	5.40%	R 253.20	5.40%
(ii)(vi)	Skip Bin (2m³)		R 202.46	R 213.39	5.40%	R 224.91	5.40%	R 237.06	5.40%
(ii)(vii)	Skip Bin (3m³)		R 255.46	R 269.25	5.40%	R 283.79	5.40%	R 299.11	5.40%
(ii)(viii)	Skip Bin (6m³)		R 413.40	R 435.72	5.40%	R 459.25	5.40%	R 484.05	5.40%
3.9.2	Domestic solid waste (See point (iv) under General Points								
(i)	Households - (See point (i) under General Points	Car/LDV/trailer (1 Free Load per week, per client up to 1 Ton (1000kg)	Free	Free		Free		Free	
(ii)	Other users - (See point (ii) under General Points								
(ii)(i)	Per Ton		R 390.08	R 411.14	5.40%	R 433.34	5.40%	R 456.74	5.40%
(ii)(ii)	Per LDV up to 1 (one) ton		R 390.08	R 411.14	5.40%	R 433.34	5.40%	R 456.74	5.40%
(ii)(iii)	Per LDV over 1 (one) ton up to 2 (two) tons		R 640.24	R 674.81	5.40%	R 711.25	5.40%	R 749.66	5.40%
(ii)(iv)	Per Trailer up to 1 (one) ton		R 390.08	R 411.14	5.40%	R 433.34	5.40%	R 456.74	5.40%
(ii)(v)	Per Trailer over 1 (one) ton up to 2 (two) tons		R 640.24	R 674.81	5.40%	R 711.25	5.40%	R 749.66	5.40%
(ii)(vi)	Per Truck over 3 (three) tons up to 4 (four) tons		R 752.60	R 793.24	5.40%	R 836.07	5.40%	R 881.22	5.40%
(ii)(vii)	Per Truck over 4 (four) tons up to 5 (five) tons		R 1,002.76	R 1,056.91	5.40%	R 1,113.98	5.40%	R 1,174.13	5.40%
(ii)(viii)	Per Truck over 5 (five) tons up to 6 (six) tons		R 1,253.98	R 1,321.69	5.40%	R 1,393.06	5.40%	R 1,468.29	5.40%
(ii)(ix)	Per Truck over 6 (six) tons up to 10 (ten) tons		R 1,503.08	R 1,584.25	5.40%	R 1,669.80	5.40%	R 1,759.97	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Refuse Removal Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
3.9.3	Bulky Waste - (See point (viii) under General Points								
(i)	Private User- (See point (i) under General Points-dis-continued the Free benefit-Tariffs to be Phased-Out in 2026-2027	Car/LDV/trailer	Free	Free		Free		Free	
(ii)(i)	LDV <= Half Full-		R 43.46	R 45.81	5.40%	R -	-100.00%	R -	0.00%
(ii)(ii)	LDV > Half Full		R 56.18	R 59.21	5.40%	R -	-100.00%	R -	0.00%
(ii)(iii)	LDV & Trailer <= Half Full		R 75.26	R 79.32	5.40%	R -	-100.00%	R -	0.00%
(ii)(iv)	LDV & Trailer > Half Full		R 95.40	R 100.55	5.40%	R -	-100.00%	R -	0.00%
(ii)(v)	3 Ton Truck <=Half Full		R 164.30	R 173.17	5.40%	R -	-100.00%	R -	0.00%
(ii)(vi)	3 Ton Truck >Half Full		R 131.44	R 138.54	5.40%	R -	-100.00%	R -	0.00%
(ii)(vii)	5 Ton Truck <=Half Full		R 213.06	R 224.57	5.40%	R -	-100.00%	R -	0.00%
(ii)(viii)	5 Ton Truck >Half Full		R 200.34	R 211.16	5.40%	R -	-100.00%	R -	0.00%
(ii)(ix)	7 Ton Truck <=Half Full		R 360.40	R 379.86	5.40%	R -	-100.00%	R -	0.00%
(ii)(x)	7 Ton Truck >Half Full		R 162.18	R 170.94	5.40%	R -	-100.00%	R -	0.00%
(ii)(xi)	Skip Bin (2m³)		R 209.88	R 221.21	5.40%	R -	-100.00%	R -	0.00%
(ii)(xii)	Skip Bin (3m³)		R 354.04	R 373.16	5.40%	R -	-100.00%	R -	0.00%
(ii)(xiii)	Skip Bin (6m³)								
(ii)	Other users - (See point (ii) under General Points-Tariffs to be Phased-Out in 2026-2027		Free	Free		Free		Free	
(ii)(i)	LDV <= Half Full		R 43.46	R 45.81	5.40%	R -	-100.00%	R -	0.00%
(ii)(ii)	LDV > Half Full		R 56.18	R 59.21	5.40%	R -	-100.00%	R -	0.00%
(ii)(iii)	LDV & Trailer <= Half Full		R 75.26	R 79.32	5.40%	R -	-100.00%	R -	0.00%
(ii)(iv)	LDV & Trailer > Half Full		R 95.40	R 100.55	5.40%	R -	-100.00%	R -	0.00%
(ii)(v)	3 Ton Truck <=Half Full		R 164.30	R 173.17	5.40%	R -	-100.00%	R -	0.00%
(ii)(vi)	3 Ton Truck >Half Full		R 131.44	R 138.54	5.40%	R -	-100.00%	R -	0.00%
(ii)(vii)	5 Ton Truck <=Half Full		R 213.06	R 224.57	5.40%	R -	-100.00%	R -	0.00%
(ii)(viii)	5 Ton Truck >Half Full		R 200.34	R 211.16	5.40%	R -	-100.00%	R -	0.00%
(ii)(ix)	7 Ton Truck <=Half Full		R 360.40	R 379.86	5.40%	R -	-100.00%	R -	0.00%
(ii)(x)	7 Ton Truck >Half Full		R 323.30	R 340.76	5.40%	R -	-100.00%	R -	0.00%
(ii)(xi)	Skip Bin (2m³)		R 419.76	R 442.43	5.40%	R -	-100.00%	R -	0.00%
(ii)(xii)	Skip Bin (3m³)		R 709.14	R 747.43	5.40%	R -	-100.00%	R -	0.00%
(ii)(xiii)	Skip Bin (6m³)								
3.1	General Points								
(i)	Private - Private residents with clean garden and builders rubble generated in normal personal and household activities.								
(ii)	Other users - Any other person or entity with clean garden or builders rubble generated due to economic activities.								
(iii)	Clean Garden waste to be bagged in bags or tied in bundles not longer than 1.2 m. Garden waste material may not exceed 60 mm in cross section.								
(iv)	Domestic solid waste defined as waste (excluding garden waste and builders rubble) generated from personal and household activities.								
(v)	Garden solid waste defined as superfluous vegetation (exceeding 60 mm in cross section) generated by gardening activities.								
(vi)	Non-domestic solid waste defined as waste, excluding mechanically compacted waste, which is neither residential waste, garden waste, medical waste nor industrial waste.								
(vii)	Industrial solid waste defined as waste, excluding mechanically compounded waste, generated by a manufacturing, industrial or fabricating facilities activities.								
(viii)	Clean builders rubble defined as waste consisting of broken bricks, sand, stone, cement, plaster and similar inert materials, but excluding paper, plastic, wood, glass and metal. Clean builders rubble is utilised for constructing temporary roads on disposal sites and should therefore not damage vehicle tyres.								
(v)	Mixed builders rubble defined as waste consisting of builders rubble defined in viii all together in one container/vehicle including but not limited to other demolition materials i.e. pvc materials, wooden materials, metals, etc.								
(xi)	LDV - Bakkie - carrying capacity not exceeding one ton								
(xii)	Trailer - Carrying capacity not exceeding 3 ton.								
(xiii)	Skip Bin - Steel Bin in various sizes (2,3 & 6 Cube)								
3.11	Availability Charges - Per Annum								
(i)	Domestic	On Vacant Properties	R 3,402.60	R 3,586.34	5.40%	R 3,780.00	5.40%	R 3,984.12	5.40%
(ii)	Other	On Vacant Properties	R 4,619.48	R 4,868.93	5.40%	R 5,131.85	5.40%	R 5,408.97	5.40%
3.12	Interest Payable on Late Payment of an Account		Prime Plus 1 %	Prime Plus 1 %		Prime Plus 1 %		Prime Plus 1 %	

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Sanitation Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
4.1	Basic (Minimum) Charges								
(i)	Single Residential and Churches Relief measures according to income group categories Residential Category A: R 5,201 – R 6,710 - % discount on Basic Sanitation Category B: R 6,711 – R 8,723 - % discount on Basic Sanitation Category C: R 8,724 – R 11,340 - % discount on Basic Sanitation Category D: R 11,341 – R 14,743 - % discount on Basic Sanitation	Per unit per Annum Rebate of : Rebate of : Rebate of : Rebate of :	R 6,829.00 40.00% 30.00% 20.00% 10.00%	R 7,198.00 40.00% 30.00% 20.00% 10.00%	5.40% 0.00% 0.00% 0.00% 0.00%	R 7,587.00 40.00% 30.00% 20.00% 10.00%	5.40% 0.00% 0.00% 0.00% 0.00%	R 7,997.00 40% 30% 20% 10%	5.40% 0.00% 0.00% 0.00% 0.00%
(ii)	Single Residential properties utilised for business purposes, etc	Per Unit or Equivalent as per definition / Per Annum	R 13,648.00	R 14,385.00	5.40%	R 15,162.00	5.40%	R 15,981.00	5.40%
(iii)	Business/Commercial & Industrial-General Residential, Shops, Offices, Hotels , including accommodation establishments	Per Unit/Per Annum	R 10,499.00	R 11,066.00	5.40%	R 11,664.00	5.40%	R 12,294.00	5.40%
(iv)	Restaurants	Per Unit or Equivalent as per definition / Per Annum	R 13,648.00	R 14,385.00	5.40%	R 15,162.00	5.40%	R 15,981.00	5.40%
(v)	Schools & Creches (As at 31 May each Year)	Per Classroom per Annum	R 18.00	R 19.00	5.56%	R 20.00	5.26%	R 21.00	5.00%
(vi)	Hostels (As at 31 May each Year)		R 18.00	R 19.00	5.56%	R 20.00	5.26%	R 21.00	5.00%
(vii)	Group Housing & Resort Zones	Per unit per Annum	R 6,829.00	R 7,198.00	5.40%	R 7,587.00	5.40%	R 7,997.00	5.40%
(ix)	Registered Schools and crèches qualify for a rebate of:	Rebate of :	10.00%	10.00%	0.00%	10.00%	0.00%	10.00%	0.00%
4.2	Definitions and General Points								
(i)	Each dwelling, flat etc. shall be deemed to be one residential unit								
(ii)	Each five hotel rooms shall be deemed to be one residential unit								
(iii)	Each ten caravan sites shall be deemed to be one residential unit								
(iv)	Calculated results shall be rounded up to the next integer figure.								
(v)	Each Chalet/unit shall be deemed one accommodation establishment.								
(vi)	Each School & Creche classroom shall be deemed to be one residential unit								
4.3	Sanitation fee per Erf								
(i)	Applicable to improved properties not served by waterborne sewerage irrespective if service is utilised.	Per Annum	R 2,678.00	R 2,822.61	5.40%	R 2,975.03	5.40%	R 3,135.68	5.40%
4.4	Septic tanks removals-Municipal Services								
4.4.1	Normal Working Hours								
(i)	Tanker Removals	Per Load or part thereof	R 628.00	R 661.91	5.40%	R 697.65	5.40%	R 735.32	5.40%
(ii)	Tanker Removals per load or part thereof	Where no annual fee is paid	R 1,578.00	R 1,663.21	5.40%	R 1,753.02	5.40%	R 1,847.68	5.40%
(iii)	Tanker Removals: Sub - economic	Per Load or part thereof	R 840.28	R 885.66	5.40%	R 933.49	5.40%	R 983.90	5.40%
4.4.2	Outside Normal Working Hours								
(i)	Tanker Removals	Per Load or part thereof	R 942.00	R 992.87	5.40%	R 1,046.48	5.40%	R 1,102.99	5.40%
(ii)	Tanker Removals per load or part thereof	Where no annual fee is paid	R 2,367.00	R 2,494.82	5.40%	R 2,629.54	5.40%	R 2,771.54	5.40%
(iii)	Tanker Removals: Sub - economic	Per Load or part thereof	R 1,260.00	R 1,328.49	5.44%	R 1,400.23	5.40%	R 1,475.84	5.40%
4.4.3	Sundays & Public Holidays								
(i)	Tanker Removals	Per Load or part thereof	R 1,256.00	R 1,323.82	5.40%	R 1,395.31	5.40%	R 1,470.66	5.40%
(ii)	Tanker Removals per load or part thereof	Where no annual fee is paid	R 3,156.00	R 3,326.42	5.40%	R 3,506.05	5.40%	R 3,695.38	5.40%
(iii)	Tanker Removals: Sub - economic	Per Load or part thereof	R 1,681.00	R 1,771.32	5.37%	R 1,866.97	5.40%	R 1,967.79	5.40%

*All Tariffs exclude VAT, accept if specifically mentioned.

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Sanitation Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
4.5	Connection Fees								
4.5.1	Connection at existing Municipal point								
(i)	Single Residential Erven	Per Connection	R 3,832.00	R 4,039.00	5.40%	R 4,257.00	5.40%	R 4,487.00	5.40%
(ii)	Other Erven	Per Connection	R 11,270.00	R 11,879.00	5.40%	R 12,520.00	5.40%	R 13,196.00	5.40%
4.5.2	Connection at different or additional point								
(i)	Single Residential Erven	Per Connection	R 3,832.00	R 4,039.00	5.40%	R 4,257.00	5.40%	R 4,487.00	5.40%
(ii)	Other Erven	Per Connection	R 11,270.00	R 11,879.00	5.40%	R 12,520.00	5.40%	R 13,196.00	5.40%
4.6	Availability charges - Per Annum								
(i)	Single Residential Erven	On Vacant Properties	R 6,829.00	R 7,198.00	5.40%	R 7,587.00	5.40%	R 7,997.00	5.40%
(ii)	Other Erven	On Vacant Properties	R 13,654.00	R 14,391.00	5.40%	R 15,168.00	5.40%	R 15,987.00	5.40%
4.7	Dumping At Municipal Sewer Works - Private Contractors								
(i)	Application for Suction Tanker Disposal Permit (Per Year)-Private Contractors - Valid for period of 12 months		R 1,500.00	R 1,581.00	5.40%	R 1,666.00	5.38%	R 1,756.00	5.40%
4.7.1	Disposal Via Road Haulage-Private Contractors								
(i)	Per load of part thereof or < 5000 Litres	Per Load	R 1,776.00	R 1,871.90	5.40%	R 1,972.98	5.40%	R 2,079.52	5.40%
(ii)	Per single load > 5000 Litres	Per Additional KL/Load	R 562.00	R 592.35	5.40%	R 624.34	5.40%	R 658.05	5.40%
4.8	Augmentation fees								
(i)	Single Residential Dwelling includes accommodation establishments with three or less bedrooms	Per Each	R 15,725.00	R 16,574.00	5.40%	R 17,469.00	5.40%	R 18,412.00	5.40%
(ii)	Group Housing & Resort Zone	Per Unit	R 12,926.00	R 13,624.00	5.40%	R 14,360.00	5.40%	R 15,135.00	5.40%
(iii)	General Residential / Flats	Per Unit	R 10,554.00	R 11,124.00	5.40%	R 11,725.00	5.40%	R 12,358.00	5.40%
(iv)	Shops, Place of worship, Place of Instruction & Offices	Per 100 m ²	R 4,308.00	R 4,540.63	5.40%	R 4,785.82	5.40%	R 5,044.25	5.40%
(v)	Hotels	Per Bed	R 1,939.00	R 2,043.71	5.40%	R 2,154.07	5.40%	R 2,270.39	5.40%
(vi)	Camps / Caravan Parks	Per Capita	R 1,077.00	R 1,135.16	5.40%	R 1,196.46	5.40%	R 1,261.07	5.40%
(vii)	Restuarants	Per Seat	R 432.00	R 455.33	5.40%	R 479.92	5.40%	R 505.84	5.40%
(viii)	Small Developments (up to 3 units) and small Holdings (rural consumers without a service agreement for development).	Per demand unit	R 18,097.00	R 19,074.00	5.40%	R 20,104.00	5.40%	R 21,190.00	5.40%
4.9	Interest Payable on Late Payment of an Account		Prime Plus 1 %	Prime Plus 1 %		Prime Plus 1 %		Prime Plus 1 %	
4.1	Miscellaneous Fees and Charges								
(i)	Reclaimed Treated effluent from Gansevallei Waste Water Treatment Works		R -	R 2.50	New	R 2.65	6.00%	R 2.85	7.55%
(ii)	Reclaimed Treated effluent from Kurland Waste Water Treatment Works		R -	R 2.50	New	R 2.65	6.00%	R 2.85	7.55%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Water Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
5.1	Normal Conditions								
(a)	These tariffs would only be applied in case the drought conditions at points 5.2, 5.3 or 5.4 are not met and in the case that a tariff is not included in the drought condition tariffs.								
5.1.1	Basic (Minimum) Charges								
5.1.1.1	Domestic and Churches								
(i)	Per Dwelling / Flat	All Areas	R 239.00	R 251.91	5.40%	R 265.51	5.40%	R 279.85	5.40%
	Relief measures according to income group categories								
	Domestic								
	Category A: R 5,201 – R 6,710 - % discount on Basic Water	Rebate of :	40.00%	40.00%	0.00%	40.00%	0.00%	40%	0.00%
	Category B: R 6,711 – R 8,723 - % discount on Basic Water	Rebate of :	30.00%	30.00%	0.00%	30.00%	0.00%	30%	0.00%
	Category C: R 8,724 – R 11,340 - % discount on Basic Water	Rebate of :	20.00%	20.00%	0.00%	20.00%	0.00%	20%	0.00%
	Category D: R 11,341 – R 14,743 - % discount on Basic Water	Rebate of :	10.00%	10.00%	0.00%	10.00%	0.00%	10%	0.00%
5.1.1.2	Other								
(i)	Per Non-Profit Community Crèche (On Application Only)	First 40 Kl water free	R 481.50	R 507.50	5.40%	R 534.90	5.40%	R 563.80	5.40%
(ii)	Shops / Offices / Accomodation establishment	Per Unit	R 601.80	R 634.30	5.40%	R 668.55	5.40%	R 704.65	5.40%
(iii)	Restaurants	Per Unit	R 1,203.60	R 1,268.60	5.40%	R 1,337.10	5.40%	R 1,409.30	5.40%
(iv)	Hotels / Boarding Houses	Per Unit	R 601.80	R 634.30	5.40%	R 668.55	5.40%	R 704.65	5.40%
(v)	Caravan Parks	Per Unit	R 601.80	R 634.30	5.40%	R 668.55	5.40%	R 704.65	5.40%
(vi)	Industrial	Per Unit	R 1,203.60	R 1,268.60	5.40%	R 1,337.10	5.40%	R 1,409.30	5.40%
(vii)	Schools, Hostels & Creches	Per Classroom	R 1,203.60	R 1,268.60	5.40%	R 1,337.10	5.40%	R 1,409.30	5.40%
(viii)	Rural Areas	Per Unit	R 601.80	R 634.30	5.40%	R 668.55	5.40%	R 704.65	5.40%
(ix)	Registered Schools and crèches qualify for a rebate of: Subject to	Rebate of :	10.00%	10.00%	0.00%	10.00%	0.00%	10.00%	0.00%
5.1.2	Definitions and General Points								
(i)	Each dwelling, flat etc. shall be deemed to be one residential unit								
(ii)	Each five hotel rooms shall be deemed to be one residential unit								
(iii)	Each ten caravan sites shall be deemed to be one residential unit								
(iv)	Calculated results shall be rounded up to the next integer figure.								
(v)	Each Chalet/unit shall be deemed one accomodation establishment.								
(vi)	All tariffs that are linked to the tariffs that would change if any drought stage is implemented, would also increase. The tariffs for that stage of the drought would then become applicable.								
(vii)	Each School & Creches classroom shall be deemed to be one residential unit								
5.1.3	Availability Charges - Per Annum								
(i)	Domestic	On Vacant Properties	R 5,555.10	R 5,855.10	5.40%	R 6,171.30	5.40%	R 6,504.60	5.40%
(ii)	Other	On Vacant Properties	R 14,445.50	R 15,225.60	5.40%	R 16,047.80	5.40%	R 16,914.40	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Water Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
5.1.4	Consumption Charge								
5.1.4.1	Domestic Indigents, Qualifying Pensioners and citizens with Disabilities								
(i)	0 - 6 kilolitres (which would be rebated in full on their account)	Rand per kilolitre	R 5.59	R 5.89	5.40%	R 6.21	5.40%	R 6.55	5.40%
(ii)	7 - 10 kilolitres	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%
(iii)	11 - 15 kilolitres	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%
(iv)	16 - 25 kilolitres	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%
(v)	26 - 30 kilolitres	Rand per kilolitre	R 10.89	R 11.48	5.40%	R 12.10	5.40%	R 12.75	5.40%
(vi)	31 - 40 kilolitres	Rand per kilolitre	R 15.24	R 16.06	5.40%	R 16.93	5.40%	R 17.84	5.40%
(vii)	41 - 50 kilolitres	Rand per kilolitre	R 18.48	R 19.48	5.40%	R 20.53	5.40%	R 21.64	5.40%
(viii)	51 - 60 kilolitres	Rand per kilolitre	R 23.90	R 25.19	5.40%	R 26.55	5.40%	R 27.98	5.40%
(ix)	61 - 70 kilolitres	Rand per kilolitre	R 30.43	R 32.07	5.40%	R 33.81	5.40%	R 35.63	5.40%
(x)	Above 70 kilolitres	Rand per kilolitre	R 59.79	R 63.02	5.40%	R 66.42	5.40%	R 70.01	5.40%
5.1.4.2	Domestic and Churches								
(i)	0 - 25 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%
(ii)	26 - 30 kilolitres	Rand per kilolitre	R 10.89	R 11.48	5.40%	R 12.10	5.40%	R 12.75	5.40%
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 15.24	R 16.06	5.40%	R 16.93	5.40%	R 17.84	5.40%
(iv)	41 - 50 kilolitres	Rand per kilolitre	R 18.48	R 19.48	5.40%	R 20.53	5.40%	R 21.64	5.40%
(v)	51 - 60 kilolitres	Rand per kilolitre	R 23.90	R 25.19	5.40%	R 26.55	5.40%	R 27.98	5.40%
(vi)	61 - 70 kilolitres	Rand per kilolitre	R 30.43	R 32.07	5.40%	R 33.81	5.40%	R 35.63	5.40%
(vii)	Above 70 kilolitres	Rand per kilolitre	R 59.79	R 63.02	5.40%	R 66.42	5.40%	R 70.01	5.40%
(viii)	Minimum Charge: for kiloliters 0-25 per month		R 224.50	R 236.62	5.40%	R 249.40	5.40%	R 262.87	5.40%
5.1.4.3	Business / Commercial / other								
(i)	0 - 60 kilolitres	Rand per kilolitre	R 15.02	R 15.83	5.40%	R 16.69	5.40%	R 17.59	5.40%
(ii)	61 - 100 kilolitres	Rand per kilolitre	R 33.97	R 35.80	5.40%	R 37.74	5.40%	R 39.78	5.40%
(iii)	101 - 200 kilolitres	Rand per kilolitre	R 38.84	R 40.94	5.40%	R 43.15	5.40%	R 45.48	5.40%
(iv)	Above 200 kilolitres - Excluding Laundromats	Rand per kilolitre	R 43.66	R 46.02	5.40%	R 48.50	5.40%	R 51.12	5.40%
(v)	Above 200 kilolitres - Laundromats	Rand per kilolitre	R 38.84	R 40.94	5.40%	R 43.15	5.40%	R 45.48	5.40%
5.1.4.4	Agriculture/Rural (Without service agreement for development)								
(i)	0 - 20 kilolitres	Rand per kilolitre	R 5.59	R 5.89	5.40%	R 6.21	5.40%	R 6.55	5.40%
(ii)	21 - 30 kilolitres	Rand per kilolitre	R 10.89	R 11.48	5.40%	R 12.10	5.40%	R 12.75	5.40%
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 18.48	R 19.48	5.40%	R 20.53	5.40%	R 21.64	5.40%
(iv)	Above 40 kilolitres	Rand per kilolitre	R 59.83	R 63.06	5.40%	R 66.47	5.40%	R 70.06	5.40%
5.1.4.5	Raw Water from Municipal								
(i)	0 - 100 kilolitres From Municipal Boreholes	Rand per kilolitre	R 1.66	R 1.75	5.40%	R 1.84	5.40%	R 1.94	5.40%
(ii)	Above 100 kilolitres From Municipal Boreholes	Rand per kilolitre	R 1.66	R 1.75	5.40%	R 1.84	5.40%	R 1.94	5.40%
(iii)	Bulk Raw water from Municipal River Abstraction Pipeline (Keurbooms)	Rand per kilolitre	R -	R 4.45	New	R 4.69	5.40%	R 4.94	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Water Tariffs	Conditions	Current Tariffs:		Budget Year:	% Increase/	Budget Year + 1:	% Increase/	Budget Year + 2:	% Increase/
			2024 - 2025	2025 - 2026		(Decrease)	2026 - 2027	(Decrease)	2027 - 2028	(Decrease)
5.1.4.6	Prepaid									
5.1.4.6.1	Domestic									
(i)	0 - 25 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 8.98	R 9.46	5.40%		R 9.98	5.40%	R 10.51	5.40%
(ii)	26 - 30 kilolitres	Rand per kilolitre	R 10.89	R 11.48	5.40%		R 12.10	5.40%	R 12.75	5.40%
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 15.24	R 16.06	5.40%		R 16.93	5.40%	R 17.84	5.40%
(iv)	41 - 50 kilolitres	Rand per kilolitre	R 18.48	R 19.48	5.40%		R 20.53	5.40%	R 21.64	5.40%
(v)	51 - 60 kilolitres	Rand per kilolitre	R 23.90	R 25.19	5.40%		R 26.55	5.40%	R 27.98	5.40%
(vi)	61 - 70 kilolitres	Rand per kilolitre	R 30.43	R 32.07	5.40%		R 33.81	5.40%	R 35.63	5.40%
(vii)	Above 70 kilolitres	Rand per kilolitre	R 59.79	R 63.02	5.40%		R 66.42	5.40%	R 70.01	5.40%
(viii)	Minimum Charge: for kiloliters 0-25 per month		R 224.50	R 236.62	5.40%		R 249.40	5.40%	R 262.87	5.40%
5.1.4.6.2	Beaches	Rand per kilolitre	R 14.92	R 15.73	5.40%		R 16.57	5.40%	R 17.47	5.40%
5.1.5	Connection Fees									
5.1.5.1	Standard Connections									
(i)	Municipal Area: 15mm	Per Connection	R 3,308.00	R 3,486.60	5.40%		R 3,674.90	5.40%	R 3,873.30	5.40%
(ii)	Municipal Area: 20mm	Per Connection	R 3,969.30	R 4,183.60	5.40%		R 4,409.50	5.40%	R 4,647.60	5.40%
(iii)	Municipal Area: 25mm	Per Connection	R 5,358.30	R 5,647.60	5.40%		R 5,952.60	5.40%	R 6,274.00	5.40%
(iv)	Municipal Area: 40mm	Per Connection	R 16,075.10	R 16,943.20	5.40%		R 17,858.10	5.40%	R 18,822.40	5.40%
(v)	Municipal Area: 50mm	Per Connection	R 17,680.80	R 18,635.60	5.40%		R 19,641.90	5.40%	R 20,702.60	5.40%
(vi)	Municipal Area: 80mm	Per Connection	R 19,448.10	R 20,498.30	5.40%		R 21,605.20	5.40%	R 22,771.90	5.40%
(vii)	Rural Area: 20mm only	Per Connection	R 5,159.20	R 5,437.80	5.40%		R 5,731.40	5.40%	R 6,040.90	5.40%
5.1.5.2	Non - Standard Connections / Special requests		Cost plus 10%	Cost plus 10%			Cost plus 10%		Cost plus 10%	
(i)	Minimum Charge	Per Connection	R 7,501.50	R 7,906.60	5.40%		R 8,333.60	5.40%	R 8,783.60	5.40%
5.1.6	Other Fees									
5.1.6.1	Dis- & Reconnections due to Non-Payment									
(i)	All Areas	Per Incident	R 542.30	R 571.58	5.40%		R 602.45	5.40%	R 634.98	5.40%
5.1.6.2	Special readings									
(i)	All Areas		R 443.40	R 467.34	5.40%		R 492.58	5.40%	R 519.18	5.40%
5.1.6.3	Sale of Water by Tanker (Payable in advance)									
(i)	Collected at depot	Per Kilolitre	R 13.96	R 14.71	5.40%		R 15.51	5.40%	R 16.35	5.40%
(ii)	Delivery of water tanker by size tanker									
(ii)(i)	Per kilometre		R 33.13	R 34.92	5.40%		R 36.80	5.40%	R 38.79	5.40%
(ii)(ii)	Per tanker or part thereof		R 745.30	R 785.55	5.40%		R 827.97	5.40%	R 872.68	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Water Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
5.1.6.4	Filling of pools per tanker	will be aligned to directive of water works in relation to water security/availability and costed to quote							
(i)	Per kilometre	Payable in Advance	Invoice / Quote	Invoice / Quote		Invoice / Quote		Invoice / Quote	
(ii)	Per tanker or part thereof	Payable in Advance	Invoice / Quote	Invoice / Quote		Invoice / Quote		Invoice / Quote	
5.1.6.5	Filling of pool per hydrant	If water works indicate water reserves are in order cost per quote							
(i)	Per kiloliter	Payable in Advance	Invoice / Quote	Invoice / Quote		Invoice / Quote		Invoice / Quote	
5.1.6.6	Services Fees								
5.1.6.6.1	Service Calls - Normal Working Hours								
(i)	Town		R 443.40	R 467.34	5.40%	R 492.58	5.40%	R 519.18	5.40%
(ii)	Rural		R 601.20	R 633.66	5.40%	R 667.88	5.40%	R 703.95	5.40%
5.1.6.6.2	Service Calls - Outside Normal Working Hours								
(i)	Town		R 665.10	R 701.01	5.40%	R 738.86	5.40%	R 778.76	5.40%
(ii)	Rural		R 901.80	R 950.50	5.40%	R 1,001.80	5.40%	R 1,055.90	5.40%
5.1.6.6.3	Service Calls - Sundays & Public Holidays								
(i)	Town		R 886.80	R 934.70	5.40%	R 985.20	5.40%	R 1,038.40	5.40%
(ii)	Rural		R 1,202.40	R 1,267.30	5.40%	R 1,335.70	5.40%	R 1,407.80	5.40%
5.1.6.6.4	Water Meters								
(i)	Test of meter	Cost + 10% as determined by the head: Public Works	Cost + 10% as determined by the head: Public Works	Cost + 10% as determined by the head: Public Works		Cost + 10% as determined by the head: Public Works		Cost + 10% as determined by the head: Public Works	
(ii)	Temporary Dis- / Reconnection		R 443.40	R 467.34	5.40%	R 492.58	5.40%	R 519.18	5.40%
(iii)	Tampering with Meter	Payable before Replacement	R 4,360.10	R 4,595.55	5.40%	R 4,843.71	5.40%	R 5,105.27	5.40%
(iv)	Surcharge: Inaccessible Water Meters Customers will be notified in writing whenever a water meter has for whatever reason become inaccessible. Consumers will have 14 days from the date of notification to arrange for a reading to be taken.								
	A surcharge will therefore be levied if no response is received on or before the notice period has ended.								
(v)	Relocation of water meters Where the meter is still inaccessible after the notice period , of the third notice has ended, the water meter will be relocated to allow water readings to be taken.	Per Incident	R 500.00	R 500.00	0.00%	R 500.00	0.00%	R 500.00	0.00%
(iv)	Penalty for Illegal water connections A fine for connecting illegally to a municipal water main will be billed to the customer who benefited from illegal connection. This penalty fee is in addition to the responsibility for payment for water services provided to the consumer. The municipality may estimate the qauntity of water services provided in respect of a period within the interval between successive measurements and may render an account to a consumer for the services so estimated .								
		Per Incident	R 14,438.00	R 15,218.00	5.40%	R 16,040.00	5.40%	R 16,906.00	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Water Tariffs	Conditions	Current Tariffs:		Budget Year:		% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
			2024 - 2025	2025 - 2026				2026 - 2027		2027 - 2028	
5.1.6.6.5	Water Tests										
(i)	Chemical Analysis	Per Sample	R 1,107.30	R 1,167.10	5.40%	R 1,230.10	5.40%	R 1,296.50	5.40%		
(ii)	Bacteriological, ecoli & califorms	Per Sample	R 260.60	R 274.67	5.40%	R 289.50	5.40%	R 305.14	5.40%		
5.1.6.6.6	Penalty for Late Payment										
(i)	Payable on Late Payment of an Account		R -	R -		R -		Prime Plus 1 %			
5.1.7	Augmentation fees										
5.1.7.1	Single Residential Erven										
(i)	Erven up to 600 m²		R 37,609.00	R 39,640.00	5.40%	R 41,781.00	5.40%	R 44,037.00	5.40%		
(ii)	Erven 601 m² 800 m²		R 43,326.00	R 45,666.00	5.40%	R 48,132.00	5.40%	R 50,731.00	5.40%		
(iii)	Erven 801 m² 1000 m²		R 54,763.00	R 57,720.00	5.40%	R 60,837.00	5.40%	R 64,122.00	5.40%		
(iv)	Erven 1001 m² 1200 m²		R 65,981.00	R 69,544.00	5.40%	R 73,299.00	5.40%	R 77,257.00	5.40%		
(v)	Erven 1201 m² 1400 m²		R 77,194.00	R 81,362.00	5.40%	R 85,756.00	5.40%	R 90,387.00	5.40%		
(vi)	Erven 1401 m² 1600 m²		R 88,412.00	R 93,186.00	5.40%	R 98,218.00	5.40%	R 103,522.00	5.40%		
(vii)	Erven 1601 m² 1800 m²		R 100,286.00	R 105,701.00	5.40%	R 111,409.00	5.40%	R 117,425.00	5.40%		
(viii)	Erven 1801 m² 2000 m²		R 111,504.00	R 117,525.00	5.40%	R 123,871.00	5.40%	R 130,560.00	5.40%		
(ix)	Erven over 2000 m²		R 124,699.00	R 131,433.00	5.40%	R 138,530.00	5.40%	R 146,011.00	5.40%		
5.1.7.2	Group Housing - resort zone										
(i)	Units up to 100 m²		R 35,407.00	R 37,319.00	5.40%	R 39,334.00	5.40%	R 41,458.00	5.40%		
(ii)	Units 101 m² 120 m²		R 42,447.00	R 44,739.00	5.40%	R 47,155.00	5.40%	R 49,701.00	5.40%		
(iii)	Units 121 m² 140 m²		R 49,924.00	R 52,620.00	5.40%	R 55,461.00	5.40%	R 58,456.00	5.40%		
(iv)	Units 141 m² 160 m²		R 57,402.00	R 60,502.00	5.40%	R 63,769.00	5.40%	R 67,213.00	5.40%		
(v)	Units 161 m² 180 m²		R 64,879.00	R 68,382.00	5.40%	R 72,075.00	5.40%	R 75,967.00	5.40%		
(vi)	Units 181 m² 200 m²		R 72,355.00	R 76,262.00	5.40%	R 80,380.00	5.40%	R 84,721.00	5.40%		
(vii)	Units over 200 m²		R 79,837.00	R 84,148.00	5.40%	R 88,692.00	5.40%	R 93,481.00	5.40%		
5.1.7.3	General Residential										
(i)	Flats up to 100 m²		R 32,331.00	R 34,077.00	5.40%	R 35,917.00	5.40%	R 37,857.00	5.40%		
(ii)	Flats 101 m² 120 m²		R 39,806.00	R 41,956.00	5.40%	R 44,222.00	5.40%	R 46,610.00	5.40%		
(iii)	Flats 121 m² 150 m²		R 49,924.00	R 52,620.00	5.40%	R 55,461.00	5.40%	R 58,456.00	5.40%		
(iv)	Flats over 150 m²		R 57,402.00	R 60,502.00	5.40%	R 63,769.00	5.40%	R 67,213.00	5.40%		
5.1.7.4	Other										
(i)	Shops, Place of worship, Place of Instruction and Offices per 100 m²		R 18,912.00	R 19,933.00	5.40%	R 21,009.00	5.40%	R 22,143.00	5.40%		
(ii)	Hotels (per bed)		R 9,677.00	R 10,200.00	5.40%	R 10,751.00	5.40%	R 11,332.00	5.40%		
(iii)	Restaurants (per Seat)		R 1,431.00	R 1,508.27	5.40%	R 1,589.72	5.40%	R 1,675.57	5.40%		
(iv)	Camps and Caravan Parks (Per Capita)		R 5,609.00	R 5,912.00	5.40%	R 6,231.00	5.40%	R 6,567.00	5.39%		
5.1.7.5	Small Developments (1 to 3 Units)										
(i)	Small developments (up to 3 units) and small holdings (rural consumers without a service agreement for development) per demand unit		R 70,376.49	R 74,176.82	5.40%	R 78,182.36	5.40%	R 82,404.21	5.40%		
5.2	Drought Situation - Stage 1 -pay the normal tariff										
(a)	The Tariff will only be applied if iether Roodefontein Dam is at volume 80%-60%										
(i)	No Penalty will be charged		Free	Free		Free		Free			
5.3	Drought Situation - Stage 2										
(a)	These tariffs would only be applied if either the Roodefontein Dam is at 40% or the flow of the Keurboomsriver is at 400 litres per seconds and when water consumption is more than 20 kiloliters per month.										
5.3.1	Basic (Minimum) Charges										
5.3.1.1	Domestic and Churches										
(i)	Per Dwelling / Flat	All Areas	R 239.02	R 251.92	5.40%	R 265.53	5.40%	R 279.86	5.40%		
(ii)	Incentive Rebate (applicable only if water consumption is 20 Kiloliters or less)	All Areas	R -	R -	0.00%	R -	0.00%	R -	0.00%		

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Water Tariffs	Conditions	Current Tariffs:		Budget Year:	% Increase/	Budget Year + 1:	% Increase/	Budget Year + 2:	% Increase/
			2024 - 2025	2025 - 2026	(Decrease)	2026 - 2027	(Decrease)	2027 - 2028	(Decrease)	
5.3.2	Consumption Charge									
5.3.2.1	Domestic and Churches									
(i)	0 - 20 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%	
(ii)	21 - 30 kilolitres	Rand per kilolitre	R 21.56	R 22.72	5.40%	R 23.95	5.40%	R 25.24	5.40%	
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 30.47	R 32.12	5.40%	R 33.85	5.40%	R 35.68	5.40%	
(iv)	41 - 50 kilolitres	Rand per kilolitre	R 37.00	R 39.00	5.40%	R 41.10	5.40%	R 43.32	5.40%	
(v)	51 - 60 kilolitres	Rand per kilolitre	R 47.87	R 50.45	5.40%	R 53.18	5.40%	R 56.05	5.40%	
(vi)	61 - 70 kilolitres	Rand per kilolitre	R 60.93	R 64.22	5.40%	R 67.69	5.40%	R 71.34	5.40%	
(vii)	Above 70 kilolitres	Rand per kilolitre	R 119.70	R 126.16	5.40%	R 132.97	5.40%	R 140.15	5.40%	
(viii)	Minimum Charge: for kiloliters 0-20 per month		R 179.50	R 189.19	5.40%	R 199.41	5.40%	R 210.18	5.40%	
5.3.2.2	Agriculture/Rural (Without service agreement for development)									
(i)	0 - 20 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 5.59	R 5.89	5.40%	R 6.21	5.40%	R 6.55	5.40%	
(ii)	21 - 30 kilolitres	Rand per kilolitre	R 21.56	R 22.72	5.40%	R 23.95	5.40%	R 25.24	5.40%	
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 37.00	R 39.00	5.40%	R 41.10	5.40%	R 43.32	5.40%	
(iv)	Above 40 kilolitres	Rand per kilolitre	R 119.70	R 126.16	5.40%	R 132.98	5.40%	R 140.16	5.40%	
(v)	Minimum Charge: for kiloliters 0-20 per month	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%	
5.4	Drought Situation - Stage 3									
(a)	These tariffs would only be applied if either the Roodefontein Dam is at 25% or the flow of the Keurboomsriver is at 300 litres per seconds and when water consumption is more than 15 kiloliters per month.									
5.4.1	Basic (Minimum) Charges									
5.4.1.1	Domestic and Churches									
(i)	Per Dwelling / Flat	All Areas	R 239.00	R 251.91	5.40%	R 265.51	5.40%	R 279.85	5.40%	
(ii)	Incentive Rebate (applicable only if water consumption is 15 Kiloliters or less)	All Areas	R -	R -	0.00%	R -	0.00%	R -	0.00%	
5.4.2	Consumption Charge									
5.4.2.1	Domestic and Churches									
(i)	0 - 15 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%	
(ii)	16 - 30 kilolitres	Rand per kilolitre	R 32.30	R 34.04	5.40%	R 35.88	5.40%	R 37.82	5.40%	
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 45.68	R 48.15	5.40%	R 50.75	5.40%	R 53.49	5.40%	
(iv)	41 - 50 kilolitres	Rand per kilolitre	R 55.47	R 58.47	5.40%	R 61.62	5.40%	R 64.95	5.40%	
(v)	51 - 60 kilolitres	Rand per kilolitre	R 71.77	R 75.65	5.40%	R 79.73	5.40%	R 84.04	5.40%	
(vi)	61 - 70 kilolitres	Rand per kilolitre	R 91.33	R 96.26	5.40%	R 101.46	5.40%	R 106.94	5.40%	
(vii)	Above 70 kilolitres	Rand per kilolitre	R 179.44	R 189.13	5.40%	R 199.34	5.40%	R 210.10	5.40%	
(viii)	Minimum Charge: for kiloliters 0-15 per month		R 134.64	R 141.91	5.40%	R 149.57	5.40%	R 157.65	5.40%	
5.4.2.2	Agriculture/Rural (Without service agreement for development)									
(i)	0 - 15 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 5.59	R 5.89	5.40%	R 6.21	5.40%	R 6.55	5.40%	
(ii)	16 - 30 kilolitres	Rand per kilolitre	R 32.30	R 34.04	5.40%	R 35.88	5.40%	R 37.82	5.40%	
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 55.47	R 58.47	5.40%	R 61.62	5.40%	R 64.95	5.40%	
(iv)	Above 40 kilolitres	Rand per kilolitre	R 179.44	R 189.13	5.40%	R 199.34	5.40%	R 210.10	5.40%	
(v)	Minimum Charge: for kiloliters 0-15 per month	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%	
5.4.2.3	Raw Water from Municipal									
(i)	Bulk Raw water from Municipal River Abstraction Pipeline (Keurbooms)	Rand per kilolitre	R 8.98	R 6.50 New		R 6.85	5.40%	R 7.22	5.40%	

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Water Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
5.5	Drought Situation - Stage 4								
(a)	These tariffs would only be applied if either the Roodefontein Dam is at 35% - 21% on consumption greater than 15 kilolitre per month per household connection.								
5.5.1	Basic (Minimum) Charges								
5.5.1.1	Domestic and Churches								
(i)	Per Dwelling / Flat	All Areas	R 338.30	R 356.57	5.40%	R 375.82	5.40%	R 396.11	5.40%
(ii)	Incentive Rebate (applicable only if water consumption is 20 Kiloliters or less)	All Areas	-	-	0.00%	-	0.00%	-	0.00%
5.5.2	Consumption Charge								
5.5.2.1	Domestic and Churches								
(i)	0 - 15 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%
(ii)	16 - 30 kilolitres	Rand per kilolitre	R 45.71	R 48.18	5.40%	R 50.78	5.40%	R 53.52	5.40%
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 64.63	R 68.12	5.40%	R 71.80	5.40%	R 75.68	5.40%
(iv)	41 - 50 kilolitres	Rand per kilolitre	R 78.51	R 82.75	5.40%	R 87.22	5.40%	R 91.93	5.40%
(v)	51 - 60 kilolitres	Rand per kilolitre	R 101.57	R 107.05	5.40%	R 112.83	5.40%	R 118.92	5.40%
(vi)	61 - 70 kilolitres	Rand per kilolitre	R 129.26	R 136.24	5.40%	R 143.60	5.40%	R 151.35	5.40%
(vii)	Above 70 kilolitres	Rand per kilolitre	R 253.92	R 267.63	5.40%	R 282.08	5.40%	R 297.31	5.40%
(viii)	Minimum Charge: for kiloliters 0-15 per month		R 134.64	R 141.91	5.40%	R 149.57	5.40%	R 157.65	5.40%
5.5.2.2	Agriculture/Rural (Without service agreement for development)								
(i)	0 - 15 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 5.59	R 5.89	5.40%	R 6.21	5.40%	R 6.55	5.40%
(ii)	16 - 30 kilolitres	Rand per kilolitre	R 45.71	R 48.18	5.40%	R 50.78	5.40%	R 53.52	5.40%
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 78.51	R 82.75	5.40%	R 87.22	5.40%	R 91.93	5.40%
(iv)	Above 40 kilolitres	Rand per kilolitre	R 253.92	R 267.63	5.40%	R 282.08	5.40%	R 297.31	5.40%
(v)	Minimum Charge: for kiloliters 0-15 per month	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%
5.5.2.3	Raw Water from Municipal								
(i)	Bulk Raw water from Municipal River Abstraction Pipeline (Keurbooms)	Rand per kilolitre	R -	R -	New	R -	0.00%	R -	0.00%
5.6	Drought Situation - Stage 5								
(a)	These tariffs would only be applied if either the Roodefontein Dam is less than 20% on consumption greater than 15 kilolitre per month per household connection.								
5.6.1	Basic (Minimum) Charges								
5.6.1.1	Domestic and Churches								
(i)	Per Dwelling / Flat	All Areas	R 507.40	R 534.80	5.40%	R 563.68	5.40%	R 594.12	5.40%
(ii)	Incentive Rebate (applicable only if water consumption is 20 Kiloliters or less)	All Areas	-	-	0.00%	-	0.00%	-	0.00%
5.6.2	Consumption Charge								
5.6.2.1	Domestic and Churches								
(i)	0 - 15 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 8.98	R 9.46	5.40%	R 9.98	5.40%	R 10.51	5.40%
(ii)	16 - 30 kilolitres	Rand per kilolitre	R 68.56	R 72.26	5.40%	R 76.16	5.40%	R 80.27	5.40%
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 96.98	R 102.22	5.40%	R 107.74	5.40%	R 113.56	5.40%
(iv)	41 - 50 kilolitres	Rand per kilolitre	R 117.79	R 124.15	5.40%	R 130.85	5.40%	R 137.92	5.40%
(v)	51 - 60 kilolitres	Rand per kilolitre	R 152.35	R 160.58	5.40%	R 169.25	5.40%	R 178.39	5.40%
(vi)	61 - 70 kilolitres	Rand per kilolitre	R 193.84	R 204.31	5.40%	R 215.34	5.40%	R 226.97	5.40%
(vii)	Above 70 kilolitres	Rand per kilolitre	R 380.88	R 401.45	5.40%	R 423.13	5.40%	R 445.98	5.40%
(viii)	Minimum Charge: for kiloliters 0-15 per month		R 134.64	R 141.91	5.40%	R 149.57	5.40%	R 157.65	5.40%
5.6.2.2	Agriculture/Rural (Without service agreement for development)								
(i)	0 - 15 kilolitres (forms part of the Basic-Minimum Charge)	Rand per kilolitre	R 5.59	R 5.89	5.40%	R 6.21	5.40%	R 6.55	5.40%
(ii)	16 - 30 kilolitres	Rand per kilolitre	R 68.56	R 72.26	5.40%	R 76.16	5.40%	R 80.27	5.40%
(iii)	31 - 40 kilolitres	Rand per kilolitre	R 117.79	R 124.15	5.40%	R 130.85	5.40%	R 137.92	5.40%
(iv)	Above 40 kilolitres	Rand per kilolitre	R 380.89	R 401.46	5.40%	R 423.14	5.40%	R 445.99	5.40%
(v)	Minimum Charge: for kiloliters 0-15 per month	Rand per kilolitre	R 8.98	R 9.46	5.35%	R 9.97	5.39%	R 10.51	5.42%
5.6.2.3	Raw Water from Municipal Sources								
(i)	Bulk Raw water from Municipal River Abstraction Pipeline (Keurbooms)	Rand per kilolitre	R 8.98	R 9.00	New	R 9.60	6.67%	R 10.20	6.25%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	Water Tariffs	Conditions	Current Tariffs:		Budget Year:		% Increase/ (Decrease)	Budget Year + 1:	% Increase/ (Decrease)	Budget Year + 2:	% Increase/ (Decrease)
			2024 - 2025	2025 - 2026				2026 - 2027		2027 - 2028	
5.6.3	Miscellaneous Fees and Charges										
5.6.3.1	Water Loss owing to damage to the Municipal Water-Pipe System and/or Installations by others										
(i)	Pipes with a diameter of 50mm or less	All Area's per incident	R 2,385.00	R 2,513.79		5.40%	R 2,649.53	5.40%	R 2,792.60	5.40%	
(ii)	Pipes with a diameter larger than 50mm up to and including 100mm	All Area's per incident	R 5,414.00	R 5,706.36		5.40%	R 6,014.50	5.40%	R 6,339.28	5.40%	
(iii)	Pipes with a diameter larger than 100mm up to and including 250mm	All Area's per incident	R 24,177.00	R 25,483.00		5.40%	R 26,859.00	5.40%	R 28,309.00	5.40%	
(iv)	Pipes with a diameter larger than 250mm up to and including 400mm	All Area's per incident	R 38,003.00	R 40,055.00		5.40%	R 42,218.00	5.40%	R 44,498.00	5.40%	
(v)	Pipes with a diameter larger than 400mm	All Area's per incident	R 58,158.00	R 61,299.00		5.40%	R 64,609.00	5.40%	R 68,098.00	5.40%	
5.6.3.2	Repair Charges of damage to the Municipal Water-Pipe System and/or Installation by others										
(i)	Pipes with a diameter of 50mm or less	All Area's per incident	R 4,982.00	R 5,251.03		5.40%	R 5,534.59	5.40%	R 5,833.46	5.40%	
(ii)	Pipes with a diameter larger than 50mm up to and including 100mm	All Area's per incident	R 7,111.00	R 7,494.99		5.40%	R 7,899.72	5.40%	R 8,326.30	5.40%	
(iii)	Pipes with a diameter larger than 100mm up to and including 250mm	All Area's per incident	R 10,976.00	R 11,569.00		5.40%	R 12,194.00	5.40%	R 12,852.00	5.40%	
(iv)	Pipes with a diameter larger than 250mm up to and including 400mm	All Area's per incident	R 20,182.00	R 21,272.00		5.40%	R 22,421.00	5.40%	R 23,632.00	5.40%	
(v)	Pipes with a diameter larger than 400mm	All Area's per incident	R 25,138.00	R 26,495.00		5.40%	R 27,926.00	5.40%	R 29,434.00	5.40%	
5.6.3.3	To relocate or to lower an existing domestic water connection up to maximum nominal diameter of 25mm										
(i)	Within 5m maximum distance	All Area's per request	R -	R 2,150.00	New		R 2,280.00	6.05%	R 2,420.00	6.14%	
(ii)	Further than 5m but less than 10m	All Area's per request	R -	R 2,150.00	New		R 2,375.00	10.47%	R 2,520.00	6.11%	
5.6.3.4	To relocate or to lower an existing domestic water connection up to a maximum nominal diameter greater than 25mm and up to 32mm										
(i)	Within 5m maximum distance	All Area's per request	R -	R 2,210.00	New		R 2,345.00	6.11%	R 2,485.00	5.97%	
(ii)	Further than 5m but less than 10m	All Area's per request	R -	R 2,350.00	New		R 2,490.00	5.96%	R 2,640.00	6.02%	

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
6	Deposits, Beaches and Cemeteries								
	Deposits								
6.1	Service Deposit								
6.1.1	Domestic - Economic areas								
(i)		If cut off due to non payment, it may be required that a further deposit be paid to serve as a gaurantee							
	By Owner		R 2,585.00	R 2,724.59	5.40%	R 2,871.72	5.40%	R 3,026.79	5.40%
6.1.2	Sub-Economic								
(i)		If cut off due to non payment, it may be required that a further deposit be paid to serve as a gaurantee							
	By Owner		R 897.00	R 945.44	5.40%	R 996.49	5.40%	R 1,050.30	5.40%
6.1.3	All Other Types of connections								
(i)		If cut off due to non payment, it may be required that a further deposit be paid to serve as a gaurantee							
	By Owner		4 x Monthly Account	4 x Monthly Account		4 x Monthly Account		4 x Monthly Account	
6.2	Builder's								
(i)	Economic	Per New Dwelling	R 19,247.00	R 20,286.00	5.40%	R 21,381.00	5.40%	R 22,536.00	5.40%
6.3	Posters								
(i)	Per Poster	Per Poster	R 12.80	R 13.49	5.40%	R 14.22	5.40%	R 14.99	5.40%
7	Beaches								
7.1	Boat license,Permits, Launching, Access & Parking Fees Commercial								
(i)	Operators/Whale Watching (include on site parking)	Per Boat	R 28,746.00	R 30,298.00	5.40%	R 31,934.00	5.40%	R 33,658.00	5.40%
(ii)	Operators/ Seal Diving Boats(include on site parking)	Per Annum	R 28,746.00	R 30,298.00	5.40%	R 31,934.00	5.40%	R 33,658.00	5.40%
(iii)	Operators/ Seal Diving Boats(include on site parking)	Per Annum	R 28,746.00	R 30,298.00	5.40%	R 31,934.00	5.40%	R 33,658.00	5.40%
(iii)	Operators/ Seal Diving Boats(include on site parking)	Per Annum	R 28,746.00	R 30,298.00	5.40%	R 31,934.00	5.40%	R 33,658.00	5.40%
(iv)	Tender	Per Annum	R 31,617.00	R 33,324.00	5.40%	R 35,123.00	5.40%	R 37,020.00	5.40%
(v)	Operators,Kayaks (include on site parking)	Per Annum	R 3,178.00	R 3,349.61	5.40%	R 3,530.49	5.40%	R 3,721.14	5.40%
(v)	On site parking	per month	R 1,229.00	R 1,295.37	5.40%	R 1,365.32	5.40%	R 1,439.05	5.40%
7.2	Launching, Parking of Recreational Vessels								
7.2.1	Sail boats,Fishing boats, Personal watercraft,rubber ducks & Hobies								
(i)	Per Day		R 219.00	R 230.83	5.40%	R 243.29	5.40%	R 256.43	5.40%
(ii)	Per Week		R 432.00	R 455.33	5.40%	R 479.92	5.40%	R 505.84	5.40%
(iii)	Per Month		R 1,416.00	R 1,492.46	5.40%	R 1,573.05	5.40%	R 1,657.99	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
7.3	Overnight Beach Parking (Recreational Only)								
(i)	Sail boats,Fishing boats, Personal watercraft,rubber ducks & Hobies	Per Day	R 150.00	R 158.10	5.40%	R 166.64	5.40%	R 175.64	5.40%
(ii)	Sail boats,Fishing boats, Personal watercraft,rubber ducks & Hobies	Per Week	R 301.00	R 317.25	5.40%	R 334.38	5.40%	R 352.44	5.40%
(iii)	Sail boats,Fishing boats, Personal watercraft,rubber ducks & Hobies	Per Annum	R 1,513.00	R 1,594.70	5.40%	R 1,680.81	5.40%	R 1,771.57	5.40%
(iv)	Fishing Boats, Rubber ducks, Etc	Per Day	R 150.00	R 158.10	5.40%	R 166.64	5.40%	R 175.64	5.40%
(v)	Fishing Boats, Rubber ducks, Etc	Per Week	R 301.00	R 317.25	5.40%	R 334.38	5.40%	R 352.44	5.40%
8	Cemeteries								
8.1	Central Cemetery								
(i)	Burial Plot- Tariff to be Phased-Out in 2026-2027		R 5,389.00	R 5,680.00	5.40%	R -	-100.00%	R -	0.00%
8.2	Other Cemeteries								
(i)	Burial Plot		R 707.00	R 745.18	5.40%	R 785.42	5.40%	R 827.83	5.40%
8.3	Digging of Grave-with TLB								
(i)	Hiring of TLB	Per Grave	Actual cost + 20% Admin Fee	Actual cost + 20% Admin Fee		Actual cost + 20% Admin Fee		Actual cost + 20% Admin Fee	
(ii)		(as per Indigent Policy) applications to be submitted to the HOD, and Approved by MM	Free	Free	New	Free		Free	
9	Signage								
9.1	Application for signage	Fixed fee							
(i)	Application Fee	Fixed fee	R 570.00	R 600.00	5.26%	R 630.00	5.00%	R 660.00	4.76%
(ii)	Deposit (Refundable for posters)	Fixed fee	R 1,660.00	R 1,750.00	5.42%	R 1,840.00	5.14%	R 1,940.00	5.43%
9.2	Erection and display of approved signage								
9.2.1	Billboards and other High Impact, Free Standing								
(i)	Billboards exceeding 15 m ²	Per m ²	R 283.00	R 298.00	5.30%	R 314.00	5.37%	R 331.00	5.41%
9.2.2	General Signs								
(i)	Flat Signs	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(ii)	Signs on Building	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(iii)	Roof Signs	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(iv)	Wall Painted Signs	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(v)	Window Signs	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(vi)	Residential Signs	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(vii)	Business Signs	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(viii)	Veranda, Balcony & Awning Signs	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(ix)	Illuminated (streets or buildings): per m ²	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(x)	Directional boards	Per m ²	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
(xi)	Sandwich Boards	Per Board	R 141.00	R 149.00	5.67%	R 157.00	5.37%	R 165.00	5.10%
9.2.3	Other Signs								

*All Tariffs exclude VAT, accept if specifically mentioned.

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025		Budget Year: 2025 - 2026		% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027		% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028		% Increase/ (Decrease)
(i)	Posters (temporary), maximum 0,9 m² - Deposit	Per signage Bylaw	R	1,800.00	R	1,900.00	5.56%	R	2,000.00	5.26%	R	2,110.00	5.50%
(ii)	Any Signs not specified above and not Exceeding 15 m²	Per m²	R	320.00	R	340.00	6.25%	R	360.00	5.88%	R	380.00	5.56%
9.3	Removal & collection of illegal signage												
(i)	Removal & collection of illegal signage (all types, but excluding posters)	Fixed fee per removal, over and above fine prescribed in by-law	R	1,500.00	R	1,580.00	5.33%	R	1,670.00	5.70%	R	1,760.00	5.39%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
10	Fire Fighting								
10.1	Fire Fighting Charges								
(i)	Turnout Charge	Per Incident	R 374.00	R 394.00	5.35%	R 415.00	5.33%	R 437.00	5.30%
(ii)	Charge per Kilometre	Per Incident	R 33.45	R 35.26	5.41%	R 37.16	5.39%	R 39.17	5.41%
10.2	Waterpump Operating	Any Fire, Patrol or the like							
(i)	Waterpump Operating Charge	Per Hour or Part Thereof	R 251.00	R 265.00	5.58%	R 279.00	5.28%	R 294.00	5.38%
(ii)	Standby	Per Hour or Part Thereof	R 167.00	R 176.00	5.39%	R 186.00	5.68%	R 196.00	5.38%
(iii)	Dry Powder Unit	Actual Cost	Actual Cost	Actual Cost		Actual Cost		Actual Cost	
(iv)	Turnout Charge		R 374.00	R 394.00	5.35%	R 415.00	5.33%	R 437.00	5.30%
(v)	Charge per Km		R 33.45	R 35.26	5.41%	R 37.16	5.39%	R 39.17	5.41%
10.3	Bigger Fire Trucks								
(i)	Turnout Charge		R 374.00	R 394.00	5.35%	R 415.00	5.33%	R 437.00	5.30%
(ii)	Charge per Kilometre		R 33.45	R 35.26	5.41%	R 37.16	5.39%	R 39.17	5.41%
(iii)	Standby	Per Hour or Part thereof	R 154.75	R 163.11	5.40%	R 171.92	5.40%	R 181.20	5.40%
10.4	Auxiliary Vehicles								
(i)	Turnout Charge		R 167.00	R 176.00	5.39%	R 186.00	5.68%	R 196.00	5.38%
(ii)	Charge per Kilometre		R 17.71	R 18.67	5.42%	R 19.68	5.41%	R 20.74	5.39%
(iii)	Standby	Per Hour or Part thereof	R 103.63	R 109.23	5.40%	R 115.13	5.40%	R 121.35	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
10.5	Personnel Charge	Any Fire, Patrol or the like							
(i)	Chief	Per Hour or Part Thereof	R 251.47	R 265.05	5.40%	R 279.36	5.40%	R 294.45	5.40%
(ii)	Station Commnader	Per Hour or Part Thereof	R 208.64	R 219.91	5.40%	R 231.79	5.40%	R 244.31	5.40%
(iii)	Platoon Commander	Per Hour or Part Thereof	R 189.30	R 199.52	5.40%	R 210.29	5.40%	R 221.65	5.40%
(iv)	Senior Firefighter	Per Hour or Part Thereof	R 167.19	R 176.22	5.40%	R 185.74	5.40%	R 195.77	5.40%
(v)	Firefighter	Per Hour or Part Thereof	R 135.41	R 142.72	5.40%	R 150.43	5.40%	R 158.55	5.40%
(vi)	Learner Firefighter	Per Hour or Part Thereof	R 98.10	R 103.40	5.40%	R 108.98	5.40%	R 114.86	5.40%
(vii)	Volunteers ONLY ON ICS	Per Hour or Part Thereof	R 93.95	R 99.02	5.40%	R 104.37	5.40%	R 110.01	5.40%
(viii)	Other Municipal Personnel	Per Hour or Part Thereof	Hourly Rate	Hourly Rate		Hourly Rate		Hourly Rate	
10.6	Equipment								
10.6.1	Extinguishers								
(i)	Dry Powder	Per Unit	R 588.60	R 620.40	5.40%	R 653.90	5.40%	R 689.20	5.40%
(ii)	CO ²	Per Unit	R 688.10	R 725.30	5.41%	R 764.50	5.40%	R 805.80	5.40%
(iii)	Foam	Per Unit	R 491.80	R 518.40	5.41%	R 546.40	5.40%	R 575.90	5.40%
(iv)	H ² O	Per Unit	R 175.50	R 185.00	5.41%	R 195.00	5.41%	R 205.50	5.38%
10.6.2	Other								
(i)	Foam to Replace	Per Litre	R 111.20	R 117.20	5.40%	R 123.50	5.38%	R 130.20	5.43%
(ii)	Breathing Apparatus	Per Unit	R 295.70	R 311.70	5.41%	R 328.50	5.39%	R 346.20	5.39%
(iii)	Portable Pump	Per Unit	R 156.20	R 164.60	5.38%	R 173.50	5.41%	R 182.90	5.42%
(iv)	Lighting Plant	Per Unit	R 295.70	R 311.70	5.41%	R 328.50	5.39%	R 346.20	5.39%
(v)	Power Tools	Per Unit	R 156.20	R 164.60	5.38%	R 173.50	5.41%	R 182.90	5.42%
(viii)	Emergency Standby at Events	Per Event up to 4 hours	R 2,067.00	R 2,178.60	5.40%	R 2,296.20	5.40%	R 2,420.20	5.40%
(ix)	Additional Respurces	Aerial Resourssces, Machinery and Ground Teams	Tendered Rate	Tendered Rate	0.00%	Tendered Rate		Tendered Rate	

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
11	Building Control & Town Planning								
11.1	Building Plan Fees								
11.1.1	New Buildings, Alterations & Additions	Minimum Fees							
(i)	Residential Houses (Including Farm Dwellings)	Minimum	R 760.00	R 801.00	5.39%	R 844.00	5.37%	R 890.00	5.45%
(ii)	Dwellings, 2nd Dwellings, Granny Flats, Outbuildings, Additions, Wendy Houses, etc.	Minimum	R 760.00	R 801.00	5.39%	R 844.00	5.37%	R 890.00	5.45%
(iii)	Sketch plans, Masts, etc.	Minimum	R 760.00	R 801.00	5.39%	R 844.00	5.37%	R 890.00	5.45%
11.1.2	Residential Houses (Including Farms)	Dwellings, 2nd Dwellings, Granny Flats, Outbuildings, Additions, Wendy Houses, etc.							
(i)	Floor Area 0 - 30 m ²	Per m ²	R 20.35	R 21.45	5.41%	R 22.61	5.41%	R 23.83	5.40%
(ii)	Floor Area 31 - 50 m ²	Per m ²	R 33.27	R 35.07	5.41%	R 36.96	5.39%	R 38.96	5.41%
(iii)	Floor Area 51 - 100 m ²	Per m ²	R 43.99	R 46.37	5.41%	R 48.87	5.39%	R 51.51	5.40%
(iv)	Floor Area 101 - 200 m ²	Per m ²	R 54.45	R 57.39	5.40%	R 60.49	5.40%	R 63.76	5.41%
(v)	Floor Area 201 - 400 m ²	Per m ²	R 62.14	R 65.50	5.41%	R 69.04	5.40%	R 72.77	5.40%
(vi)	Floor Area above 400 m ²	Per m ²	R 75.62	R 79.70	5.40%	R 84.00	5.40%	R 88.54	5.40%
11.1.3	Alterations without increasing areas								
(i)	Percentage of cost of construction (to be confirmed by QS/Architect)		0.50%	0.50%	0.00%	0.50%	0.00%	0.50%	0.00%
(ii)	Ficed Minimum Fee		R 1,050.00	R 1,107.00	5.43%	R 1,167.00	5.42%	R 1,230.00	5.40%
11.1.4	Non-Residential Buildings								
(i)	Carports & Awnings	Per m ²	R 22.00	R 23.20	5.45%	R 24.50	5.60%	R 25.80	5.31%
(ii)	Factories, Warehouses & Parking Garages	Per m ²	R 38.30	R 40.40	5.48%	R 42.60	5.45%	R 44.90	5.40%
(iii)	Flats, Shops, Offices, Hotels, Churches, Halls, Cinemas, Hospitals, Agricultural buildings and Other similar Buildings.	Per m ²	R 54.90	R 57.90	5.46%	R 61.00	5.35%	R 64.30	5.41%
(iv)	Pools (Residential and Non-Residential)	Per m ²	R 967.00	R 1,019.00	5.38%	R 1,074.00	5.40%	R 1,132.00	5.40%
(v)	Boundary Walls	Per Running Metre	R 13.80	R 14.50	5.07%	R 15.30	5.52%	R 16.10	5.23%
(vi)	Minimum Fee	Per Building	R 760.00	R 801.00	5.39%	R 844.00	5.37%	R 890.00	5.45%
(vii)	Demolition Certificates	Minum Fee	R 760.00	R 801.00	5.39%	R 844.00	5.37%	R 890.00	5.45%
(ix)	Provisional Authorization								
(ix)(i)	Temporary Occupation Certificate	Exceeding 12 Months	R 1,036.00	R 1,092.00	5.41%	R 1,151.00	5.40%	R 1,213.00	5.39%
(ix)(ii)	Temporary structures (minor special events)(on a sport field)	Per Event	R 760.00	R 801.00	5.39%	R 844.00	5.37%	R 890.00	5.45%
(ix)(iii)	Temporary structures (major special events)(on a sport field)	Per Event	R 4,132.00	R 4,355.00	5.40%	R 4,590.00	5.40%	R 4,838.00	5.40%
11.1.5	Amendment to plans requiring scrutiny								
(i)	Minimum Fee		R 760.00	R 801.00	5.39%	R 844.00	5.37%	R 890.00	5.45%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

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11.1.6	Rebates								
(i)	State Funded Projects	Rebate of:	100.00%	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%
(ii)	RDP, High Density, Municipal / Provincial Housing Projects: Including previous financial years	Rebate of:	100.00%	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%
(iii)	NGOs (Welfare Organizations, Old Age, etc.)	Rebate of:	100.00%	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%
(iv)	Churches	Rebate of:	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(v)	All PDI Areas	Rebate of:	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
11.1.7	Pavement Rental (Payable in Advance)								
(i)	Residential : Fixed Fee		R 2,763.00	R 2,912.00	5.39%	R 3,069.00	5.39%	R 3,235.00	5.41%
(ii)	Non-Residential : Fixed Fee		R 4,836.00	R 5,097.00	5.40%	R 5,372.00	5.40%	R 5,662.00	5.40%
(iii)	Plus Percentage of Municipal Valuation at a rate per square metre rented		1.00%	1.00%	0.00%	1.00%	0.00%	1.00%	0.00%
11.1.8	Printing of Builing Plans								
(i)	Size A0	Each	R 290.00	R 306.00	5.52%	R 323.00	5.56%	R 340.00	5.26%
(ii)	Size A1	Each	R 193.00	R 203.00	5.18%	R 214.00	5.42%	R 226.00	5.61%
(iii)	Size A2	Each	R 120.00	R 126.00	5.00%	R 133.00	5.56%	R 140.00	5.26%
(iv)	Size A3	Each	R 38.00	R 40.00	5.26%	R 42.00	5.00%	R 44.00	4.76%
(v)	Colour copies (Fixed plus above)	Fixed	R 288.00	R 304.00	5.56%	R 320.00	5.26%	R 337.00	5.31%
11.1.9	Other								
(i)	Extension of Validity of Building Plan	First extension	R 760.00	R 801.00	5.39%	R 844.00	5.37%	R 890.00	5.45%
(ii)		Second extension	R 1,000.00	R 1,000.00	0.00%	R 1,054.00	5.40%	R 1,111.00	5.41%
(iii)		Further extensions	R 1,500.00	R 1,500.00	0.00%	R 1,581.00	5.40%	R 1,666.00	5.38%
(iv)	Contravention Levy	Percentage of Building Cost	20.00%	20.00%	0.00%	20.00%	0.00%	20.00%	0.00%
(v)	Additional inspections requested (second)		R 1,000.00	R 1,000.00	0.00%	R 1,054.00	5.40%	R 1,111.00	5.41%
(vi)	Additional inspections requested (third and beyond)		R 1,500.00	R 1,500.00	0.00%	R 1,581.00	5.40%	R 1,666.00	5.38%
11.1.10	Penalty for Building without approved Building Plans								
11.1.10.1	Economic areas:								
(i)	Penalty for Building without approved Building Plans (minor works)	Fixed Fee	R 1,500.00	R 1,500.00	0.00%	R 1,581.00	5.40%	R 1,666.00	5.38%
(ii)	Penalty for Building without approved Building Plans (major works)	Fixed Fee	R 4,187.00	R 4,413.00	5.40%	R 4,651.00	5.39%	R 4,902.00	5.40%
(iii)	Penalty for Building without approved Building Plans after notice served(minor works)	Additional fee per day	R 100.00	R 100.00	0.00%	R 105.00	5.00%	R 111.00	5.71%
(iv)	Penalty for Building without approved Building Plans after notice served (major works)	Additional fee per day	R 599.00	R 599.00	0.00%	R 631.00	5.34%	R 665.00	5.39%
11.1.10.2	Sub-Economic areas:								
(i)	Penalty for Builing without approved Building Plans-To be Phased-Out	Fixed Fee	R -	R -	0.00%	R -	0.00%	R -	0.00%
(ii)	Penalty for Building without approved Building Plans (minor works)	Fixed Fee	R 1,125.00	R 1,125.00	0.00%	R 1,186.00	5.42%	R 1,250.00	5.40%
(iii)	Penalty for Building without approved Building Plans (major works)-To be Phased-Out	Fixed Fee	R 1,256.00	R 1,324.00	5.41%	R 1,395.00	5.36%	R 1,470.00	5.38%
(iv)	Penalty for Building without approved Building Plans (major works)	Fixed Fee	R 3,140.00	R 3,140.00	0.00%	R 3,310.00	5.41%	R 3,489.00	5.41%
(v)	Penalty for Building without approved Building Plans after notice served(minor works)	Additional fee per day	R 75.00	R 75.00	0.00%	R 79.00	5.33%	R 83.00	5.06%
(vi)	Penalty for Building without approved Building Plans after notice served (major works)	Additional fee per day	R 449.00	R 449.00	0.00%	R 473.00	5.35%	R 499.00	5.50%

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BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025		Budget Year: 2025 - 2026		% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027		% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028		% Increase/ (Decrease)
11.1.11	Penalty for occupying without occupation certificate												
11.1.11.1	Economic areas:												
(i)	Penalty for occupying without occupation certificate (minor works)	Fixed Fee	R	1,500.00	R	1,500.00	0.00%	R	1,581.00	5.40%	R	1,666.00	5.38%
(ii)	Penalty for occupying without occupation certificate (major works)	Fixed Fee	R	4,187.00	R	4,413.00	5.40%	R	4,651.00	5.39%	R	4,902.00	5.40%
(iii)	Penalty for occupying without occupation certificate after notice served(minor works)	Additional fee per day	R	100.00	R	100.00	0.00%	R	105.00	5.00%	R	111.00	5.71%
(iv)	Penalty for occupying without occupation certificate after notice served (major works)	Additional fee per day	R	599.00	R	599.00	0.00%	R	631.00	5.34%	R	665.00	5.39%
11.1.11.2	Sub-Economic areas:												
(i)	Penalty for occupying without occupation certificate- To be Phased-Out	Fixed Fee	R	-	R	-	0.00%	R	-	0.00%	R	-	0.00%
(ii)	Penalty for occupying without occupation certificate- To be Phased-Out	Additional fee per day	R	-	R	-	0.00%	R	-	0.00%	R	-	0.00%
(iii)	Penalty for occupying without occupation certificate (minor works)	Fixed Fee	R	1,125.00	R	1,125.00	0.00%	R	1,186.00	5.42%	R	1,250.00	5.40%
(iv)	Penalty for occupying without occupation certificate (major works)	Fixed Fee	R	3,140.00	R	3,140.00	0.00%	R	3,310.00	5.41%	R	3,489.00	5.41%
(v)	Penalty for occupying without occupation certificate after notice served(minor works)	Additional fee per day	R	75.00	R	75.00	0.00%	R	79.00	5.33%	R	83.00	5.06%
(vi)	Penalty for occupying without occupation certificate after notice served (major works)	Additional fee per day	R	449.00	R	449.00	0.00%	R	473.00	5.35%	R	499.00	5.50%
11.1.12	Application for copies of building plans												
11.1.12.1	Application for copies of building plans	Fixed search fee (per property)	R	500.00	R	500.00	0.00%	R	527.00	5.40%	R	555.00	5.31%
(i)		Additional fee: plans < 1 year	R	250.00	R	250.00	0.00%	R	264.00	5.60%	R	278.00	5.30%
(ii)		Additional fee: plans 1 - 3 years	R	350.00	R	350.00	0.00%	R	369.00	5.43%	R	389.00	5.42%
(iii)		Additional fee: plans 3 - 5 years	R	500.00	R	500.00	0.00%	R	527.00	5.40%	R	555.00	5.31%
(iv)		Additional fee: plans 5 - 10 years	R	750.00	R	750.00	0.00%	R	791.00	5.47%	R	834.00	5.44%
(v)		Additional fee: > 10 years	R	1,000.00	R	1,000.00	0.00%	R	1,054.00	5.40%	R	1,111.00	5.41%
11.1.12.2	Sub-Economic areas: 50% rebate	Fixed search fee (per property)											
(i)		Additional fee: plans < 1 year	R	125.00	R	125.00	0.00%	R	132.00	5.60%	R	139.00	5.30%
(ii)		Additional fee: plans 1 - 3 years	R	175.00	R	175.00	0.00%	R	184.00	5.14%	R	194.00	5.43%
(iii)		Additional fee: plans 3 - 5 years	R	250.00	R	250.00	0.00%	R	264.00	5.60%	R	278.00	5.30%
(iv)		Additional fee: plans 5 - 10 years	R	375.00	R	375.00	0.00%	R	395.00	5.33%	R	416.00	5.32%
(v)		Additional fee: > 10 years	R	500.00	R	500.00	0.00%	R	527.00	5.40%	R	555.00	5.31%
11.1.13	Property Management												
11.1.13.1	Application for lease / purchase of land	< 500m²	R	1,500.00	R	1,500.00	0.00%	R	1,581.00	5.40%	R	1,666.00	5.38%
(i)		500 - 1000m²	R	1,750.00	R	1,750.00	0.00%	R	1,845.00	5.43%	R	1,945.00	5.42%
(ii)		1000 - 3000m²	R	2,000.00	R	2,000.00	0.00%	R	2,108.00	5.40%	R	2,222.00	5.41%
(iii)		3000 - 5000m²	R	2,250.00	R	2,250.00	0.00%	R	2,372.00	5.42%	R	2,500.00	5.40%
(iv)		>5000m²	R	2,500.00	R	2,500.00	0.00%	R	2,635.00	5.40%	R	2,777.00	5.39%
11.1.13.2	Sub-Economic areas: 75% rebate	< 500m²	R	1,125.00	R	1,125.00	0.00%	R	1,186.00	5.42%	R	1,250.00	5.40%
(i)		500 - 1000m²	R	1,313.00	R	1,313.00	0.00%	R	1,384.00	5.41%	R	1,459.00	5.42%
(ii)		1000 - 3000m²	R	1,500.00	R	1,500.00	0.00%	R	1,581.00	5.40%	R	1,666.00	5.38%
(iii)		3000 - 5000m²	R	1,688.00	R	1,688.00	0.00%	R	1,779.00	5.39%	R	1,875.00	5.40%

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BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
(iv)		>5000m²	R 1,875.00	R 1,875.00	0.00%	R 1,976.00	5.39%	R 2,083.00	5.41%
11.1.14	Use of municipal sidewalk for business related purposes (inclusive of parking)								
(i)	Use of municipal land	0,1% of property value / parking bay / quarter	0,1% of property value / parking bay / quarter	0,1% of property value / parking bay / quarter	New	0,1% of property value / parking bay / quarter		0,1% of property value / parking bay / quarter	
(ii)	Parking for business purposes	0,1% of property value / 20m²/ quarter	0,1% of property value / 20m²/ quarter	0,1% of property value / 20m²/ quarter	New	0,1% of property value / 20m²/ quarter		0,1% of property value / 20m²/ quarter	
(iii)	Landscaping without formal approval				New				
11.2	Town Planning Fees								
11.2.1	Bylaw Land Development Applications								
(i)	a rezoning of land;								
(i)(i)	Fixed Fee - Urban & Rural	Plett Urban and Rural Areas	R 9,809.00	R 10,339.00	5.40%	R 10,897.00	5.40%	R 11,485.00	5.40%
(i)(ii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(ii)	Permanent Departures From Zoning Scheme Parameters								
(ii)(i)	Fixed Fee - Urban & Rural	All others areas - Plett Urban and Rural Areas	R 4,577.00	R 4,824.00	5.40%	R 5,084.00	5.39%	R 5,359.00	5.41%
(ii)(ii)	Previously Disadvantaged Areas (PDA)	.	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(iii)	Temporary Land Use Departure (Max 5 Years)								
(iii)(i)	Fixed Fee - Urban & Rural	All others areas - Plett Urban and Rural Areas	R 4,577.00	R 4,824.00	5.40%	R 5,084.00	5.39%	R 5,359.00	5.41%
(iii)(ii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(iv)	Subdivision of Land								
(iv)(i)	Fixed Fee - Urban & Rural (Max 5 Erven)	All other Areas Plett Urban and Rural -Creation of up to 5 erven	R 5,885.00	R 6,203.00	5.40%	R 6,538.00	5.40%	R 6,891.00	5.40%
(iv)(ii)	Per Additional Erf	More than 5 Erven	R 262.00	R 276.00	5.34%	R 291.00	5.43%	R 307.00	5.50%
(iv)(iii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(iv)(iv)	Exemption Subdivision & Consolidation	All other Areas Plett Urban and Rural	R 2,354.00	R 2,481.00	5.40%	R 2,615.00	5.40%	R 2,756.00	5.39%
(iv)(v)	Exemption Subdivision & Consolidation	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(iv)(vi)	Clearance for Transfer (By-law Sec28)	Per Property	R 2,354.00	R 2,481.00	5.40%	R 2,615.00	5.40%	R 2,756.00	5.39%
(v)	Consolidation of land (Not Exempted)								
(v)(i)	Fixed Fee - Urban & Rural	Consolidation of 2 or more erven	R 3,270.00	R 3,447.00	5.41%	R 3,633.00	5.40%	R 3,829.00	5.39%
(vi)	Removal, suspension or amendment of restrictive title deed conditions								
(vi)(i)	Fixed Fee - Urban & Rural	All others areas - Plett Urban and Rural Areas	R 5,885.00	R 6,203.00	5.40%	R 6,538.00	5.40%	R 6,891.00	5.40%
(vi)(ii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%

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BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
(vii)	Permission required in terms of the Zoning Scheme or Condition Approval								
(vii)(i)	Fixed Fee - Urban & Rural	All others areas - Plett Urban and Rural Areas	R 2,616.00	R 2,757.00	5.39%	R 2,906.00	5.40%	R 3,063.00	5.40%
(vii)(ii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(viii)	Amendment, deletion or imposition of conditions in respect of an existing approval								
(viii)(i)	Fixed Fee - Urban & Rural	All others areas - Plett Urban and Rural Areas	R 3,270.00	R 3,447.00	5.41%	R 3,633.00	5.40%	R 3,829.00	5.39%
(viii)(ii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(ix)	Approval of an overlay zone as contemplated in the zoning scheme								
(ix)(i)	Fixed fee	Local	R 9,809.00	R 10,339.00	5.40%	R 10,897.00	5.40%	R 11,485.00	5.40%
(x)	amendment or cancellation of an approved subdivision plan or part thereof, including a general plan or diagram								
(x)(i)	Amendment of Subdivision Plan	Per application - All others areas - Plett Urban and Rural Areas	R 2,616.00	R 2,757.00	5.39%	R 2,906.00	5.40%	R 3,063.00	5.40%
(x)(ii)	Amendment of General Plan or Diagram	Per application - All others areas - Plett Urban and Rural Areas	R 4,577.00	R 4,824.00	5.40%	R 5,084.00	5.39%	R 5,359.00	5.41%
(x)(iii)	Previously Disadvantaged Areas (PDA)	New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(xi)	A Determination of a Zoning								
(xi)(i)	Fixed Fee - Urban & Rural	All others areas - Plett Urban and Rural Areas	R 1,962.00	R 2,068.00	5.40%	R 2,180.00	5.42%	R 2,298.00	5.41%
(xi)(ii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(xii)	Closure of a public place or part thereof								
(xii)(i)	Fixed Fee - Urban & Rural	All others areas - Plett Urban and Rural Areas	R 5,885.00	R 6,203.00	5.40%	R 6,538.00	5.40%	R 6,891.00	5.40%
(xii)(ii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(xiii)	A consent use contemplated in the zoning scheme								
(xiii)(i)	Fixed Fee - Urban & Rural	All others areas - Plett Urban and Rural Areas	R 4,577.00	R 4,824.00	5.40%	R 5,084.00	5.39%	R 5,359.00	5.41%
(xiii)(ii)	Previously Disadvantaged Areas (PDA)	All other Urban Areas (Kwano, New Horizons, Kranshoek, Kurland, Qolweni)	R 523.00	R 551.00	5.35%	R 581.00	5.44%	R 612.00	5.34%
(xiv)	To disestablish a home owner's association;								
(xiv)(i)	Fixed fee	Per Application	R 3,923.00	R 4,135.00	5.40%	R 4,358.00	5.39%	R 4,593.00	5.39%
(xv)	To rectify a failure by a home owner's association to meet its obligations in respect of the control over or maintenance of services;								
(xv)(i)	Fixed fee	Per Application	R 3,923.00	R 4,135.00	5.40%	R 4,358.00	5.39%	R 4,593.00	5.39%
(xvi)	A permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building.								

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BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
(xvi)(i)	Fixed fee	Per Application	R 1,962.00	R 2,068.00	5.40%	R 2,180.00	5.42%	R 2,298.00	5.41%
(xvii)	Application for lease/purchase/use of municipal land								
(xvii)(i)	Economic Areas		R 2,731.00	R 2,878.00	5.38%	R 3,033.00	5.39%	R 3,197.00	5.41%
(xvii)(ii)	Sub-Economic areas		R 89.00	R 94.00	5.62%	R 99.00	5.32%	R 104.00	5.05%
(xviii)	Enchroachment Fee	per m², per month	R 27.00	R 28.00	3.70%	R 30.00	7.14%	R 32.00	6.67%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

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11.2.2	Advertising								
(i)	Provincial Gazette	Per Application/s	R 1,962.00	R 2,068.00	5.40%	R 2,180.00	5.42%	R 2,298.00	5.41%
(ii)	Local Newspaper	Per Application/s	R 2,616.00	R 2,757.00	5.39%	R 2,906.00	5.40%	R 3,063.00	5.40%
(iii)	Notification Letters	Per Application/s	R 654.00	R 689.00	5.35%	R 726.00	5.37%	R 765.00	5.37%
11.2.2.1	Development Contributions Additional Dwelling Unit Granted within the Urban Edge (Connected to Municipal Infrastructure)	Payment of development charges imposed as a condition of approval for an additional land use right granted in terms of Section 60 of the Bitou							
(i)	Additional Dwelling Unit between 60-90m²	Per Application/s	R 17,730.00	R 17,730.00	New	R 18,687.42	5.40%	R 19,696.54	5.40%
(ii)	Additional Dwelling Unit between 91-150m²	Per Application/s	R 29,550.00	R 29,550.00	New	R 31,145.70	5.40%	R 32,827.57	5.40%
(iii)	Additional Dwelling Unit Larger Than 150m²	Per Unit (m²)	R 197.00	R 197.00	New	R 207.64	5.40%	R 218.85	5.40%
11.2.3	Penalty Fees for Rectification of a Contravention								
(i)	Payment of contravention fee in terms of Section 87 (2) (b) to be imposed as a condition of approval for the utilisation of land and or the construction activity. This fee will be calculated in accordance with the minor or major encroachment structure below.		R -	R -	New				
11.2.3.1	Minor Encroachments								
(i)	The utilization of the land remains unchanged. The area of the building, structure, or construction work undertaken resulted in the encroachment of the development parameters for the primary use on the designated zoning. These parameters, among others, include: Building lines, coverage, height, floor factor, parking, etc.	Per Application	2.5% of the per m² Municipal Property Value. Multiplied by the floor area of the illegal structure, up to a maximum of R20,000 (year-on-year escalation from 2024).	2.5% of the per m² Municipal Property Value. Multiplied by the floor area of the illegal structure, up to a maximum of R20,000 (year-on-year escalation from 2024).	New	2.5% of the per m² Municipal Property Value. Multiplied by the floor area of the illegal structure, up to a maximum of R20,000 (year-on-year escalation from 2024).	0.00%	2.5% of the per m² Municipal Property Value. Multiplied by the floor area of the illegal structure, up to a maximum of R20,000 (year-on-year escalation from 2024).	0.00%
11.2.3.2	Major Encroachments								
(i)	The land is unlawfully used in a manner not allowed for on the primary land use right as designated by the zoning of the property. The area of the building, structure, or construction work undertaken that resulted in the unlawful land use.	Per Application	5% of the per m² Municipal Property Value. Multiplied by the floor area of the illegal structure or area of unlawful land use (Penalty Fee up to a maximum of R50,000 (year-on-year escalation from 2024).	5% of the per m² Municipal Property Value. Multiplied by the floor area of the illegal structure or area of unlawful land use (Penalty Fee up to a maximum of R50,000 (year-on-year escalation from 2024).	New	5% of the per m² Municipal Property Value. Multiplied by the floor area of the illegal structure or area of unlawful land use (Penalty Fee up to a maximum of R50,000 (year-on-year escalation from 2024).	0.00%	5% of the per m² Municipal Property Value. Multiplied by the floor area of the illegal structure or area of unlawful land use (Penalty Fee up to a maximum of R50,000 (year-on-year escalation from 2024).	0.00%
11.2.4	General Planning Fees								
(i)	Zoning Certificates	Per Zoning Certificate	R 715.00	R 754.00	5.45%	R 795.00	5.44%	R 838.00	5.41%
(ii)	Provision of General Info Electronically		R 500.00	R 500.00	New	R 527.00	5.40%	R 555.46	5.40%

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BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
11.2.5	Aerial Photos								
(i)	Map Compilation	Per Hour	R 439.00	R 463.00	5.47%	R 488.00	5.40%	R 514.00	5.33%
(ii)	Information Electronically	Per Disk / CD	R 236.00	R 249.00	5.51%	R 262.00	5.22%	R 276.00	5.34%
(iii)	A 4 copy	Per Page	R 28.00	R 30.00	7.14%	R 32.00	6.67%	R 34.00	6.25%
11.2.6	GIS Prints and Fees								
(i)	A4 prints								
(i)(i)	Vector Data	Colour per print	R 17.96	R 18.93	5.40%	R 19.95	5.39%	R 21.03	5.41%
(i)(ii)	Vector Data	Black and White per print	R 13.82	R 14.57	5.43%	R 15.36	5.42%	R 16.19	5.40%
(i)(iii)	Raster data	Per print	R 31.78	R 33.50	5.41%	R 35.31	5.40%	R 37.22	5.41%
(ii)	A3 prints								
(ii)(i)	Vector Data	Colour per print	R 31.78	R 33.50	5.41%	R 35.31	5.40%	R 37.22	5.41%
(ii)(ii)	Vector Data	Black and White per print	R 20.73	R 21.85	5.40%	R 23.03	5.40%	R 24.27	5.38%
(ii)(iii)	Raster data	Per print	R 49.74	R 52.43	5.41%	R 55.26	5.40%	R 58.24	5.39%
(iii)	A2 prints								
(iii)(i)	Vector Data	Colour per print	R 99.48	R 104.85	5.40%	R 110.51	5.40%	R 116.48	5.40%
(iii)(ii)	Vector Data	Black and White per print	R 29.01	R 30.58	5.41%	R 32.23	5.40%	R 33.97	5.40%
(iii)(iii)	Raster data	Per print	R 116.06	R 122.33	5.40%	R 128.94	5.40%	R 135.90	5.40%
(iv)	A1 prints								
(iv)(i)	Vector Data	Colour per print	R 131.26	R 138.35	5.40%	R 145.82	5.40%	R 153.69	5.40%
(iv)(ii)	Vector Data	Black and White per print	R 42.83	R 45.14	5.39%	R 47.58	5.41%	R 50.15	5.40%
(iv)(iii)	Raster data	Per print	R 165.80	R 174.75	5.40%	R 184.19	5.40%	R 194.14	5.40%
(v)	A0 prints								
(v)(i)	Vector Data	Colour per print	R 197.58	R 208.25	5.40%	R 219.50	5.40%	R 231.35	5.40%
(v)(ii)	Vector Data	Black and White per print	R 66.32	R 69.90	5.40%	R 73.67	5.39%	R 77.65	5.40%
(v)(iii)	Raster data	Per print	R 247.32	R 260.68	5.40%	R 274.76	5.40%	R 289.60	5.40%
11.2.7	Building Plan Lists								
(i)	12 Months	Collected	R 969.00	R 1,021.00	5.37%	R 1,076.00	5.39%	R 1,134.00	5.39%
(ii)	12 Months	Faxed	R 1,337.00	R 1,409.00	5.39%	R 1,485.00	5.39%	R 1,565.00	5.39%
(iii)	Building Plan lists	Per Month	R 274.00	R 289.00	5.47%	R 305.00	5.54%	R 321.00	5.25%
11.2.8	General fees	Any Fire, Patrol or the like							
11.2.8.1	Environmental Management								
(i)	Application for Exemption from OSCAER	Fixed fee	R 1,047.00	R 1,104.00	5.44%	R 1,164.00	5.43%	R 1,227.00	5.41%
(ii)	Senistive Costal area application (Urban Area)								
(ii)(i)	Municipality conducts public participation process	Fixed fee Plus Actual Cost	R 2,551.00	R 2,689.00	5.41%	R 2,834.00	5.39%	R 2,987.00	5.40%
(ii)(ii)	Applicant conduct public participation process	Fixed fee	R 1,569.00	R 1,654.00	5.42%	R 1,743.00	5.38%	R 1,837.00	5.39%
(iii)	Senistive Costal area application (Rural Area)								
(iii)(i)	Municipality conducts public participation process	Fixed fee Plus Actual Cost	R 4,250.00	R 4,480.00	5.41%	R 4,722.00	5.40%	R 4,977.00	5.40%
(iii)(ii)	Applicant conduct public participation process	Fixed Fee	R 3,270.00	R 3,447.00	5.41%	R 3,633.00	5.40%	R 3,829.00	5.39%
(iii)(iii)	Applications in terms of Bitou River Bylaw	Fixed Fee	R 4,577.00	R 4,824.00	5.40%	R 5,084.00	5.39%	R 5,359.00	5.41%

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BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs:		Budget Year: 2025	% Increase/	Budget Year + 1:	% Increase/	Budget Year + 2:	% Increase/
			2024 - 2025		- 2026	(Decrease)	2026 - 2027	(Decrease)	2027 - 2028	(Decrease)
12	Aerodrome Fees									
12.1	Landing Fees									
12.1.1	Aircrafts (Rated according to weight of aircraft)									
(i)	0 - 500 kilograms	Per Aircraft	R	57.90	R	61.02	5.40%	R	64.32	5.40%
(ii)	501 - 1000 kilograms	Per Aircraft	R	90.78	R	95.68	5.40%	R	100.85	5.40%
(iii)	1001 - 1500 kilograms	Per Aircraft	R	115.52	R	121.76	5.40%	R	128.34	5.40%
(iv)	1501 - 2000 kilograms	Per Aircraft	R	132.10	R	139.23	5.40%	R	146.75	5.40%
(v)	2001 - 2500 kilograms	Per Aircraft	R	156.82	R	165.29	5.40%	R	174.22	5.40%
(vi)	2501 - 3000 kilograms	Per Aircraft	R	173.40	R	182.76	5.40%	R	192.63	5.40%
(vii)	3001 - 4000 kilograms	Per Aircraft	R	247.88	R	261.27	5.40%	R	275.38	5.40%
(viii)	4001 - 5000 kilograms	Per Aircraft	R	330.37	R	348.21	5.40%	R	367.01	5.40%
(ix)	5001 -6000 kilograms	Per Aircraft	R	413.00	R	435.30	5.40%	R	458.81	5.40%
(x)	6001 - 7000 kilograms	Per Aircraft	R	479.04	R	504.91	5.40%	R	532.18	5.40%
(xi)	7001 - 8000 kilograms	Per Aircraft	R	536.80	R	565.79	5.40%	R	596.34	5.40%
(xii)	8001 - 9000 kilograms	Per Aircraft	R	611.14	R	644.14	5.40%	R	678.92	5.40%
(xiii)	9001 - 10000 kilograms	Per Aircraft	R	693.76	R	731.22	5.40%	R	770.71	5.40%
(xiv)	10001 - 12000 kilograms	Per Aircraft	R	825.86	R	870.46	5.40%	R	917.46	5.40%
(xv)	12001 - 14000 kilograms	Per Aircraft	R	991.10	R	1,044.62	5.40%	R	1,101.03	5.40%
(xvi)	14001 - 16000 kilograms	Per Aircraft	R	1,115.05	R	1,175.26	5.40%	R	1,238.72	5.40%
(xvii)	16001 - 18000 kilograms	Per Aircraft	R	1,238.99	R	1,305.90	5.40%	R	1,376.42	5.40%
(xviii)	18001 - 20000 kilograms	Per Aircraft	R	1,362.79	R	1,436.38	5.40%	R	1,513.94	5.40%
12.1.2	Helicopters (Rated according to weight of Helicopter) (20% of fees Normal Aircraft Fees)									
(i)	0 - 500 kilograms	Per Helicopter	R	12.38	R	12.20	-1.40%	R	12.86	5.40%
(ii)	501 - 1000 kilograms	Per Helicopter	R	19.41	R	19.14	-1.40%	R	20.17	5.40%
(iii)	1001 - 1500 kilograms	Per Helicopter	R	24.70	R	24.35	-1.40%	R	25.67	5.40%
(iv)	1501 - 2000 kilograms	Per Helicopter	R	28.24	R	27.85	-1.40%	R	29.35	5.40%
(v)	2001 - 2500 kilograms	Per Helicopter	R	33.53	R	33.06	-1.40%	R	34.84	5.40%
(vi)	2501 - 3000 kilograms	Per Helicopter	R	37.07	R	36.55	-1.40%	R	38.53	5.40%
(vii)	3001 - 4000 kilograms	Per Helicopter	R	53.00	R	52.25	-1.40%	R	55.08	5.40%
(viii)	4001 - 5000 kilograms	Per Helicopter	R	70.63	R	69.64	-1.40%	R	73.40	5.40%
(ix)	5001 -6000 kilograms	Per Helicopter	R	88.30	R	87.06	-1.40%	R	91.76	5.40%
(x)	6001 - 7000 kilograms	Per Helicopter	R	102.42	R	100.98	-1.40%	R	106.44	5.40%
(xi)	7001 - 8000 kilograms	Per Helicopter	R	114.77	R	113.16	-1.40%	R	119.27	5.40%
(xii)	8001 - 9000 kilograms	Per Helicopter	R	130.66	R	128.83	-1.40%	R	135.78	5.40%
(xiii)	9001 - 10000 kilograms	Per Helicopter	R	148.33	R	146.24	-1.40%	R	154.14	5.40%
(xiv)	10001 - 12000 kilograms	Per Helicopter	R	176.57	R	174.09	-1.40%	R	183.49	5.40%
(xv)	12001 - 14000 kilograms	Per Helicopter	R	211.90	R	208.92	-1.40%	R	220.21	5.40%
(xvi)	14001 - 16000 kilograms	Per Helicopter	R	238.40	R	235.05	-1.40%	R	247.74	5.40%
(xvii)	16001 - 18000 kilograms	Per Helicopter	R	264.90	R	261.18	-1.40%	R	275.28	5.40%
(xviii)	18001 - 20000 kilograms	Per Helicopter	R	291.36	R	287.28	-1.40%	R	302.79	5.40%

*All Tariffs exclude VAT, accept if specifically mentioned.

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
12.2	Parking Fees (Levied After First 4 Hours for Each 24Hour Period or Part Thereof)								
12.2.1	Aircrafts (Rated according to weight of aircraft)(Helicopters is included in this Category)								
(i)	0 - 500 kilograms	Per Aircraft	R 49.46	R 52.13	5.40%	R 54.95	5.40%	R 57.92	5.40%
(ii)	501 - 1000 kilograms	Per Aircraft	R 49.46	R 52.13	5.40%	R 54.95	5.40%	R 57.92	5.40%
(iii)	1001 - 1500 kilograms	Per Aircraft	R 49.46	R 52.13	5.40%	R 54.95	5.40%	R 57.92	5.40%
(iv)	1501 - 2000 kilograms	Per Aircraft	R 49.46	R 52.13	5.40%	R 54.95	5.40%	R 57.92	5.40%
(v)	2001 - 2500 kilograms	Per Aircraft	R 90.78	R 95.68	5.40%	R 100.85	5.40%	R 106.29	5.40%
(vi)	2501 - 3000 kilograms	Per Aircraft	R 90.78	R 95.68	5.40%	R 100.85	5.40%	R 106.29	5.40%
(vii)	3001 - 3500 kilograms	Per Aircraft	R 132.10	R 139.23	5.40%	R 146.75	5.40%	R 154.67	5.40%
(viii)	3501 - 4000 kilograms	Per Aircraft	R 181.70	R 191.51	5.40%	R 201.85	5.40%	R 212.75	5.40%
(ix)	4001 - 4500 kilograms	Per Aircraft	R 264.32	R 278.59	5.40%	R 293.64	5.40%	R 309.49	5.40%
(x)	4501 - 5000 kilograms	Per Aircraft	R 264.32	R 278.59	5.40%	R 293.64	5.40%	R 309.49	5.40%
(xi)	5001 - 5500 kilograms	Per Aircraft	R 264.32	R 278.59	5.40%	R 293.64	5.40%	R 309.49	5.40%
(xii)	5501 - 6000 kilograms	Per Aircraft	R 264.32	R 278.59	5.40%	R 293.64	5.40%	R 309.49	5.40%
(xiii)	6001 - 6500 kilograms	Per Aircraft	R 264.32	R 278.59	5.40%	R 293.64	5.40%	R 309.49	5.40%
(xiii)	6500 - 7000 kilograms	Per Aircraft	R 264.32	R 278.59	5.40%	R 293.64	5.40%	R 309.49	5.40%
(xiv)	7001 - 8000 kilograms	Per Aircraft	R 264.32	R 278.59	5.40%	R 293.64	5.40%	R 309.49	5.40%
(xv)	8001 - 9000 kilograms	Per Aircraft	R 330.37	R 348.21	5.40%	R 367.02	5.40%	R 386.84	5.40%
(xvi)	9001 - 10000 kilograms	Per Aircraft	R 330.37	R 348.21	5.40%	R 367.02	5.40%	R 386.84	5.40%
(xvii)	10001 - 12000 kilograms	Per Aircraft	R 363.40	R 383.02	5.40%	R 403.70	5.40%	R 425.50	5.40%
(xviii)	12001 - 14000 kilograms	Per Aircraft	R 363.40	R 383.02	5.40%	R 403.70	5.40%	R 425.50	5.40%
(xix)	14001 - 16000 kilograms	Per Aircraft	R 429.44	R 452.63	5.40%	R 477.07	5.40%	R 502.83	5.40%
(xx)	16001 - 18000 kilograms	Per Aircraft	R 429.44	R 452.63	5.40%	R 477.07	5.40%	R 502.83	5.40%
(xxi)	18001 - 20000 kilograms	Per Aircraft	R 429.44	R 452.63	5.40%	R 477.07	5.40%	R 502.83	5.40%
12.3	Other Fees								
(i)	Passenger Fees	Per Passenger	R 82.62	R 87.08	5.40%	R 91.78	5.40%	R 96.74	5.40%
(ii)	rebate on calculated landing fee	% of calculated landing fee	30.00%	30.00%	0.00%	30.00%	0.00%	30.00%	0.00%
(iii)	Hanger Fees	Per m² of Building	R 5.25	R 6.00	14.29%	R 6.32	5.40%	R 6.67	5.40%
(iv)	Baggage handling	1 to 20 pax	R 363.00	R 383.00	5.51%	R 404.00	5.48%	R 426.00	5.45%
(v)	Baggage handling	20 to 50 pax	R 727.00	R 766.00	5.36%	R 807.00	5.35%	R 851.00	5.45%
(vi)	Office Rental		As Determined By Council From Time to Time	As Determined By Council From Time to Time		As Determined By Council From Time to Time		As Determined By Council From Time to Time	
(vii)	Call-Outs								
(vi)(i)	Surcharge	Per Call-out	R 363.46	R 383.09	5.40%	R 403.78	5.40%	R 425.58	5.40%
(vi)(ii)	Fire Service	Per Call-out	R 3,029.55	As per quote by Fire Services	New	As per quote by Fire Services		As per quote by Fire Services	
(vi)(iii)	GPU	Per Call-out	R 990.96	R 1,044.47	5.40%	R 1,100.87	5.40%	R 1,160.32	5.40%
(vi)(iv)	Fuel	Purchase price of fuel Per Litre	Cost plus 20%	Cost plus 20%		Cost plus 20%		Cost plus 20%	

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
13	Community Halls								
13.1	Piesang Valley Community Hall Tariffs								
13.1.1	Socials and Conferences								
13.1.1.1	Rebate								
(i)	Applicable to (i) Cultural / Educational / Welfare / Service and Non-Profit Organisations, (ii) Churches, (iii) Voortrekkers, (iv) Scouts, (v) Girl Guides, (vi) Widows and Orphans Funds, (vii) Sport Clubs and (viii) Municipal, Provincial and State Institutions when hiring this facility.	A Rebate of	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(ii)	Written Applications for a further rebate from Organisations as mentioned above will be considered on merit.								
13.1.1.2	Weekdays								
13.1.1.2.1	Hall Only								
(i)	Hourly (Weekdays Only)	Per Function	R 136.83	R 144.22	5.40%	R 152.01	5.40%	R 160.22	5.40%
(ii)	Morning (08:00 - 12:00)	Per Function	R 487.46	R 513.78	5.40%	R 541.52	5.40%	R 570.76	5.40%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 487.46	R 513.78	5.40%	R 541.52	5.40%	R 570.76	5.40%
(iv)	Day (08:00 - 18:00)	Per Function	R 676.68	R 713.22	5.40%	R 751.73	5.40%	R 792.32	5.40%
(v)	Evening (18:00 - 00:00)	Per Function	R 945.00	R 996.03	5.40%	R 1,049.82	5.40%	R 1,106.51	5.40%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,349.08	R 1,421.93	5.40%	R 1,498.71	5.40%	R 1,579.64	5.40%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 491.74	R 518.29	5.40%	R 546.28	5.40%	R 575.78	5.40%
13.1.1.2.2	Hall & Kitchen								
(i)	Hourly (Weekdays Only)	Per Function	R 136.83	R 144.22	5.40%	R 152.01	5.40%	R 160.22	5.40%
(ii)	Morning (08:00 - 12:00)	Per Function	R 623.23	R 656.88	5.40%	R 692.35	5.40%	R 729.74	5.40%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 623.23	R 656.88	5.40%	R 692.35	5.40%	R 729.74	5.40%
(iv)	Day (08:00 - 18:00)	Per Function	R 808.16	R 851.80	5.40%	R 897.80	5.40%	R 946.28	5.40%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,078.62	R 1,136.87	5.40%	R 1,198.26	5.40%	R 1,262.97	5.40%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,484.84	R 1,565.02	5.40%	R 1,649.53	5.40%	R 1,738.60	5.40%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 491.74	R 518.29	5.40%	R 546.28	5.40%	R 575.78	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
13.1.1.3	Saturday, Sunday and Public Holidays								
13.1.1.3.1	Hall Only								
(i)	Hourly (Weekdays Only)	Per Function	R 163.56	R 172.39	5.40%	R 181.70	5.40%	R 191.51	5.40%
(ii)	Morning (08:00 - 12:00)	Per Function	R 676.68	R 713.22	5.40%	R 751.73	5.40%	R 792.32	5.40%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 676.68	R 713.22	5.40%	R 751.73	5.40%	R 792.32	5.40%
(iv)	Day (08:00 - 18:00)	Per Function	R 945.00	R 996.03	5.40%	R 1,049.82	5.40%	R 1,106.51	5.40%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,349.08	R 1,421.93	5.40%	R 1,498.71	5.40%	R 1,579.64	5.40%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 2,024.69	R 2,134.02	5.40%	R 2,249.26	5.40%	R 2,370.72	5.40%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 491.74	R 518.29	5.40%	R 546.28	5.40%	R 575.78	5.40%
13.1.1.3.2	Hall & Kitchen								
(i)	Hourly (Weekdays Only)	Per Function	R 163.56	R 172.39	5.40%	R 181.70	5.40%	R 191.51	5.40%
(ii)	Morning (08:00 - 12:00)	Per Function	R 808.16	R 851.80	5.40%	R 897.80	5.40%	R 946.28	5.40%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 808.16	R 851.80	5.40%	R 897.80	5.40%	R 946.28	5.40%
(iv)	Day (08:00 - 18:00)	Per Function	R 1,078.62	R 1,136.87	5.40%	R 1,198.26	5.40%	R 1,262.97	5.40%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,484.84	R 1,565.02	5.40%	R 1,649.53	5.40%	R 1,738.60	5.40%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 2,161.52	R 2,278.24	5.40%	R 2,401.26	5.40%	R 2,530.93	5.40%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 491.74	R 518.29	5.40%	R 546.28	5.40%	R 575.78	5.40%
13.1.2	Performances								
13.1.2.1	Rebate on tariffs below								
(i)	Applicable to (i) Cultural / Educational / Welfare / Service and Non-Profit Organisations, (ii) Churches, (iii) Voortrekkers, (iv) Scouts, (v) Girl Guides, (vi) Widows and Orphans Funds, (vii) Sport Clubs and (viii) Municipal, Provincial and State Institutions when hiring this facility.	A Rebate of	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(ii)	Written Applications for a further rebate from Organisations as mentioned above will be considered on merit.								
13.1.2.2	Weekdays								
13.1.2.2.1	Hall Only								
(i)	Hourly (Weekdays Only)	Per Function	R 136.83	R 144.22	5.40%	R 152.01	5.40%	R 160.22	5.40%
(ii)	Morning (08:00 - 12:00)	Per Function	R 538.78	R 567.87	5.40%	R 598.53	5.40%	R 630.85	5.40%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 538.78	R 567.87	5.40%	R 598.53	5.40%	R 630.85	5.40%
(iv)	Day (08:00 - 18:00)	Per Function	R 754.71	R 795.46	5.40%	R 838.41	5.40%	R 883.68	5.40%
(v)	Evening (18:00 - 00:00)	Per Function	R 862.68	R 909.26	5.40%	R 958.36	5.40%	R 1,010.11	5.40%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,215.45	R 1,281.08	5.40%	R 1,350.26	5.40%	R 1,423.17	5.40%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 491.74	R 518.29	5.40%	R 546.28	5.40%	R 575.78	5.40%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
13.1.2.2.2	Hall & Kitchen								
(i)	Hourly (Weekdays Only)	Per Function	R 137.00	R 144.00	5.11%	R 152.00	5.56%	R 160.00	5.26%
(ii)	Morning (08:00 - 12:00)	Per Function	R 677.00	R 714.00	5.47%	R 753.00	5.46%	R 794.00	5.44%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 677.00	R 714.00	5.47%	R 753.00	5.46%	R 794.00	5.44%
(iv)	Day (08:00 - 18:00)	Per Function	R 863.00	R 910.00	5.45%	R 959.00	5.38%	R 1,011.00	5.42%
(v)	Evening (18:00 - 00:00)	Per Function	R 997.00	R 1,051.00	5.42%	R 1,108.00	5.42%	R 1,168.00	5.42%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,349.00	R 1,422.00	5.41%	R 1,499.00	5.41%	R 1,580.00	5.40%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%
13.1.2.3	Saturday, Sunday and Public Holidays								
13.1.2.3.1	Hall Only								
(i)	Hourly (Weekdays Only)	Per Function	R 164.00	R 173.00	5.49%	R 182.00	5.20%	R 192.00	5.49%
(ii)	Morning (08:00 - 12:00)	Per Function	R 755.00	R 796.00	5.43%	R 839.00	5.40%	R 884.00	5.36%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 755.00	R 796.00	5.43%	R 839.00	5.40%	R 884.00	5.36%
(iv)	Day (08:00 - 18:00)	Per Function	R 945.00	R 996.00	5.40%	R 1,050.00	5.42%	R 1,107.00	5.43%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,079.00	R 1,137.00	5.38%	R 1,198.00	5.36%	R 1,263.00	5.43%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,349.00	R 1,422.00	5.41%	R 1,499.00	5.41%	R 1,580.00	5.40%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%
13.1.2.3.2	Hall & Kitchen								
(i)	Hourly (Weekdays Only)	Per Function	R 164.00	R 173.00	5.49%	R 182.00	5.20%	R 192.00	5.49%
(ii)	Morning (08:00 - 12:00)	Per Function	R 863.00	R 910.00	5.45%	R 959.00	5.38%	R 1,011.00	5.42%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 863.00	R 910.00	5.45%	R 959.00	5.38%	R 1,011.00	5.42%
(iv)	Day (08:00 - 18:00)	Per Function	R 1,079.00	R 1,137.00	5.38%	R 1,198.00	5.36%	R 1,263.00	5.43%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,215.00	R 1,281.00	5.43%	R 1,350.00	5.39%	R 1,423.00	5.41%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,485.00	R 1,565.00	5.39%	R 1,650.00	5.43%	R 1,739.00	5.39%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%
13.1.3	Receptions								
13.1.3.1	Rebate on tariffs below								
(i)	Applicable to (i) Cultural / Educational / Welfare / Service and Non-Profit Organisations, (ii) Churches, (iii) Voortrekkers, (iv) Scouts, (v) Girl Guides, (vi) Widows and Orphans Funds, (vii) Sport Clubs and (viii) Municipal, Provincial and State Institutions when hiring this facility.	A Rebate of	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(ii)	Written Applications for a further rebate from Organisations as mentioned above will be considered on merit.								

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025		Budget Year: 2025 - 2026		% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027		% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028		% Increase/ (Decrease)
13.1.3.2	Weekdays												
13.1.3.2.1	Hall Only												
(i)	Hourly (Weekdays Only)	Per Function	R	137.00	R	144.00	5.11%	R	152.00	5.56%	R	160.00	5.26%
(ii)	Morning (08:00 - 12:00)	Per Function	R	677.00	R	714.00	5.47%	R	753.00	5.46%	R	794.00	5.44%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R	677.00	R	714.00	5.47%	R	753.00	5.46%	R	794.00	5.44%
(iv)	Day (08:00 - 18:00)	Per Function	R	945.00	R	996.00	5.40%	R	1,050.00	5.42%	R	1,107.00	5.43%
(v)	Evening (18:00 - 00:00)	Per Function	R	1,215.00	R	1,281.00	5.43%	R	1,350.00	5.39%	R	1,423.00	5.41%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R	1,485.00	R	1,565.00	5.39%	R	1,650.00	5.43%	R	1,739.00	5.39%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff		50.00%		50.00%	0.00%		50.00%	0.00%		50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R	492.00	R	519.00	5.49%	R	547.00	5.39%	R	577.00	5.48%
13.1.3.2.2	Hall & Kitchen												
(i)	Hourly (Weekdays Only)	Per Function	R	137.00	R	144.00	5.11%	R	152.00	5.56%	R	160.00	5.26%
(ii)	Morning (08:00 - 12:00)	Per Function	R	808.00	R	852.00	5.45%	R	898.00	5.40%	R	946.00	5.35%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R	808.00	R	852.00	5.45%	R	898.00	5.40%	R	946.00	5.35%
(iv)	Day (08:00 - 18:00)	Per Function	R	1,079.00	R	1,137.00	5.38%	R	1,198.00	5.36%	R	1,263.00	5.43%
(v)	Evening (18:00 - 00:00)	Per Function	R	1,349.00	R	1,422.00	5.41%	R	1,499.00	5.41%	R	1,580.00	5.40%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R	1,621.00	R	1,709.00	5.43%	R	1,801.00	5.38%	R	1,898.00	5.39%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff		50.00%		50.00%	0.00%		50.00%	0.00%		50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R	492.00	R	519.00	5.49%	R	547.00	5.39%	R	577.00	5.48%
13.1.3.3	Saturday, Sunday and Public Holidays												
13.1.3.3.1	Hall Only												
(i)	Hourly (Weekdays Only)	Per Function	R	164.00	R	173.00	5.49%	R	182.00	5.20%	R	192.00	5.49%
(ii)	Morning (08:00 - 12:00)	Per Function	R	945.00	R	996.00	5.40%	R	1,050.00	5.42%	R	1,107.00	5.43%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R	945.00	R	996.00	5.40%	R	1,050.00	5.42%	R	1,107.00	5.43%
(iv)	Day (08:00 - 18:00)	Per Function	R	1,215.00	R	1,281.00	5.43%	R	1,350.00	5.39%	R	1,423.00	5.41%
(v)	Evening (18:00 - 00:00)	Per Function	R	1,485.00	R	1,565.00	5.39%	R	1,650.00	5.43%	R	1,739.00	5.39%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R	1,755.00	R	1,850.00	5.41%	R	1,950.00	5.41%	R	2,055.00	5.38%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff		50.00%		50.00%	0.00%		50.00%	0.00%		50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R	492.00	R	519.00	5.49%	R	547.00	5.39%	R	577.00	5.48%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
13.1.3.3.2	Hall & Kitchen								
(i)	Hourly (Weekdays Only)	Per Function	R 164.00	R 173.00	5.49%	R 182.00	5.20%	R 192.00	5.49%
(ii)	Morning (08:00 - 12:00)	Per Function	R 1,079.00	R 1,137.00	5.38%	R 1,198.00	5.36%	R 1,263.00	5.43%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 1,079.00	R 1,137.00	5.38%	R 1,198.00	5.36%	R 1,263.00	5.43%
(iv)	Day (08:00 - 18:00)	Per Function	R 1,349.00	R 1,422.00	5.41%	R 1,499.00	5.41%	R 1,580.00	5.40%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,621.00	R 1,709.00	5.43%	R 1,801.00	5.38%	R 1,898.00	5.39%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,890.00	R 1,992.00	5.40%	R 2,100.00	5.42%	R 2,213.00	5.38%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%
13.1.4	Political								
13.1.4.1	Rebate on tariffs below								
(i)	Applicable to (i) Cultural / Educational / Welfare / Service and Non-Profit Organisations, (ii) Churches, (iii) Voortrekkers, (iv) Scouts, (v) Girl Guides, (vi) Widows and Orphans Funds, (vii) Sport Clubs and (viii) Municipal, Provincial and State Institutions when hiring this facility.	A Rebate of	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(ii)	Written Applications for a further rebate from Organisations as mentioned above will be considered on merit.								
13.1.4.2	Weekdays								
13.1.4.2.1	Hall Only								
(i)	Hourly (Weekdays Only)	Per Function	R 137.00	R 144.00	5.11%	R 152.00	5.56%	R 160.00	5.26%
(ii)	Morning (08:00 - 12:00)	Per Function	R 649.00	R 684.00	5.39%	R 721.00	5.41%	R 760.00	5.41%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 649.00	R 684.00	5.39%	R 721.00	5.41%	R 760.00	5.41%
(iv)	Day (08:00 - 18:00)	Per Function	R 893.00	R 941.00	5.38%	R 992.00	5.42%	R 1,046.00	5.44%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,105.00	R 1,165.00	5.43%	R 1,228.00	5.41%	R 1,294.00	5.37%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,675.00	R 1,765.00	5.37%	R 1,860.00	5.38%	R 1,960.00	5.38%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%
13.1.4.2.2	Hall & Kitchen								
(i)	Hourly (Weekdays Only)	Per Function	R 137.00	R 144.00	5.11%	R 152.00	5.56%	R 160.00	5.26%
(ii)	Morning (08:00 - 12:00)	Per Function	R 771.00	R 813.00	5.45%	R 857.00	5.41%	R 903.00	5.37%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 771.00	R 813.00	5.45%	R 857.00	5.41%	R 903.00	5.37%
(iv)	Day (08:00 - 18:00)	Per Function	R 1,014.00	R 1,069.00	5.42%	R 1,127.00	5.43%	R 1,188.00	5.41%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,215.00	R 1,281.00	5.43%	R 1,350.00	5.39%	R 1,423.00	5.41%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,998.00	R 2,106.00	5.41%	R 2,220.00	5.41%	R 2,340.00	5.41%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
13.1.4.3	Saturday, Sunday and Public Holidays								
13.1.4.3.1	Hall Only								
(i)	Hourly (Weekdays Only)	Per Function	R 164.00	R 173.00	5.49%	R 182.00	5.20%	R 192.00	5.49%
(ii)	Morning (08:00 - 12:00)	Per Function	R 735.00	R 775.00	5.44%	R 817.00	5.42%	R 861.00	5.39%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 735.00	R 775.00	5.44%	R 817.00	5.42%	R 861.00	5.39%
(iv)	Day (08:00 - 18:00)	Per Function	R 1,007.00	R 1,061.00	5.36%	R 1,118.00	5.37%	R 1,178.00	5.37%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,190.00	R 1,254.00	5.38%	R 1,322.00	5.42%	R 1,393.00	5.37%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 1,778.00	R 1,874.00	5.40%	R 1,975.00	5.39%	R 2,082.00	5.42%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%
13.1.4.3.2	Hall & Kitchen								
(i)	Hourly (Weekdays Only)	Per Function	R 155.00	R 163.00	5.16%	R 172.00	5.52%	R 181.00	5.23%
(ii)	Morning (08:00 - 12:00)	Per Function	R 817.00	R 861.00	5.39%	R 907.00	5.34%	R 956.00	5.40%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 817.00	R 861.00	5.39%	R 907.00	5.34%	R 956.00	5.40%
(iv)	Day (08:00 - 18:00)	Per Function	R 1,104.00	R 1,164.00	5.43%	R 1,227.00	5.41%	R 1,293.00	5.38%
(v)	Evening (18:00 - 00:00)	Per Function	R 1,314.00	R 1,385.00	5.40%	R 1,460.00	5.42%	R 1,539.00	5.41%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 2,083.00	R 2,195.00	5.38%	R 2,314.00	5.42%	R 2,439.00	5.40%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%
13.2	New Horizons & Kwanokuthula Community Halls Tariffs								
13.2.1	All Functions								
13.2.1.1	Rebate								
(i)	Applicable to (i) Cultural / Educational / Welfare / Service and Non-Profit Organisations, (ii) Churches, (iii) Voortrekkers, (iv) Scouts, (v) Girl Guides, (vi) Widows and Orphans Funds, (vii) Sport Clubs and (viii) Municipal, Provincial and State Institutions when hiring this facility.	A Rebate of	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(ii)	Written Applications for a further rebate from Organisations as mentioned above will be considered on merit.								

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
13.2.1.2	Weekdays								
13.2.1.2.1	Hall Only								
(i)	Hourly (Weekdays Only)	Per Function	R 28.00	R 30.00	7.14%	R 32.00	6.67%	R 34.00	6.25%
(ii)	Morning (08:00 - 12:00)	Per Function	R 193.00	R 203.00	5.18%	R 214.00	5.42%	R 226.00	5.61%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 193.00	R 203.00	5.18%	R 214.00	5.42%	R 226.00	5.61%
(iv)	Day (08:00 - 18:00)	Per Function	R 221.00	R 233.00	5.43%	R 246.00	5.58%	R 259.00	5.28%
(v)	Evening (18:00 - 00:00)	Per Function	R 221.00	R 233.00	5.43%	R 246.00	5.58%	R 259.00	5.28%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 274.00	R 289.00	5.47%	R 305.00	5.54%	R 321.00	5.25%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 197.00	R 208.00	5.58%	R 219.00	5.29%	R 231.00	5.48%
13.2.1.2.2	Hall & Kitchen								
(i)	Hourly (Weekdays Only)	Per Function	R 56.00	R 59.00	5.36%	R 62.00	5.08%	R 65.00	4.84%
(ii)	Morning (08:00 - 12:00)	Per Function	R 246.00	R 259.00	5.28%	R 273.00	5.41%	R 288.00	5.49%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 246.00	R 259.00	5.28%	R 273.00	5.41%	R 288.00	5.49%
(iv)	Day (08:00 - 18:00)	Per Function	R 301.00	R 317.00	5.32%	R 334.00	5.36%	R 352.00	5.39%
(v)	Evening (18:00 - 00:00)	Per Function	R 301.00	R 317.00	5.32%	R 334.00	5.36%	R 352.00	5.39%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 359.00	R 378.00	5.29%	R 398.00	5.29%	R 419.00	5.28%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 197.00	R 208.00	5.58%	R 219.00	5.29%	R 231.00	5.48%
13.2.1.3	Saturday, Sunday and Public Holidays								
13.2.1.3.1	Hall Only								
(i)	Hourly (Weekdays Only)	Per Function	R 55.00	R 58.00	5.45%	R 61.00	5.17%	R 64.00	4.92%
(ii)	Morning (08:00 - 12:00)	Per Function	R 220.00	R 232.00	5.45%	R 245.00	5.60%	R 258.00	5.31%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R 220.00	R 232.00	5.45%	R 245.00	5.60%	R 258.00	5.31%
(iv)	Day (08:00 - 18:00)	Per Function	R 246.00	R 259.00	5.28%	R 273.00	5.41%	R 288.00	5.49%
(v)	Evening (18:00 - 00:00)	Per Function	R 246.00	R 259.00	5.28%	R 273.00	5.41%	R 288.00	5.49%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R 332.00	R 350.00	5.42%	R 369.00	5.43%	R 389.00	5.42%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 197.00	R 208.00	5.58%	R 219.00	5.29%	R 231.00	5.48%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025		Budget Year: 2025 - 2026		% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027		% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028		% Increase/ (Decrease)
13.2.1.3.2	Hall & Kitchen												
(i)	Hourly (Weekdays Only)	Per Function	R	81.00	R	85.00	4.94%	R	90.00	5.88%	R	95.00	5.56%
(ii)	Morning (08:00 - 12:00)	Per Function	R	290.00	R	306.00	5.52%	R	323.00	5.56%	R	340.00	5.26%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R	290.00	R	306.00	5.52%	R	323.00	5.56%	R	340.00	5.26%
(iv)	Day (08:00 - 18:00)	Per Function	R	360.00	R	379.00	5.28%	R	399.00	5.28%	R	421.00	5.51%
(v)	Evening (18:00 - 00:00)	Per Function	R	360.00	R	379.00	5.28%	R	399.00	5.28%	R	421.00	5.51%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R	413.00	R	435.00	5.33%	R	458.00	5.29%	R	483.00	5.46%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff		50.00%		50.00%	0.00%		50.00%	0.00%		50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R	197.00	R	208.00	5.58%	R	219.00	5.29%	R	231.00	5.48%
13.3	Green Valley, Kurland, Kranshoek,Qolweni Community Halls												
13.3.1	All Functions												
13.3.1.1	Rebate												
(i)	Applicable to (i) Cultural / Educational / Welfare / Service and Non-Profit Organisations, (ii) Churches, (iii) Voortrekkers, (iv) Scouts, (v) Girl Guides, (vi) Widows and Orphans Funds, (vii) Sport Clubs and (viii) Municipal, Provincial and State Institutions when hiring this facility.	A Rebate of		100.00%		100.00%	0.00%		100.00%	0.00%		100.00%	0.00%
(ii)	Written Applications for a further rebate from Organisations as mentioned above will be considered on merit.												
13.3.1.2	Weekdays												
13.3.1.2.1	Hall Only												
(i)	Hourly (Weekdays Only)	Per Function	R	28.00	R	30.00	7.14%	R	32.00	6.67%	R	34.00	6.25%
(ii)	Morning (08:00 - 12:00)	Per Function	R	138.00	R	145.00	5.07%	R	153.00	5.52%	R	161.00	5.23%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R	138.00	R	145.00	5.07%	R	153.00	5.52%	R	161.00	5.23%
(iv)	Day (08:00 - 18:00)	Per Function	R	166.00	R	175.00	5.42%	R	184.00	5.14%	R	194.00	5.43%
(v)	Evening (18:00 - 00:00)	Per Function	R	166.00	R	175.00	5.42%	R	184.00	5.14%	R	194.00	5.43%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R	220.00	R	232.00	5.45%	R	245.00	5.60%	R	258.00	5.31%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff		50.00%		50.00%	0.00%		50.00%	0.00%		50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R	197.00	R	208.00	5.58%	R	219.00	5.29%	R	231.00	5.48%
13.3.1.3	Saturday, Sunday and Public Holidays												
13.3.1.3.1	Hall Only												
(i)	Hourly (Weekdays Only)	Per Function	R	41.00	R	43.00	4.88%	R	45.00	4.65%	R	47.00	4.44%
(ii)	Morning (08:00 - 12:00)	Per Function	R	166.00	R	175.00	5.42%	R	184.00	5.14%	R	194.00	5.43%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R	166.00	R	175.00	5.42%	R	184.00	5.14%	R	194.00	5.43%
(iv)	Day (08:00 - 18:00)	Per Function	R	220.00	R	232.00	5.45%	R	245.00	5.60%	R	258.00	5.31%
(v)	Evening (18:00 - 00:00)	Per Function	R	273.00	R	288.00	5.49%	R	304.00	5.56%	R	320.00	5.26%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R	413.00	R	435.00	5.33%	R	458.00	5.29%	R	483.00	5.46%
(vii)	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff		50.00%		50.00%	0.00%		50.00%	0.00%		50.00%	0.00%
(viii)	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R	197.00	R	208.00	5.58%	R	219.00	5.29%	R	231.00	5.48%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025		Budget Year: 2025 - 2026		% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027		% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028		% Increase/ (Decrease)
14	All Sportfield/Rugbyfield Tariffs												
14.1	Socials												
14.1.1	Weekdays												
14.1.1.1	ClubhouseS Only												
(i)	Hourly (Weekdays Only)	Per Function	R	95.00	R	100.00	5.26%	R	105.00	5.00%	R	111.00	5.71%
(ii)	Morning (08:00 - 12:00)	Per Function	R	374.00	R	394.00	5.35%	R	415.00	5.33%	R	437.00	5.30%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R	374.00	R	394.00	5.35%	R	415.00	5.33%	R	437.00	5.30%
(iv)	Day (08:00 - 18:00)	Per Function	R	874.00	R	921.00	5.38%	R	971.00	5.43%	R	1,023.00	5.36%
(v)	Evening (18:00 - 00:00)	Per Function	R	874.00	R	921.00	5.38%	R	971.00	5.43%	R	1,023.00	5.36%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R	874.00	R	921.00	5.38%	R	971.00	5.43%	R	1,023.00	5.36%
14.1.1.2	Use of Clubhouse for commercial purposes												
(i)	Hourly (Weekdays Only)	Per function/event(s)	R	454.00	R	479.00	5.51%	R	505.00	5.43%	R	532.00	5.35%
(ii)	Morning (08:00 - 12:00)	Per function/event(s)	R	1,795.00	R	1,892.00	5.40%	R	1,994.00	5.39%	R	2,102.00	5.42%
(iii)	Afternoon (13:00 - 18:00)	Per function/event(s)	R	1,795.00	R	1,892.00	5.40%	R	1,994.00	5.39%	R	2,102.00	5.42%
(iv)	Day (08:00 - 18:00)	Per function/event(s)	R	4,200.00	R	4,427.00	5.40%	R	4,666.00	5.40%	R	4,918.00	5.40%
(v)	Evening (18:00 - 00:00)	Per function/event(s)	R	4,200.00	R	4,427.00	5.40%	R	4,666.00	5.40%	R	4,918.00	5.40%
(vi)	Day & Evening (08:00 - 00:00)	Per function/event(s)	R	420.00	R	443.00	5.48%	R	467.00	5.42%	R	492.00	5.35%
14.1.1.3	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff		50.00%		50.00%	0.00%		50.00%	0.00%		50.00%	0.00%
14.1.1.4	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R	492.00	R	519.00	5.49%	R	547.00	5.39%	R	577.00	5.48%
14.2	Rental of All Sportfields (For Commercial events)	Per function/event(s) /per day	R	-	R	5,000.00	New	R	5,270.00	5.40%	R	5,555.00	5.41%
14.3	Rental of All Sportfields (Non-Commercial events)	Per function/event(s) /per day	R	-	R	3,000.00	New	R	3,162.00	5.40%	R	3,333.00	5.41%
(i)	Registered Schools and Public benefit organizations qualify for a rebate of	Rebate of :	R	-		50%	New		50%			50%	
14.1.2	Saturday, Sunday and Public Holidays												
14.1.2.1	Hall Only												
(i)	Hourly (Weekdays Only)	Per Function	R	115.00	R	121.00	5.22%	R	128.00	5.79%	R	135.00	5.47%
(ii)	Morning (08:00 - 12:00)	Per Function	R	455.00	R	480.00	5.49%	R	506.00	5.42%	R	533.00	5.34%
(iii)	Afternoon (13:00 - 18:00)	Per Function	R	455.00	R	480.00	5.49%	R	506.00	5.42%	R	533.00	5.34%
(iv)	Day (08:00 - 18:00)	Per Function	R	1,055.00	R	1,112.00	5.40%	R	1,172.00	5.40%	R	1,235.00	5.38%
(v)	Evening (18:00 - 00:00)	Per Function	R	1,055.00	R	1,112.00	5.40%	R	1,172.00	5.40%	R	1,235.00	5.38%
(vi)	Day & Evening (08:00 - 00:00)	Per Function	R	1,055.00	R	1,112.00	5.40%	R	1,172.00	5.40%	R	1,235.00	5.38%
14.1.2.2	Use of Halls for commercial purposes												
(i)	Hourly (Weekdays Only)	Per function/event(s)	R	556.00	R	586.00	5.40%	R	618.00	5.46%	R	651.00	5.34%
(ii)	Morning (08:00 - 12:00)	Per function/event(s)	R	2,189.00	R	2,307.00	5.39%	R	2,432.00	5.42%	R	2,563.00	5.39%
(iii)	Afternoon (13:00 - 18:00)	Per function/event(s)	R	2,189.00	R	2,307.00	5.39%	R	2,432.00	5.42%	R	2,563.00	5.39%
(iv)	Day (08:00 - 18:00)	Per function/event(s)	R	5,067.00	R	5,341.00	5.41%	R	5,629.00	5.39%	R	5,933.00	5.40%
(v)	Evening (18:00 - 00:00)	Per function/event(s)	R	5,067.00	R	5,341.00	5.41%	R	5,629.00	5.39%	R	5,933.00	5.40%
(vi)	Day & Evening (08:00 - 00:00)	Per function/event(s)	R	5,067.00	R	5,341.00	5.41%	R	5,629.00	5.39%	R	5,933.00	5.40%

*All Tariffs exclude VAT, accept if specifically mentioned.

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
14.1.2.3	Damages Deposit (Refundable after Deduction of Damages)	Percentage op Tariff	50.00%	50.00%	0.00%	50.00%	0.00%	50.00%	0.00%
14.1.2.4	Late Levy (Applied 30 minutes past expiry time as indicated above)	Per Hour or Part Thereof	R 492.00	R 519.00	5.49%	R 547.00	5.39%	R 577.00	5.48%
15	Sundry Tariffs								
15.1	Use of Fax Machine								
(i)	Incoming	Per A4 Page	R 3.47	R 3.66	5.48%	R 3.86	5.46%	R 4.07	5.44%
(ii)	Outgoing	Per A4 Page	R 7.39	R 7.79	5.41%	R 8.21	5.39%	R 8.65	5.36%
15.2	Information To Public								
(i)	Inspection of any Deed, Document, Diagram		R 11.69	R 12.32	5.39%	R 12.99	5.44%	R 13.69	5.39%
(ii)	Rates Clearance Certificate Fees - Electronic Application	Per Application	R 115.00	R 121.00	5.22%	R 128.00	5.79%	R 135.00	5.47%
(iii)	Rates Clearance Certificate Fees - Electronic Application other than electronic	Per Application	R 348.00	R 367.00	5.46%	R 387.00	5.45%	R 408.00	5.43%
(iv)	Search of index to any account not in service register	Per Account per 10 Minutes	R 28.00	R 30.00	7.14%	R 32.00	6.67%	R 34.00	6.25%
(v)	Search of index to any account in service register	Per Account per 10 Minutes	R 28.00	R 30.00	7.14%	R 32.00	6.67%	R 34.00	6.25%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
15.3	General								
(i)	Cost of Telephone Call		Telkom Tariffs + 20%	Telkom Tariffs + 20%		Telkom Tariffs + 20%		Telkom Tariffs + 20%	
(ii)	Schedule of Rates Clearance Issued		R 211.00	R 222.00	5.21%	R 234.00	5.41%	R 247.00	5.56%
(iii)	Address List	Per 20 Printed Pages	R 611.00	R 644.00	5.40%	R 679.00	5.43%	R 716.00	5.45%
(iv)	Address Labels	Per 10 Printed Sticky Label Sheets	R 914.00	R 963.00	5.36%	R 1,015.00	5.40%	R 1,070.00	5.42%
(v)	Address List on CD	Per CD	R 611.00	R 644.00	5.40%	R 679.00	5.43%	R 716.00	5.45%
(vi)	A4 - Photostats	Per Page	R 3.47	R 3.66	5.48%	R 3.86	5.46%	R 4.07	5.44%
(vii)	A3 - Photostats	Per Page	R 3.71	R 3.91	5.39%	R 4.12	5.37%	R 4.34	5.34%
(viii)	Event Management		R 4,169.00	R 4,394.00	5.40%	R 4,631.00	5.39%	R 4,881.00	5.40%
(ix)	Credit Listing Fee for Non-payment purpose	Cost Plus 10%	Cost Plus 10%	Cost Plus 10%	0.00%	Cost Plus 10%	0.00%	Cost Plus 10%	0.00%
(x)	SMS (Contact) Fee for Non-payment purpose	Per Incident	Cost Plus 10%	Cost Plus 10%	0.00%	Cost Plus 10%	0.00%	Cost Plus 10%	0.00%
(xi)	Tracing Fee for Non-payment purpose	Cost Plus 10%	Cost Plus 10%	Cost Plus 10%	0.00%	Cost Plus 10%	0.00%	Cost Plus 10%	0.00%
(xii)	Final Notice Fee for non-payment Purposes	Per Incident	R 94.00	R 99.00	5.32%	R 104.00	5.05%	R 110.00	5.77%
(xii)	General Notice meter not accessible/unreadable	Per Incident	R 26.00	R 27.00	3.85%	R 28.00	3.70%	R 30.00	7.14%
(xiv)	Interim valuation request fee	Per Application	R 1,283.00	R 1,352.00	5.38%	R 1,425.00	5.40%	R 1,502.00	5.40%
15.4	Wrong Bank Account, Wrong References and Unpaid Items								
(i)	Fee for unpaid items due to wrong bank account details, wrong reference number furnished for direct payments or internet payments, traffic fine reference used for water & Electricity accounts and "not provided for" payments.	Per Incident/Bank	R 189.00	R 199.00	5.29%	R 210.00	5.53%	R 221.00	5.24%
	Fee for unpaid/dishonored ACB amounts	Per Incident	Bank Fee +20%	Bank Fee +20%	0.00%	Bank Fee +20%	0.00%	Bank Fee +20%	0.00%
15.5	Traffic Services								
15.5.1	Disable Disc								
(i)	Application	Per Application	R 76.00	R 80.00	5.26%	R 84.00	5.00%	R 89.00	5.95%
(ii)	Issue	Per Application	R 42.00	R 44.00	4.76%	R 46.00	4.55%	R 48.00	4.35%
15.5.2	General								
(i)	Application Fees for Events / Sports		R 934.00	R 984.00	5.35%	R 1,037.00	5.39%	R 1,093.00	5.40%
(ii)	Traffic Officer/Law Enforcement Officer	Per Hour Per Officer	R 425.00	R 465.00	9.41%	R 490.00	5.38%	R 516.00	5.31%
(iii)	Private Functions	Per Hour Per Officer	R 465.00	R 490.00	5.38%	R 516.00	5.31%	R 544.00	5.43%
(iv)	Impounding of Vehicle (Storage Fees)	Per Day	R 84.00	R 89.00	5.95%	R 94.00	5.62%	R 99.00	5.32%
(v)	Impounding of Vehicle (Tow In Fees)	Cost Plus	15.00%	15.00%	0.00%	15.00%	0.00%	15.00%	0.00%
(vi)	Escorting of Funerals		Free	Free	0.00%	Free	0.00%	Free	0.00%
(vii)	Escorts - Vehicles	Per Hour Per Officer	R 465.00	R 490.00	5.38%	R 516.00	5.31%	R 544.00	5.43%
(viii)	Road Closure with Officers	Per Hour Per Officer	R 465.00	R 490.00	5.38%	R 516.00	5.31%	R 544.00	5.43%
(ix)	Street Closure without Traffic Officer Assistance		R 465.00	R 490.00	5.38%	R 516.00	5.31%	R 544.00	5.43%
(x)	Road markings - Private Premises	Cost Plus	15.00%	15.00%	0.00%	15.00%	0.00%	15.00%	0.00%
(xi)	Road Traffic Signs - Private	Cost Plus	15.00%	15.00%	0.00%	15.00%	0.00%	15.00%	0.00%

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
15.6	Vehicles								
(i)	Patrol Vehicle	Per Vehicle per Event/Per Hour	R 210.00	R 500.00	138.10%	R 527.00	5.40%	R 555.00	5.31%
15.7	Rentals								
15.7.1	Dwellings								
(i)	1 Bedroom House	Per Month	R 89.00	R 94.00	5.62%	R 99.00	5.32%	R 104.00	5.05%
(ii)	2 Bedroom House	Per Month	R 146.00	R 154.00	5.48%	R 162.00	5.19%	R 171.00	5.56%
(iii)	3 Bedroom House	Per Month	R 189.00	R 199.00	5.29%	R 210.00	5.53%	R 221.00	5.24%
(iv)	2 Bedroom Wooden House	Per Month	R 203.00	R 214.00	5.42%	R 226.00	5.61%	R 238.00	5.31%
(v)	3 Bedroom Wooden House	Per Month	R 292.00	R 308.00	5.48%	R 325.00	5.52%	R 343.00	5.54%
15.7.2	Hawker Sites								
15.7.2.1	Informal trading licenses / permits								
(i)	Annual license / permit application	Non-Refundable application fee, excluding all rentals.	R 1,133.00	R 1,194.00	5.38%	R 1,258.00	5.36%	R 1,326.00	5.41%
15.7.2.2	May - October								
(i)	Unimproved sites non-beaches (Nominal amount)	Per Month	R 97.00	R 102.00	5.15%	R 108.00	5.88%	R 114.00	5.56%
(ii)	Unimproved sites beaches (Nominal amount)	Per Month	R 485.00	R 511.00	5.36%	R 539.00	5.48%	R 568.00	5.38%
(iii)	Serviced / improved stalls beaches (Market related rental)	Per Month	R 697.00	R 735.00	5.45%	R 775.00	5.44%	R 817.00	5.42%
(iv)	Serviced / improved stalls non-beaches (Market related rental)	Per Month	R 311.00	R 328.00	5.47%	R 346.00	5.49%	R 365.00	5.49%
(v)	Trading from space other than demarcated site or stall (Nominal amount)	Per Month	R 934.00	R 984.00	5.35%	R 1,037.00	5.39%	R 1,093.00	5.40%
15.7.2.3	November - April								
(i)	Unimproved sites non-beaches (Nominal amount)	Per Month	R 97.00	R 102.00	5.15%	R 108.00	5.88%	R 114.00	5.56%
(ii)	Unimproved sites beaches (Nominal amount)	Per Month	R 511.00	R 539.00	5.48%	R 568.00	5.38%	R 599.00	5.46%
(iii)	Serviced / improved stalls beaches (Market related rental)	Per Month	R 734.00	R 774.00	5.45%	R 816.00	5.43%	R 860.00	5.39%
(iv)	Serviced / improved stalls non-beaches (Market related rental)	Per Month	R 311.00	R 328.00	5.47%	R 346.00	5.49%	R 365.00	5.49%
(v)	Trading from space other than demarcated site or stall (Nominal amount)	Per Month	R 1,221.00	R 1,287.00	5.41%	R 1,356.00	5.36%	R 1,429.00	5.38%
15.7.3	Other								
(i)	Beacon Island Flats: Per Room (Excluding Municipal Employees)	Per Month	R 619.00	R 652.00	5.33%	R 687.00	5.37%	R 724.00	5.39%
(ii)	New Horizons Hostel: (Services will be charged Separate)	Per Month	R 210.00	R 221.00	5.24%	R 233.00	5.43%	R 246.00	5.58%
(iii)	Garden Sites: Small Holdings	Per Month	R 507.00	R 534.00	5.33%	R 563.00	5.43%	R 593.00	5.33%
(iv)	Industrial Sites	Per Month	R 120.00	R 126.00	5.00%	R 133.00	5.56%	R 140.00	5.26%
(v)	Business Sites	Per Month	R 175.00	R 184.00	5.14%	R 194.00	5.43%	R 204.00	5.15%
(vi)	Penalty for Late Payment of Service Charges		Prime + 1 %	Prime + 1 %		Prime + 1 %		Prime + 1 %	
(vii)	Vacant stands(cleaning and clearing)-Tariff Dis-Continued	Per meter	R -	R -	0.00%	R -	0.00%	R -	0.00%
(viii)	Vacant stands(cleaning and clearing)	1.86 per m²	Actual cost + 20% Adm	Actual cost + 20% Admin Fee	0.00%	Actual cost + 20% Admin Fee	0.00%	Actual cost + 20% Admin Fee	0.00%
15.8	Telecommunications Clocation & Access Charges								
15.8.1	Site Access Charge								

*All Tariffs exclude VAT, accept if specifically mentioned.

BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
(i)	Access to site including 2 X in hours call outs, charged per lease agreement per month, site charge includes all electrical fees, excludes any instalation fees.	Per Unit	R 691.00	R 728.00	5.35%	R 767.00	5.36%	R 808.00	5.35%
15.8.2	In Hours call out charge								
(i)	Site Access requested , any time inside of the mandated municipal working hours	Per Call Out	R 691.00	R 728.00	5.35%	R 767.00	5.36%	R 808.00	5.35%
15.8.3	Out of hours call out charge								
(i)	Site access requested, any time outside of the mandated municipal working hours	Per Call Out	R 1,382.00	R 1,457.00	5.43%	R 1,536.00	5.42%	R 1,619.00	5.40%
15.8.4	Per Site Charge								
(i)	Defined as a one standard footprint of a 3 meter lattice mask no longer than 500mm X 500mm, meeting all the municipal standars	Per Site	R 691.00	R 728.00	5.35%	R 767.00	5.36%	R 808.00	5.35%
15.8.5	Open Band Device Charge								
(i)	Describe as any device not requiring an ICASA license	Per Site	R 691.00	R 728.00	5.35%	R 767.00	5.36%	R 808.00	5.35%
15.8.6	Licensed Band Device Charge								
(i)	Describe as any device not requiring an ICASA license	Per Device	R 691.00	R 728.00	5.35%	R 767.00	5.36%	R 808.00	5.35%
15.9	PAIA FEES In repsect of Public Bodies								
15.9.1	The request fee payable by every requester		R 114.00	R 120.00	5.26%	R 126.00	5.00%	R 133.00	5.56%
15.9.2	Photocopy of A4-size page	Per page or part thereof	R 1.70	R 1.80	5.88%	R 1.90	5.56%	R 2.00	5.26%
15.9.3	Printed copy of A4-size page	Per page or part thereof	R 1.70	R 1.80	5.88%	R 1.90	5.56%	R 2.00	5.26%
15.9.4	For a copy in a computer-readable form on:								
(i)	Flash drive (to be provided by requestor)		R 46.00	R 48.00	4.35%	R 51.00	6.25%	R 54.00	5.88%
(ii)	Compact disc if provided by requestor		R 46.00	R 48.00	4.35%	R 51.00	6.25%	R 54.00	5.88%
(iii)	Compact disc if provided by the municipality		R 68.00	R 72.00	5.88%	R 76.00	5.56%	R 80.00	5.26%
15.9.5	For a transcription of visal images per A4-size page	Service to be outsourced. Will depend on quotation from the Service Provider	R -	R -	0.00%	R -	0.00%	R -	0.00%
15.9.6	Copy of visual images	Service to be outsourced. Will depend on quotation from the Service Provider	R -	R -	0.00%	R -	0.00%	R -	0.00%
15.9.7	Transcription of an audio record, per A4-size page		R 28.00	R 30.00	7.14%	R 32.00	6.67%	R 34.00	6.25%
15.9.8	Copy of an audio record on:		R -	R -	0.00%	R -	0.00%	R -	0.00%
(i)	Flash drive (to be provided by requestor)		R 46.00	R 48.00	4.35%	R 51.00	6.25%	R 54.00	5.88%
(ii)	Compact disc if provided to requestor		R 68.00	R 72.00	5.88%	R 76.00	5.56%	R 80.00	5.26%
15.9.9	To search for and prepare the record for disclosure for each hour	Such search and preparation to no	R 114.00	R 120.00	5.26%	R 126.00	5.00%	R 133.00	5.56%
15.9.10	Deposit: If search exceeds 6 hours	calculated in terms of items	R -	R -	0.00%	R -	0.00%	R -	0.00%
15.9.11	Postage, e-mail or any other electronic transfer	Actual expense incurred.	R -	R -	0.00%	R -	0.00%	R -	0.00%

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BITOU MUNICIPALITY - TARIFFS FOR : 2025 - 2026, 2026 - 2027, 2027 - 2028 FINANCIAL YEARS

	General Tariffs	Conditions	Current Tariffs: 2024 - 2025	Budget Year: 2025 - 2026	% Increase/ (Decrease)	Budget Year + 1: 2026 - 2027	% Increase/ (Decrease)	Budget Year + 2: 2027 - 2028	% Increase/ (Decrease)
16	Issuing of Tender Documents (Hard Copies)								
16.1	CIDB related tender documents		R 350.00	R 369.00	5.43%	R 389.00	5.42%	R 410.00	5.40%
16.2	Normal Tenders		R 120.00	R 126.00	5.00%	R 133.00	5.56%	R 140.00	5.26%



List of Budget Related Policies

1	Accounts Payable Policy
2	Budget Implementation and Monitoring Policy
3	Cost Containment Policy
4	Petty Cash Policy
5	Subsistence and Travel Allowance
6	Borrowing Policy
7	Tariff Policy
8	Supply Chain Management Policy
9	Property Rates Policy
10	Liquidity, Funding and Reserve Policy
11	Investment and Cash Management Policy
12	Customer Care, Credit control, Debt collection, Indigent and Tempering Policy
13	Preferential Procurement Policy
14	Infrastructure Procurement and Delivery Management Policy
15	Asset Management Policy

1.

BITOU MUNICIPALITY



ACCOUNTS PAYABLE POLICY

2025/26

Table of Contents

1. Definitions and abbreviations.....	3
1.1. Definitions.....	3
1.2. Abbreviations.....	5
2. Problem Statement	6
3. Desired Outcome.....	7
4. Purpose.....	7
5. Scope.....	8
6. Applicable Legislations and Regulations.....	9
7. Role Players and Stakeholders.....	10
8. Policy Provisions.....	11
8.1. Supplier Account Maintenance.....	11
8.1.1. Creating a new supplier.....	11
8.1.2. Updating of existing supplier record.....	12
8.1.3. Placing a supplier account on hold or suspension.....	13
8.1.4. Removing a supplier account on hold or suspend status.....	14
8.2. Processing and Authorization of Invoices.....	15
8.3. Processing invoices for stock and non-stock purchase orders.....	15
8.4. Processing invoices for service purchase orders.....	16
8.5. Processing invoices related to contracts.....	17
8.6. Processing invoices as finance payments.....	18
9. Submission and Receipting of invoices.....	19
10. Delegations of Authority on procurements and payments.....	20
11. Settlement Discounts.....	21
12. Disputed Invoices.....	21
13. Cession Agreements.....	22
14. Creditors Reconciliation.....	22
15. Petty Cash.....	23
16. Record Keeping.....	23
17. Implementation, Evaluation and Review.....	24
18. Consequence Management.....	24
19. Policy Adoption.....	24

1. DEFINITIONS AND ABBREVIATIONS

1.1. DEFINITIONS

“Accounting Officer” - A person appointed in terms of section 82(1) (a) or (b) of the Municipal Structures Act; and also refers to the municipal manager of the municipality in terms of section 60 of the MFMA.

“Accounts Payables” - In accounting terms, Accounts Payables means monies owed by an organization to its vendors/suppliers (Trade Creditors) for goods and services purchased on credit.

“Direct Payments” - Payments where transactions involved could not be initiated through the Supply Chain Management processes.

“Electronic Funds Transfer” - The electronic movement of funds from Bitou Municipality’s primary bank account to different vendor/supplier accounts in the same or different banks, through the use of host-to-host transaction method.

“Goods Received Note” - A confirmation document from the receiving department that shows that the ordered goods were received. It is used along with a purchase order in the three way match to authorized invoice for payment.

“Goods Returned Advise” - A confirmation document from the receiving department that shows that the ordered goods were sent back to the supplier. It is used along with a purchase order, the goods received note as well as the authorized invoice for payment.

“IDP” - Integrated Development Plan.

“Municipality” – Bitou Municipality.

“Payment Certificate” - A certificate attached to contract payments where progress payments are made.

“Payment Terms” - Are within 30 days from the date of receiving the statement or, in the absence of statement, from the date of receiving the invoice. In terms of section 65(e) of the MFMA or 15 days from receipt of invoice based on a current BBBEE certificate and allocated by SCM Compliance.

“Purchase Order” - A buyer generated document that authorizes a purchase transaction. When accepted by the seller, it becomes a contract binding on both parties.

“Statement” - Summary of all transaction debits or credits with a vendor or supplier or consultant that occurred during the previous month and their effect on an open-account balance. It is also known as a statement of account.

“Tax Invoice” - A document issued by a vendor/supplier/consultant to the municipality listing the goods or services supplied and stating the sum of money due.

“VAT” - Value Added Tax. VAT is a consumption tax levied on goods and services at each step of the production/distribution cycle.

“Suppliers’ Master File” - A comprehensive database file maintained by the SCM Unit that contains information about vendors/suppliers/consultants used to facilitate financial transactions. The information includes payment terms, address, names of directors, banking details and any other related information.

“Contracts Module” - Contract Module in Financial System that is used to capture contract payment information, tax invoices supported by Payment Certificates, raised against the Contract (by the Contractor).

1.2. ABBREVIATIONS

BAC - Bid Adjudication Committee

IDP - Integrated Development Plan

GRN - Goods Received Note

GRA - Goods Returned Advise

EFT - Electronic Funds Transfer

MM - Municipal Manager (Accounting Officer)

DP – Direct Payments

SCMD - Supply Chain Management Division

EMD - Expenditure Management Division

SARS - South African Revenue Services

VAT - Value Added Tax

2. PROBLEM STATEMENT

2.1. In compliance with the Municipal Finance Management Act (No. 56 of 2003), Local Government: Municipal Systems Act (No. 32 of 2000), the King IV Code on Corporate Governance in South Africa (2016), the Bitou Council approved Cost Containment Policy as adopted on 29 January 2021 and any other applicable legislation, the Municipality must establish and maintain an adequate internal financial control system.

2.2. Limited resources should be used effectively, efficiently and in accordance with the approved budget as well as any relevant financial policy as determined by the financial regulations for local authorities and guidelines by the Financial Management of the Bitou Municipality.

2.3. The Accounts Payable Policy document serves to support the concept of the control measures necessary within Expenditure Management Division.

2.4. Further, it is deemed to serve as:

- (a) An information document in order that the users of the Expenditure Management Division have an understanding of what is required; and
- (b) A working document to make the processes of Expenditure Management Division more effective.

3. DESIRED OUTCOME

3.1. The primary desired outcome of this policy is to ensure that the municipality complies with Section 65 (2) (e) of the MFMA which requires the Accounting Officer to assume all reasonable steps to ensure:-

- (a) That all money owing by the municipality be paid within 30 days from the date of receiving the statement or, in the absence of statement, from the date of receiving the invoice, unless prescribed otherwise for certain categories of expenditure.
- (b) The Senior Manager: Supply Chain Management and Expenditure Management in supporting both the Chief Financial Officer and the Accounting Officer must ensure that all invoices are paid within 30 days from the date of receiving the statement or, in the absence of statement, from the date of receiving the invoice.

4. PURPOSE

4.1. The purpose of this policy prescribes a process to be followed for the control and processing of all payments in terms of the Municipal Finance Management Act, Act No 56 of 2003 by ensuring that:-

- (a) The municipality conducts business with properly registered suppliers as prescribed by the Supply Chain Management Policy;
- (b) The supplier database is updated with correct/valid information;
- (c) No payments are made to suppliers placed on hold or blacklisted;
- (d) Only valid tax invoices/invoices are processed for stock and non-stock purchase orders;
- (e) Only valid tax invoices/invoices are processed for service purchase orders;
- (f) Only valid tax invoices/invoices are processed for contracts; and
- (g) Only qualifying valid tax invoices/invoices are processed as finance payments in accordance with applicable legislation, any relevant regulations and/or guidelines.

4.2. The policy shall apply to all payments processed by the municipality, except for salaries and wages for employees or deemed to be employees. However; salaries and wages must first be processed on the Payroll System prior to such payment being processed through the Accounts Payable Section.

4.3. This policy is a high level document and should be read in conjunction with the respective approved detailed business processes.

5. SCOPE

5.1. This Policy is applicable to-

- (a) All official payments made by the Bitou Municipality to vendors/suppliers/consultants of the Bitou Municipality or other duly authorized payments;
- (b) Any exceptions with the specific authorization of the Senior Manager: SCM and Expenditure Management; and
- (c) Any deviations in Sundry Payments which would require special authorization from the Senior Manager: SCM and Expenditure Management or the Chief Financial Officer as delegated by the Municipal Manager in terms of the Procurement Policy.

6. APPLICABLE LEGISLATION, REGULATIONS AND POLICIES

6.1. This policy is developed and guided by the following legislations and regulations:

- (a) Municipal Finance Management Act (MFMA), Act No. 56 of 2003;
- (b) Value Added Tax Act 89 of 1991;

- (c) Local Government: Municipal Systems Act (Act No.32 of 2000);
- (d) Income Tax Act 58 of 1962 (as amended);
- (e) Treasury Regulations;
- (f) Supply Chain Management Regulations;
- (g) Supply Chain Management Policy;
- (h) GRAP 104: Financial Instruments;
- (i) King Code IV of Corporate Governance;
- (j) Integrated Development Plan;
- (k) Credit Control and Debt Collection Policy; and
- (l) Petty Cash Policy.

6.2. Section 38 1 (e) (i) of the Council's approved Supply Chain Management Policy addresses the processes that the Accounting Officer must follow when receiving any bid from a bidder with the municipal rates and taxes or municipal services charges, owed by the bidder or any of its directors, in arrears for more than three (3) months. When submitting a tender for the provision of services or the delivery of goods, each potential contractor, service provider and supplier (hereinafter referred to as the 'tenderer') must prove to the satisfaction of the Municipality that all accounts for which the tenderer is liable, have been paid up to date, and that all accounts for which each and every director, owner, partner or trustee of the tenderer is liable, have also been paid up to date. Unless a suitable arrangement has been made between the bidder

and the Bitou Municipality that the total amount in arrears be recovered directly from the bidder's invoices during the contract period".

6.3. By the direction of the Council's approved Credit Control & Debt Collection Policy, the Revenue Management Division shall request the Expenditure Management Division to deduct the arrears from the affected service provider/supplier/consultant.

7. ROLE PLAYERS AND STAKEHOLDERS

7.1. The principal role player is the Chief Financial Officer. The Expenditure Management Division will be responsible for implementing the policy and administering its on-going management and evaluation.

7.2. Below is an outline of the affected role-players and stakeholders:

- (a) Expenditure Management Division;
- (b) Supply Chain Management Division;
- (c) Finance and Engineering Portfolio Committee;
- (d) Executive Mayor's Office;
- (e) Council of Bitou Municipality;
- (f) Western Cape Department of Cooperative Governance and Traditional Affairs;
- (g) Auditor-General South Africa;
- (h) SALGA;
- (i) SARS;

(j) Other Government Departments; and

(k) Registered suppliers/vendors/consultants on the Central Suppliers' Database.

8. POLICY PROVISIONS

8.1. SUPPLIER ACCOUNT MAINTENANCE

8.1.1. Creating a new supplier.

(a) In order for a supplier to successfully make business with the municipality, the supplier is required to be registered in the Central Suppliers' Database (CSD).

(b) The Supply Chain Management Division is responsible for creating supplier master records on the Financial Management System.

(c) For the non-trade suppliers, the Expenditure Management Division must process a Direct Payment in place of a normal system generated requisition form.

(d) The following documents are required when creating a new supplier:

(i) Supplier database form;

(ii) Stamped and signed original Banking EFT form; or

(iii) Original bank statement/confirmation of bank details;

- (iv) Company letterhead;
- (v) Copy of company registration documents;
- (vi) Copy of ID documents of all shareholders/managing members (certified copy);
- (vii) Original valid tax clearance certificate;
- (viii) Copy of valid BEE certificate (certified copy); and
- (ix) Proof of delegated authority, i.e. Company Resolution

8.1.2. Update of existing supplier record.

- (a) Any changes to supplier details must be updated in the supplier account details screen on the Finance Management System.
- (b) The supplier must notify the municipality of the referred changes by attaching a letter (on the company's letterhead) reflecting the change of details.
- (c) Where banking details are changed, the Accountant within the Accounts Payable Section must complete the application form to amend banking details, and attach copy of invoice to be paid, banking details reflecting on the Central Suppliers' Database (CSD) as well as the confirmation of the new banking details. The Accountant/Snr Accountant must validate the application form, and the Manager/Snr Manager must approve the application for the change of banking details.

8.1.3. Placing a supplier account on hold or suspension.

(a) SCM Unit (Supplier Database Maintenance) may be requested to hold or suspend the supplier's account for the following reasons:

- (i) Conflict of Interest;
- (ii) BEE certificate expired;
- (iii) Tax Certificate expired;
- (iv) Change of banking details;
- (v) SARS VAT recovery;
- (vi) Supplier's bank account closed or EFT rejection;
- (vii) Council debts;
- (viii) Supplier under investigation;
- (ix) Supplier unable to deliver the services etc.

(b) The request to place the supplier account on hold may be initiated by:

- (i) User-departments;
- (ii) Expenditure Management Unit (Expenditure Management Unit);
- (iii) SCM Compliance;
- (iv) Internal audit.

(c) The request must be submitted in writing to the SCM Unit.

(d) The SCM Unit must ensure that the request is authorized by appropriate management level.

(e) Upon receiving the request to suspend the supplier account, SCM Unit must:

- (i) Place the supplier on hold and suspends on the system;
 - (ii) Scan all documents for attachment to the supplier address book for record keeping.
- (f) The hold status will not prevent further procurement from the supplier, but will prevent payments from being made.
- (g) The suspension will prevent any further procurement from that supplier.

8.1.4. Removing a supplier account from a hold or suspend status.

- (a) A written request must be initiated by user-departments and any other department mentioned in 8.1.3 (b) to remove a supplier's account from a hold or suspend status.
- (b) The SCM Unit must ensure that the request is authorized by appropriate management level.
- (c) The SCM Unit must remove the supplier from a hold or suspend status on the system and scans all documents for attachment on the supplier address book for record keeping.

8.2. Processing and Authorization of Invoices

8.2.1. All tax invoices to be processed for payment must be in line with Section 20 of the Value Added Tax Act.

Section 20(1) therefore places an obligation on a supplier to issue a tax invoice in respect of each taxable supply made by the supplier, and he must do so within 21 days of the supply

8.2.2. Invoices received by Expenditure Management Division should be original invoices and/or PDF copies.

8.2.3. Where a copy of an invoice is received, it can be processed for payment provided that verification is first performed to ensure that the invoice has not been previously paid and the invoice is endorsed accordingly (certified true copy of original).

8.2.4. Authorization of invoices should be as per the approved delegations of authority.

8.2.5. Authorization of invoices/payment documentation that fall outside the SCM processes should be in line with functional delegations of Divisional Managers and/or Directorate Heads.

8.2.6. All invoice payments must be reviewed for compliance with SCM processes by the Expenditure Management Division delegated officials prior to payment being made.

8.3. Processing invoices for stock and non-stock purchase orders.

8.3.1. The following will apply when processing invoices related to stock and non-stock payments:

(a) Goods received notes (GRN's) are authorised in order for payment by the relevant delegated officials and forwarded to Expenditure Management Division for matching with the Suppliers' invoice and processing of payment.

(b) An order number must be confirmed prior to processing an invoice.

- (c) Each invoice must not be reflected in multiple order numbers.
- (d) An invoice cannot be processed for payment unless it has a valid purchase order which has been receipted through the SCM system.

8.4. Processing invoices for service purchase orders.

8.4.1. Service purchase orders are raised by various user-departments for any services which are undertaken by the service provider for the department.

8.4.2. The sourcing of quotations is the responsibility of the SCM Division.

8.4.3. Expenditure Management Division checks or performs the vetting on the SCM generated purchase order before processing invoices.

8.4.4. The following applies when processing invoices related to service purchase orders:

- (a) Service orders must be receipted;
- (b) An invoice must be signed for payment approval by the user-department.

8.4.5. Attach the following documents to the invoice

- (a) GRN;
- (b) Purchase Order form;
- (c) Quotations used in sourcing of service
- (d) Procurement requisitions signed by SCM Division; and
- (e) Any other applicable supporting documents (where required by Expenditure Management Division):

- (i) Memo;
- (ii) Council Approval; and
- (iii) Motivation as signed by the Department Head.

8.4.6. Invoices must not be reflected in multiple order numbers.

8.5. Processing invoices related to contracts.

8.5.1. The following applies when processing invoices related to contract payments:

(a) The user-department must compile a contract file relating to the payment on hand and include all documentation listed below:

- (i) Authorised Tax Invoice/Invoice (Refer 8.2.3 for copy of invoice);
- (ii) Authorised Payment Certificate;
- (iii) Letter of Appointment/Award;
- (iv) Completion Certificate (where applicable);
- (v) Copy of SCM Purchase Order
- (vi) Penalties (where applicable);
- (vii) Payment Cession documentation (where applicable);
- (viii) Guarantee Retention (where applicable); and
- (ix) Variation Orders (where applicable); and

8.5.2. Where any of the required documentation in 8.5.1 (a) above is missing from the contract file or invoicing information, Expenditure Management Division will contact the referred user-department and payment will not be effected until all issues are resolved.

8.5.3. The Expenditure Management Division must ensure that there are sufficient funds available in the U-Keys indicated on the payment certificate.

8.5.4. Where funds are to be allocated from a different U-Key, and the amount to be allocated to a new U-Key, the user-department must supply the Expenditure Management Division with an amended payment certificate.

8.6. Processing invoices using a Direct Payment method.

8.6.1. Invoices processed for payment using a Direct Payment method should be generally the invoices where it is impractical to raise a purchase order with the supplier before a service is rendered.

8.6.2. Direct Payment method will only be considered where transaction values could not be determined through the SCM process.

8.6.3. A prescribed standard Direct Payment method form must be completed where a manual payment needs to be made.

8.6.4. Where the user-department has chosen to prepare a payment voucher, the invoice must be attached to the payment voucher.

8.6.5. Where high volume invoices are received from the supplier, Expenditure Management Unit must forward the invoices to the user-departments for authorization and to endorse the U-Keys against which the costs on the invoice are to be charged.

8.6.6. The user-departments must obtain the budget validation certificate from the Budget Office prior to invoices being processed on the Creditors' System.

8.6.7. Where invoices relate to public liability claims, third-party insurance claims, workmen's compensation, etc., the following documents must be attached to the payment voucher where applicable:

- (a) Invoice;
- (b) Quotation; and
- (c) Assessor's/SAPS/Medical Reports.

9. SUBMISSION AND RECEIPTING OF INVOICES

9.1. Invoices may either be received from user-departments or directly from the supplier.

9.2. All invoices received must be promptly forwarded to Expenditure Management Division to allow the necessary processing to be undertaken.

9.3. Where invoices are received directly from the suppliers, the Expenditure Management Division must refer the invoices to the relevant user-departments for verification and approval.

9.4. Invoices will be returned by the user-departments together with the above applicable mentioned documents in 9.1.

9.5. All invoices are to be submitted with all the required documentation attached.

9.6. All invoices received by Expenditure Management Division must be stamped with the receipt date once being received by the personnel within the Account Payable Section. However; such invoice do not need to be stamped by the Accounts Payable

personnel if the user-department had already applied a date stamp and/or written the date on the invoice during the payment approval process.

9.7. The date stamp and/or the date reflected on the invoice as per paragraph 9.6 above, will determine the ageing of the invoice in terms of the standard of measurement on 30 days payment to invoices per Sec 65 (e) of the MFMA.

9.8. All invoices must be addressed to Bitou Municipality, Expenditure Management Division and the applicable post office address and/or email address stated below:

- (a) Bitou Municipality, Private Bag x1002, Plettenberg Bay, 6600; or
- (b) Bitou Municipality, Office 63, Melville's Corner Shopping Centre, Plettenberg Bay, 6600.
- (c) email address: creditors@plett.gov.za

10. DELEGATIONS OF AUTHORITY ON PROCUREMENTS AND PAYMENTS

10.1

Task Grade	Procurements/Payments Range (R)	Types of payments (The below relates to individual transactions)
T13 and above	Up to 5 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices up to the value of R5 000.
T14 and above	Up to 30 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager:

		Expenditure), as well as SCM Requisitions, and Invoices up to the value of R30 000.
T15 and above	Up to 50 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices up to the value of R50 000.
T16 and above	Up to 100 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related Memorandums up to the value of R100 000.
T17 and above	Up to 200 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related Memorandums up to the value of R200 000.
T18 and above	Up to 300 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and

		Payment related Memorandums up to the value of R300 000.
Directors	Up to 10 000 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related Memorandums, and recommend to the Municipal Manager the SCM Deviations up to the value of R10 000 000.
MM	Up to the value of the contract	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related Memorandums and approve the SCM Deviations.

10.2. The user-departments must forward specimen signatures of all personnel falling under 10.1 above to the Finance Department.

10.3. The Finance Department must utilize the specimen signatures to validate the authorization levels on all procurements as well as payments requests.

11. SETTLEMENT DISCOUNTS

11.1. Expenditure Management Division must maintain a control register to record all documents received.

11.2. Where settlement discounts are offered, it will be conducted taking into consideration the municipality's cash flow status as well as the negative impact it might have on the normal work flow within the payment section.

11.3. All payments processed should be in line with the municipality's payment terms taking cognizance of any potential settlement discounts.

11.4. Early settlement discount should only be considered from 2.5% and above.

11.5. The municipality's "survivalist creditors" will be exempted from the early settlement discount process.

12. DISPUTED INVOICES

12.1. It is the duty of the user-departments to resolve all queries related to disputed invoices in relation to the following:

- (a) Where invoices are received without the required documentation being attached;
- (b) Where payment documentation is submitted to Expenditure Management Division without a budget check being performed;
- (c) Where procurements have been done without the SCM processes being followed leading to payments to creditors being delayed; and

(d) Where an invoice was changed due to a dispute.

13. CESSION AGREEMENTS

13.1. Payments to a cessionary will only be permitted on receipt of a fully signed Cession Agreement attached to the payment certificate and must be in line with Supply Management Policy of the Municipality.

13.2. Where a cession is to be enforced the relevant Payment Certificate must indicate the cessionary and the amount.

13.3. A Cession will be limited to a maximum 3 cessions per contract not exceeding 60% of the total contract.

13.4. Cessions will only be valid if authority to cede is sought from the Municipal Manager.

13.5. The awarded supplier of the order/contract must be the one issuing the municipality with an invoice and statement. The municipality will only change the banking details to the one of the cessionary partner. Payments will then be made to the cessionary creditor.

14. CREDITORS RECONCILIATION

14.1. The creditors' reconciliation must be performed on monthly basis by Expenditure Management Division.

14.2. The Manager: Expenditure or any delegated senior official within the Expenditure Management Division must review and authorize the monthly reconciliations to confirm that the correct creditor account was raised.

15. PETTY CASH

15.1. Maintenance of petty cash is a function of Expenditure Management Division and is guided in terms this policy, the Supply Chain Management policy, the Petty Cash Policy and regulations as well as any other applicable policy document. (For further details refer to the approved Petty Cash Policy).

15.2. A petty cash funds are intended to be used for small, incidental purchases.

15.3. A petty cash is not to be used to pay for personal expenses or normal operating expenses within the municipality.

16. RECORD KEEPING

16.1. Expenditure Management Division must maintain a control register to record all documents received and filed after payment being made.

16.2. All processed documents must be stamped as paid and filed in a properly designated filing system/place.

16.3. All documentation processed by Expenditure Management Division shall be retained and will remain under the control of the Expenditure Management Division for at least five (5) financial years, thereafter transferred to the municipality's Archives.

17. IMPLEMENTATION, EVALUATION AND REVIEW

17.1. This policy framework is important for the financial compliance of the municipality. It provides an all-inclusive administrative procedure for the management of Expenditure Management Division.

17.2. Senior Management must ensure that during the implementation stages of the policy, there is consistent monitoring and evaluation of the policy as indicators will result in challenges within the policy implementation phases.

17.3. This policy shall be reviewed on an annual basis.

18. CONSEQUENCE MANAGEMENT

18.1. Any person who contravenes or fails to comply with any provision of this policy may be subjected to disciplinary action.

18.2. Any Councilor or official who deliberately or negligently commit, make or authorize an irregular expenditure will be liable for that expenditure.

18.3. Any Councilor or official who deliberately or negligently make or authorize a fruitless and wasteful expenditure will be liable for that expenditure.

18.4. The Municipal Manager must recover unauthorized, irregular or fruitless and wasteful expenditure from the person liable for that expenditure.

19. POLICY ADOPTION

This policy will be implemented with effect on the day of approval by Council.

2.

30 May 2025

Budget Implementation and Monitoring Policy



TABLE OF CONTENTS

1. PREAMBLE.....	4
2. DEFINITIONS.....	5
3. OBJECTIVES OF POLICY.....	9
4. BUDGET PRINCIPLES.....	9
4.1. Capital Budgets.....	9
4.1.1. <i>Basis of Calculation</i>	9
4.1.2. <i>Financing</i>	10
4.1.3. <i>Process and responsible parties</i>	10
4.1.4. <i>Implementation</i>	11
4.2. Operational Budget.....	11
4.2.1. <i>Basis of Calculation</i>	11
4.2.2. <i>Financing</i>	12
4.2.3. Budget Categories.....	12
4.2.4. <i>Process</i>	13
4.2.5. <i>Implementation</i>	13
5. BUDGET STEERING COMMITTEE.....	14
6. TIME SCHEDULE.....	14
7. ADJUSTMENT BUDGET.....	14
8. BUDGET VIREMENTATION.....	15
8.1 Virement Clarification.....	15
8.2. Virement Procedure.....	15
8.3. Virement Restrictions.....	16
9. BUDGET IMPLEMENTATION.....	18
9.1 Monitoring (Section 71 of MFMA).....	18
9.2 Reporting.....	18
9.2.1 <i>Monthly budget statements (Section 71 of the MFMA)</i>	18
9.2.2 <i>Quarterly Reports (Section 52 of MFMA)</i>	19
9.2.3 <i>Mid-year budget and performance assessment (Section 72 and 88 of MFMA)</i>	19
10. REVIEW OF POLICY.....	19

1. PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003) “ to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents customers, users and investors” and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

In terms of the Budget and Reporting Regulations the municipality has to adopt a policy which include the following:

1. A policy dealing with the shifting of funds within votes
2. A policy dealing with the introduction of adjustment budgets
3. Policies dealing with unforeseen and unavoidable expenditure
4. Policies dealing with management and oversight

Therefore the Bitou Municipality revised its Budget Policy to give effect to the Budget and Reporting Regulations as set out in this policy.

2. DEFINITIONS

"Accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"Allocation", means-

- (a) A municipality's share of the local government's equitable share referred to in section 214(l) 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, 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 tariff 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 legislation regulating municipal property rates; or
- (c) The credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function / vote subject to limitations.

"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;

"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;

"Executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"Financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"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, and which has not been condoned by Council;
- (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/s", 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;

"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;

"Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"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);

"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;

"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;

"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;

"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" refer to the definition of budget transfer

"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.

3. OBJECTIVES OF POLICY

The policy sets out the budgeting principles which Bitou Municipality will follow in preparing and implementing each annual budget. This policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets.

The policy shall apply to all staff and councillors of the Bitou Municipality that are involved in budget implementation.

4. BUDGET PRINCIPLES

The municipality shall ensure that revenue projections in the budget are realistic taking into account actual collection levels. The 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.

Bitou Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) which will be reviewed annually and will be approved by Council. The MTREF budget will at all times be within the framework of the Municipal Integrated Development Plan (IDP).

The annual budget will consist of a Capital and Operating Budget which will be discussed below:

4.1. Capital Budgets

The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year.

4.1.1. Basis of Calculation

- a) The **zero based method** is used in preparing the new MTREF capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.
- b) The annual capital budget shall be based on realistically anticipated revenue (capital loans to be taken up will be deemed to be part of this), which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
- c) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analysed when the annual capital budget is being compiled.
- d) In addition, the council shall consider the likely impact of such operational expenses- net of any revenues expected to be generated by such item- on future property rates and service tariffs.

4.1.2. Financing

Own Financing Sources

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

- a) Unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes.
- b) Further amounts appropriated as contributions in each annual or adjustments budget; and
- c) Net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.
- d) Interest on the investments of the asset financing reserve, appropriated in terms of the banking and investments policy.

Other Finance Sources

The Ad- Hoc capital budget shall be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue of Act.
- b) Grants and subsidies as allocated by Provincial government.
- c) External Loans
- d) Private Contributions
- e) Contributions from the Capital Development Fund (developer's contributions) and,
- f) Any other financing source secured by the local authority.

4.1.3. Process and responsible parties

The process to be followed in the compilation of the capital budget is as follows:

- a) The CFO, in conjunction with the Manager: Budget Office, and after consultation with the Portfolio Councillor of Finance sets the realistic growth level of the capital budget to be financed out of own sources (CRR).
- b) The draft capital budget is compiled based on the projects that emanated out of the engagements with the different stakeholders.
- c) The CFO, together with Councillors, the Manager: Budget and Treasury Office, engage with the Directors and the IDP Manager in order to determine the priorities for a particular financial year and to determine the ranking of projects based on these priorities.
- d) The draft capital budget is submitted to the Mayoral Committee for their perusal and suggestions.
- e) The draft capital budget is tabled to Council 90 days before the start of the new financial year (31 March).
- f) After the draft budget is approved by Council, it is released for public comment.

- g) Once the comments from the public have been submitted, noted and considered, amendments are made to the draft budget and the budget is tabled to Council for final approval 30 days before the start of the financial year (30 May).

4.1.4. Implementation

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) should be compiled.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget

Before approving the capital budget component of the annual or adjustments budget, the council shall consider the impact of the capital component on the present and future operating budgets of the municipality in relation depreciation charges; repairs and maintenance expenses; interest payable on external borrowings; and other operating expenses.

4.2. Operational Budget

The operational budget refers to the funds that would be raised in the delivery of basic services, grants and subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

4.2.1. Basis of Calculation

- a) A combination of the **incremental approach and zero based method, with incremental in the main** being used in preparing the annual operating budget, except in cases where a contractual commitment has been made that would span over more than one financial year. In these instances the zero based method will be followed.
- b) The annual operating budget shall be based on realistically anticipated revenue.
- c) An income based approach shall be used whereby realistically anticipated income is determined first and the level of operating expenditure would be based on the determined income flows.

4.2.2. Financing

The operating budget shall be financed from the following sources:

- a) Service Charges
 - (i) Electricity Charges
 - (ii) Water Sales
 - (iii) Refuse Removal Fees
 - (iv) Sewerage Fees
- b) Taxes - Increases in tariffs and rates will as far as possible be limited to inflation plus an additional percentage increase to accommodate the growth of the town.
- c) Grants and Subsidies - Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.
- d) Interest on Investments - The budget for interest and investment shall be in accordance with the Cash Management and Investment policy of the organization.
- e) Rental Fees - Income from rental property will be budgeted for based on the percentage growth rate as determined by Financial Services for a particular budget year.
- f) Fines - Income from fines will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year
- g) Other Income - All other income items will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.
- h) Notwithstanding the aforementioned, National and other benchmarks and ratios shall also be utilized to prevent uncontrolled negative growth of this source of income.

4.2.3. Budget Categories

The following expenditure categories shall be accommodated in the operating budget:

- a) Salaries, Wages and Allowances - The salaries and allowances are calculated based on the percentage increases as per the collective agreement between organised labour and the employer for a particular period. The remuneration of all political office bearers is based on the limitations and percentages as determined by the responsible National Minister.
- b) Employee related cost shall be separately prepared, and shall not exceed 34% of the aggregate operating budget component of the annual or adjustments budget. For purposes of applying this principle, the remuneration of political office bearers and other councillors shall not be included in this limit.
- c) Collection Costs - It refers to costs attributed to the maintenance of the financial system used for the collection of outstanding amounts and is based on the service level agreement.
- d) Depreciation - The above is calculated at cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets.
- e) Interest External Borrowings - The above refers to interest that has to be paid on an external loan taken up by Council. The budget will be determined by the repayments that the municipality is liable for based on the agreements entered into with the other party.

- f) Bulk Purchases - The expenditure on bulk purchases shall be determined using the tariffs as stipulated by the Water Boards and NERSA and by any other service provider from time to time.
- g) Other General Expenditure - A percentage growth for all other general expenditure will be based on the percentage determined by Financial Services in line with prevailing growth rates, CPI and prior actual expenditure trends.
- h) Repairs and Maintenance - The budget of repairs and maintenance shall be based on the increment as determined by Financial Services in conjunction with the needs of the departments in terms of repairing their assets.
- i) Contributions to Funds - Refers to the contribution made to provisions (e.g. leave reserve fund) on annual basis and is determined based on the actual expenditure in the previous year and any other factor that could have an effect.
- j) Less: Debited Elsewhere - This category refers to interdepartmental charges within the organization. The performance of each of line item is analysed where after the budget is based on the preceding year's performance.
- k) Appropriations - Refers to the transfers to- and from the Capital Replacement Reserve, to offset depreciation charges. Appropriations are determined on an annual basis.

4.2.4. Process

- a) The CFO, in conjunction with the Manager: Budget Office, and after consultation with the Executive Mayor and Portfolio Councillor of Finance, set the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels. (i.e. CPI).
- b) After the income has been determined, an acceptable growth level for the operating expenditure is determined and the principles informing the compilation of the draft operating budget are discussed at Budget Steering Committee meeting.
- c) The draft operating budget is compiled based on realistically anticipated revenue resulting from detailed income modelling exercises.
- d) The draft operating budget is submitted to the Mayoral Committee for consideration.
- e) The draft operating budget is tabled to Council 90 days before the start of the new financial year (31 March).
- f) After the draft operating budget is approved by Council, it is released for public comment.
- g) Once the comments from the public have been submitted, same is considered in terms of the MFMA, where after the draft budget is tabled to Council for final approval, at least 30 days before the start of the new financial year (31 May).

4.2.5. Implementation

- a) The draft SDBIP must be submitted with the draft budget as per the new treasury guideline and can be refined after budget approval.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget.

- g) The principles of efficient, effective and economic implementation should at all times be applied.
- h) Standard for income and expenditure where such have been determined via NT Circulars shall be adhered to, e.g. Water losses and electricity distribution allowable losses.

5. BUDGET STEERING COMMITTEE

The Mayor of the Municipality shall establish a Budget Steering Committee as required by Regulation 4 of the Regulations.

The function of the Budget Steering Committee is to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 and elsewhere in the MFMA.

The Budget steering committee will meet at least four times in a year as determined by the Chief Financial officer in consultation with the Mayor.

6. TIME SCHEDULE

The IDP Manager in consultation with the Manager Budget and Treasury shall draft the budget time schedule as required by Section 21 (1) (b) for the ensuing financial year for the Council's approval.

Such time schedule shall indicate the target dates for the draft revision of the IDP and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the Municipal Finance Management Act, for the submission of all the budget-related documentation to the mayor, finance committee, executive committee and council.

Such time schedule shall provide for the deadlines, unless the Mayor, after consultation with the Chief Financial Officer, determines otherwise: provided that the requirements of the MFMA shall at all times be adhered to.

The Chief Financial Officer shall be responsible for ensuring that the time schedule is adhered to.

7. ADJUSTMENT BUDGET

- a) An adjustments budget will be compiled only once a year if intended adjustments fall in one of the following categories:
 - (i) to appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - (ii) to authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (iii) to authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
 - (iv) To correct any errors in the annual budget.

The adjustments budget for above mentioned categories will be tabled to council at any time after the mid-year budget and performance assessment but not later than 28 February of the that financial year.

- b) An adjustments budget will be compiled more than once a year if intended adjustments fall in one of the following categories:
 - (i) To adjust the revenue and expenditure downwards if there is material under collection of revenue during the current year
 - (ii) To appropriate additional revenues from National and Provincial Government that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for;
 - (iii) To authorise unforeseeable and unavoidable expenditure recommended by The Mayor
 - (iv) To authorise unauthorised expenditure as anticipated by section 28(2)(g) of the MFMA to authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council.
 - (v) To correct any errors in the annual budget.

The adjustments budgets for above mentioned categories will be tabled to council at the first available opportunity after above mentioned events occurred.

- c) The adjustments budget will be treated in the same manner as the annual budget in terms of calculation and implementation.
- d) The adjustments budget must be approved by Council.

8. BUDGET VIREMENTATION

8.1 Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the recommendation of the relevant Director to the CFO or delegated finance official, to enable the Budget Office to effect the adjustments.

8.2. Virement Procedure

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the relevant Finance Officer for checking and implementation.
- b) All virements must be signed by the Director of the directorate within which the vote is allocated. (Section 79 MFMA)
- c) Projected cash flows in the SDBIP should be adjusted in line with the virement.
- d) All documentation must be in order and approved before any expenditure can be committed and incurred. (Section 79 MFMA)
- e) No virements of funds across votes (directorates) will be accommodated during the year; unless within the adjustments budget.
- f) All virementations must be motivated and need to be approved by the CFO or a delegated official after the Director of the department has recommended said transfer. The latter requires that such application reaches the office of the CFO prior to

incurring expenditure. No virementation will be entertained if found to facilitate the incurring of unauthorized expenditure.

- g) Virements will only be considered for one month, in May, after the February Adjustment budget unless an absolute emergency that could not reasonably have been foreseen.
- h) No Capital virementation will be considered if the transferred amount is more than 20% of the Capital projects' budgeted amount.
- i) Projects not having been committed in line with the approved SDBIP by the end of November, will be re-prioritized if the motivations regarding actual performance, are found to not be credible
- j) A project/s that will not materialize for one or the other reason will only be considered via the adjustment budget envisaged with the consideration of the mid-year budget performance assessment.
- k) No virementations after the closing of orders as stipulated in the financial protocol and/or formally communicated in line with the financial year-end preparation, will be considered unless in an absolute emergency that could reasonable not have been foreseen.

8.3. Budget Implementation and monitoring policy

"In accordance with the mSCOA Regulations, municipalities are required to budget and transact in terms of a data string that consists of seven segments. These segments include Project, Function, Item, Fund, Region, Costing and Municipal Standard Classification.

When considering a virement for approval, the municipality shall consider all seven segments to ensure that the Virement Policy is being adhered to all times.

Virements shall only be considered for approval, in accordance with the following:"

- a) No funds can be viremented between the different types of budgets (E.g. virements can only be made from basic capital to basic capital and operating to operating).
- b) No virement may be made where it would result in over expenditure of a line item (section 32 MFMA).
- c) No virement shall create new capital projects without the approval as contemplated or allowed by the adjustments budget process.
- d) No virement that would result in an increase in the staff establishment will be allowed.
- e) The budget savings from the following line items (necessary adjustments) may only be considered and transferred by the CFO
 - i. Salaries and allowances in case of an absolute emergency per notification to MM and duly motivated
 - ii. Depreciation
 - iii. Finance Charges (Interest on Loan)
 - iv. Appropriations
 - v. Contributions to Funds
 - vi. Administration Cost
 - vii. Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
 - viii. Internal charges
 - ix. Bulk Purchases (Water and Electricity)
 - x. Agency Fees
- f) Virements shall not be permitted to increase or decrease the following items and/or projects
 - i. Expenditure: Bulk Purchases

- ii. Expenditure: Salaries and allowances in case of an absolute emergency per notification to MM and duly motivated
 - iii. Expenditure: Remuneration of Councillors
 - iv. Gains and Losses: Impairment Loss
 - v. Gains and Losses: Reversal of Impairment Loss
 - vi. Expenditure: Interest, Dividend, Rent on Land: Interest Paid
 - vii. Expenditure: Depreciation and Amortisation
 - viii. Expenditure: Transfers and Subsidies: Capital: Allocations in kind: Households
 - ix. Expenditure: Transfers and Subsidies: Capital: Monetary allocations: Households
 - x. Expenditure: Transfers and Subsidies: Operational: Allocations in kind: Households
 - xi. Expenditure: Transfers and Subsidies: Operational: Monetary allocations: Households
 - xii. Project: Operational: Typical Workstreams: Cost of Free Basic Services
 - xiii. Project: Operational: Typical Workstreams: Revenue Cost of Free Basic Services
 - xiv. Project: Operational: Typical Workstreams: Property rates rebates
 - xv. Expenditure: Operational costs: Insurance Underwriting
 - xvi. Assets: Current Assets: VAT Receivable
 - xvii. Liabilities: Current Liabilities: VAT Control (Payable)
 - xviii. Liabilities: VAT Credit: Output Accrual
 - xix. Liabilities: Output VAT
 - xx. Liabilities: Provision for Doubtful Debt Impairment
- g) An approved virement does not give expenditure authority outside of what is allowed by Council's Supply Chain Management Policy.
 - h) Virements may not be made between Expenditure and Income.
 - i) Virements across expenditure categories can only be authorised by the CFO.
(E.g. from one "Repairs and Maintenance" vote number to a "General Expenses" vote number and will be limited to emergencies only.
 - j) No virements are permitted in the first three months of the financial year without the express agreement of the CFO.
 - k) Virement amount may not be rolled over to subsequent years or create expectations on following budgets (Section 15 MFMA).
 - l) Virements may not exceed a maximum of R5 000 000 per vote, per financial year - R 2 500 000 for operational and capital budget, respectively as periodically reviewed by Council unless approved by the Accounting Officer in consultation with the CFO in situations where either it is an Emergency or certified by the Mayor as unforeseen and unavoidable in accordance with Section 29 of the MFMA.
 - m) Virements shall not be permitted for items with the funding source being Fund: Operational: Transfers and Subsidies and/or Fund: Capital: Transfers and Subsidies, where this may result in items being funded for purposes that are not in accordance with the conditions in the relevant conditional grant framework.
 - n) Virements shall not be permitted for items where the funding sources do not align i.e. Shifting funding from borrowings to own funding.

9. BUDGET IMPLEMENTATION

9.1 Monitoring (Section 71 of MFMA)

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 all reasonable Steps to ensure that:

- a) funds are spent in accordance with the budget;
- b) expenses are reduced if expected revenues are less than projected; and
- c) revenues and expenses are properly monitored.

9.2 Reporting

9.2.1 Monthly budget statements (Section 71 of the MFMA)

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:

- a) actual revenues per source, compared with budgeted revenues;
- b) actual expenses per vote, compared with budgeted expenses;
- c) actual capital expenditure per vote, compared with budgeted expenses;
- d) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- e) the amount of allocations received, compared with the budgeted amount;
- f) actual expenses against allocations, but excluding expenses in respect of the equitable share;
- g) 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;
- i) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- j) 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.

9.2.2 Quarterly Reports (Section 52 of MFMA)

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. The report submitted to National and Provincial Treasury must be both in electronic format and in a signed written document.

9.2.3 Mid-year budget and performance assessment (Section 72 and 88 of MFMA)

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.

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.

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.

10. REVIEW OF POLICY

This policy took effect on 1 July 2024 (excluding the amended sections for consideration) and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives, good governance, and prudent expenditure management and with relevant legislation.

3.

30 May 2025

Cost Containment Policy

2025/26



TABLE OF CONTENTS

1. PREAMBLE	4
2. DEFINITIONS.....	5
3. APPLICATION OF POLICY	5
4. USE OF CONSULTANTS	6
4.1 Measures.....	6
4.2 Controls:	7
5. VEHICLES USED FOR POLITICAL OFFICE-BEARERS	8
6. TRAVEL AND SUBSISTENCE	9
7. DOMESTIC ACCOMMODATION.....	10
8. SPONSORSHIPS, EVENTS AND CATERING	11
9. COMMUNICATION	11
10.CONFERENCES, MEETINGS AND STUDY TOURS.....	13
11.OTHER RELATED EXPENDITURE ITEMS.....	14
12.ENFORCEMENT PROCEDURES	15
13.DISCLOSURES OF COST CONTAINMENT MEASURES	15
14.IMPLEMENTATION DATE.....	15

1. PREAMBLE

1.1 Each municipality must develop or revise and implement a cost containment policy which must -

Be adopted by the municipal council as part of its budget related policies;

- a) define a municipality objectives for the use of consultants; and
- b) be consistent with the relevant legislation.

1.2 The cost containment policy of a municipality contemplated in 1.1 *supra* must -

- a) be in writing;
- b) give effect to the Regulations;
- c) be reviewed annually, as may be appropriate;
- d) be communicated on the municipality's website; and
- e) set out –
 - i) monitoring measures for ensuring implementation of the policy;
 - ii) procedures for the annual review of the policy; and
 - iii) Consequences for non-adherence to the measures contained therein.

1.3 This policy document seeks to implement National Treasury Instructions and MFMA Circulars applicable to Cost Containment, as set out in 1.1 and 1.2 *supra*.

1.4 The object of the Policy, in line with Sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of the Municipality are used effectively, efficiently and economically by implementing the cost containment regulations.

1.5 The following measures must be implemented, consistently with immediate effect to ensure the containment of costs, and will be updated if and when any revisions are done to the applicable legislation.

2. DEFINITIONS

"Accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"Approved budget," means an annual budget-

- (a) Approved by a municipal council, or
- (b) Includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-

- (a) The tariff 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 legislation regulating municipal property rates; or
- (c) The credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"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;

"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;

"Executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"Financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"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);

"Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"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);

"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;

"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;

"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 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 this policy; and

3. APPLICATION OF POLICY

This policy shall apply to all officials and political office bearers in municipalities

4. USE OF CONSULTANTS

4.1 Measures

- 4.1.1 A municipality may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality does not have the requisite skills or resources in its full-time employ to perform the function.
- 4.1.2 The reasons for the use of the consultants must be motivated by the Senior Manager concerned and endorsed by the Accounting Officer, in writing.
- 4.1.3 The remuneration framework of the Municipality will be-
 - a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa ", issued by the South African Institute of Chartered Accountants;
 - b) set out in the "Guide on Hourly Fee Rates for Consultants ", issued by the Department of Public Service and Administration; or
 - c) as prescribed by the body regulating the profession of the consultant
- 4.1.4 The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in 4.1.3 supra.
- 4.1.5 When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.
- 4.1.6 When consultants are appointed, an accounting officer must, where practical –
 - a) appoint consultants on a time and cost basis with specific start and end dates;
 - b) appoint consultants on an output- specified basis, subject to specific measurable objectives and associated remuneration;
 - c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
 - d) ensure the transfer of skills by consultants to the relevant officials of a municipality;
 - e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality's supply chain management policy; and
 - f) develop consultancy reduction plans to reduce the reliance on consultants.
- 4.1.7 All contracts with consultants must include a fee retention or penalty clause for poor performance.
- 4.1.8 The municipality must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and are appropriately recorded and monitored.

- 4.1.9 The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.
- 4.1.9 The contract price must specify all travel and subsistence costs and if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the national travel policy of the National Department of Transport.
- 4.1.11 These provisions will only apply to contracts entered into and tender processes started after the approval of the Policy by Council

4.2 Controls:

- 4.2.1 The use of consultants must be reviewed and curtailed.
- 4.2.2 Directors must review the utilisation of consultants in their respective Directorates to determine if their services are still required.
- 4.2.3 Requests for extension of consultants' contracts of appointment must be motivated in writing to the Municipal Manager, and he may in turn instruct the Director to table an item via the Bid Committee system to make recommendations in this regard.
- 4.2.4 Any SLA or contract signed with consultants, must include:
 - a) penalty clauses for poor performance,
 - b) clauses that deal with skills transfer,
 - c) period of the contract must be clearly stated, amongst other pertinent clauses.
- 4.2.5 Directorates who deal with Consultants must ensure compliance with the NT instruction, as it relates to disbursements for travelling and accommodation for consultants.
- 4.2.6 The Municipal Manager must give instructions to all Directorates to develop a consultancy reduction plan, indicating how the Directorates intend to comply with the National Treasury instruction.

5. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

- 5.1 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.
- 5.2 The procurement of vehicles in 6.1 supra must be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms; other procurement mechanisms may also be used should the transversal contract mechanism be proven to be too onerous or vehicles available on the contract will not be serviceable within a 100 km distance of the municipality.

- 5.3 Before deciding to procure a vehicle as contemplated in 6.2 supra, 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 through a cash purchase or a lease transaction, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in 6.1 supra;
 - c) extent of service delivery backlogs;
 - d) terrain for effective usage of the vehicle; and
 - e) any other policy of council.
- 5.4 Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres.
- 5.5 Notwithstanding 5.4 supra, a municipality may replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.
- 5.6 An accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

6. TRAVEL AND SUBSISTENCE

- 6.1 An accounting officer –
- a) may approve the purchase of economy class tickets for all officials or
 - b) political office bearers where the flying time for the flights is five hours or less; and
 - c) may only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.
- 6.2 In the case of the accounting officer, the mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.
- 6.3 Notwithstanding 6.1 and 6.2 supra, an accounting officer, or the mayor in the case of an accounting officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medical certified condition.
- 6.4 The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials or political office bearers attending such meetings or events must be limited to those officials or political office bearers directly involved in the subject matter related to such meetings or events.
- 6.5 An accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only –

- a) During peak holiday periods; or
- b) When major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and /or international guests in that particular geographical area.
- c) Where the event is hosted on a site where making use of on-site
- d) Accommodation is more practical, written motivation for the deviation must accompany the requisition for accommodation.

6.6 An official or a political office bearer of a municipality must –

- a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;
- b) follow the below guidelines, as per Table 1, for the short-term rental of vehicles

Table 1

KM to be travelled	Drivers' position	Minimum Vehicles' Group Allowed
<150	T13 and lower	Group B
<150	T14 - T18	Group C
<150	EMT & Cllrs	Group F
>151 <800	T13 and lower	Group C
>151 <800	T14 - T18	Group F
>151 <800	EMT & Cllrs	Group G
>801	T13 and lower	Group F
>801	T14 - T18	Group G
>801	EMT & Cllrs	Group H

- 6.7 The municipality must utilise the negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through a notice or any other available cheaper flight and accommodation
- 6.8 The geographical location of the municipality makes the usage of public transport unpractical and this policy therefore deviates from the Regulation relating to the use of public transport.

7. DOMESTIC ACCOMMODATION

- 7.1 An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a notice.
- 7.2 Overnight accommodation may only be booked where it is in line with the below Table on the Guidelines for Approval of Overnight Allowance per Section 5 of the Council's approved Subsistence and Travel Allowance Policy.

GUIDELINES FOR APPROVAL OF OVERNIGHT ALLOWANCE

Table 2

Travel Distance	Time-frames of Event	Comment
Bitou to Destination >200km	Starting time: 10h00	No overnight allowance approved prior the event.
Bitou to Destination >200km	Starting time: 08h00	Overnight allowance approved prior the event.
Bitou to Destination <400km	Ending time: 15h00	No overnight allowance approved after the event.
Bitou to Destination >450km	Ending time: 15h00	Overnight allowance approved after the event.
Bitou to Destination <>100km	Starting time: 10h00 Ending time: 16h00	Overnight allowance will be approved provided that travelling will occur in three consecutive days.

8. SPONSORSHIPS, EVENTS AND CATERING

- 8.1 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.

- 8.2 An accounting officer may incur catering expenses for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that may not exceed five hours or where the attendees travelled in excess of 100 km to attend.
- 8.3 Entertainment allowances of qualifying officials may not exceed R2000 (two thousand Rand) rand per person per financial year, unless approved otherwise by the accounting officer.
- 8.4 A municipality may not incur expenses on alcoholic beverages unless the municipality recovers the cost from the sale of such beverages.
- 8.5 An accounting officer must ensure that year-end functions, team building exercises, staff sporting events are not financed from the municipality's budgets or by any suppliers or sponsors; specific budgeted staff-wellness events are excluded where the specific events are separately budgeted, disclosed in the budget documentation of the municipality and approved by Council.
- 8.6 The municipality may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than protective clothing, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model. The protective clothing should be in line with Occupational Health and Safety standards instead of printing T Shirts and Golf Shirts as part of the PPE.
- 8.7 An accounting officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health. The petty cash limit is defined as per the limitations of the Supply Chain Management Regulations.

9. COMMUNICATION

- 9.1 The municipality should, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers. No advertisements regarding the general information and functions of the municipality may be placed in any publication at cost.

- 9.2 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, the municipal officer should review the staff receiving allowances and the amounts receivable at least annually.
- 9.3 Newspapers and other related publications for the use of officials must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
- 9.4 The municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.
- 9.5 The Councils policy relating to payment for private calls must be fully enforced by all Directorates. The cost for private calls must be recovered on monthly basis through salary deductions from the affected officials.

10. CONFERENCES, MEETINGS AND STUDY TOURS

- 10.1 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. Applications for attendance must be completed on the Nomination/Request form to attend Education, Training and Development Course/Conference/Seminars/Workshops/Symposia/Lecture/Meeting and duly approved by either the Municipal Manager or the duly delegated senior official.
- 10.2 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
 - e) Or event.
- 10.3 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.
- 10.4 The benchmark costs referred to in 10.3 may not exceed an amount as determined from time to time by the National Treasury through a notice.
- 10.5 The amount referred to in 10.4 supra 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.
- 10.6 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.
- 10.7 The accounting officer of a municipality 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.
- 10.8 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.
- 10.9 An accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in 10.2 supra.
- 10.10 A municipality must, where applicable and practical, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

11. OTHER RELATED EXPENDITURE ITEMS

- 11.1 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.
- 11.2 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.
- 11.3 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.
- 11.4 A municipality must avoid expenditure on elaborate and expensive office Furniture.
- 11.5 A 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.
- 11.6 A 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.
- 11.7 A municipality must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs.
- 11.8 The outsourcing of repairs and maintenance to municipal fleet should be reviewed to ensure that internal capacity is generated to save the costs.
- 11.9 The municipality should implement central printing system to reduce cost of printing and Managers should monitor that employees do not abuse municipal printing services.

12. ENFORCEMENT PROCEDURES

Failure to implement or comply with these Regulations may result in any official of the municipality, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

13. DISCLOSURES OF COST CONTAINMENT MEASURES

- 13.1 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.
- 13.2 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.
- 13.3 The reports referred to in 13.2 must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.
- 13.4 The reporting referred to in 13.1, 13.2 and 13.3 may be done as per the declaration from the Accounting Officer included in Annexure A that the Cost Containment Regulations and measures was considered and implemented by the municipality, this report will form part of the monthly, quarterly and annual reporting of the municipality. The detailed measures and aggregate amounts saved are not practically reportable at this stage. The reporting measures required in terms of the Policy will be revised on an annual basis.

14. IMPLEMENTATION DATE

This policy will be implemented with effect on the day of approval by Council.

4.

BITOU MUNICIPALITY



PETTY CASH POLICY

2025/26

Table of Contents

1.	INTRODUCTION	3
2.	OBJECTIVES OF POLICY	3
3.	LEGISLATIVE FRAMEWORK.....	3
4.	AUTHORISED LIMIT FOR PETTY CASH.....	3
5.	PETTY CASH PURCHASES	4
6.	OUT-OF-POCKET EXPENSES.....	6
7.	MANAGEMENT OF PETTY CASH	6
8.	DISBURSEMENT OF PETTY CASH	7
9.	INTERNAL CONTROLS	7
10.	REPORTING	8
11.	GENERAL ADMINISTRATION	8
12.	REVIEW.....	8
13.	SHORT TITLE.....	8

1. INTRODUCTION

- 1.1. Petty cash is small amount of discretionary funds in the form of cash used for expenditure where *it* is impractical to follow the official procurement processes due to the nature of the goods and/or services required.

2. OBJECTIVES OF POLICY

- 2.1. The objectives of the policy are to:
- 2.1.1. Ensure goods and services are procured by the municipality in accordance with authorized processes only,
 - 2.1.2. Ensure that the municipality has and maintains an effective petty cash system for expenditure control,
 - 2.1.3. Ensure that sufficient petty cash is available when required,
 - 2.1.4. Ensure that the items required to be procured are approved petty cash items.

3. LEGISLATIVE FRAMEWORK

- 3.1. The legislative framework governing petty cash are:
- 3.1.1. The Local Government Municipal Finance Management Act, Act 56 of 2003,
 - 3.1.2. The Municipal Supply Chain Management Regulations, Regulation 868, published under Government Gazette 27636, 30 May 2005,
 - 3.1.3. The municipal supply chain management policy.

4. AUTHORISED LIMIT FOR PETTY CASH

- 4.1 Petty cash transactions will be processes directly against the departmental expenditure UKey.

- 4.2 The requisitioned amount must not exceed a maximum amount of R2 000.00 per transaction as outlined in the Municipal Supply Chain Management Policy unless otherwise motivated to and approved by the Chief Financial Officer with the provision that the amount may not exceed the limits as determined in accordance with the Municipal Supply chain regulations applicable to petty cash purchases.

5. PETTY CASH PURCHASES

- 5.1 The Chief Financial Officer must delegate personnel from the Expenditure Management Division to keep petty cash registers and make petty cash payments up to the maximum amount as allowed per transaction.
- 5.2 Petty cash must be restricted to cash purchases up to a transaction value of R2 000,00 VAT included.
- 5.3 Petty Cash must not be used for any of the following: -
- a. Loans to any person or whatsoever,
 - b. Payroll related payments such as wages, salaries, travel allowances, subsistence and travel claims, etc.
 - c. Fuel and lubricants, etc.
 - d. Human resource related costs such as doctors' fees, employees' studies per study-aid policy, etc.
 - e. Instalment payments such as invoices relating to SCM contracts, stock items, and payments related to debit orders, rental of equipments, etc.
 - f. Any items which can be classified as an assets,
 - g. Safety equipment and clothing such as clothes, ear protectors, safety glasses, etc.
- 5.4 Petty cash will be drawn and paid to user-departments by means of an Instant Payment Method (also known as *eWallet System*).
- 5.5 The electronic voucher number as well as the withdrawal PIN code must be sent to the mobile number of the respective Manager.

- 5.6 A pre-numbered petty cash claim form must be completed and authorized by the relevant Manager prior to the claim being processed.
- 5.7 Petty cash purchases may not deliberately be broken up over two (2) or more transaction claims or be split over more than one (1) day for the same items in order to fall within the determined threshold of R2 000,00 VAT included.
- 5.8 In a quest of reducing the bank's service fees, procurements made from municipal suppliers will be through the SCM Petty Cash Order System.
- 5.9 Such purchases (per 4.6) will be subject to the following conditions:
 - 5.9.1 The originator of the SCM Petty Cash Order must obtain a quotation from the supplier,
 - 5.9.2 The Manager must sign the quotation and supply with a U-Key,
 - 5.9.3 The Manager must complete and signs the "Request for Petty Cash Order Form" and attach the quotation,
 - 5.9.4 The originator must submit the request form to Budget Office for the validation of the U-Keys,
 - 5.9.5 The originator must submit the request form and quotation to Creditors Section for processing,
 - 5.9.6 The Principal Clerk: Creditors must complete an SCM Petty Cash Order and records the transaction in the SCM PCO Register,
 - 5.9.7 The Principal Clerk: Creditors must issue an SCM Petty Cash Order Number (as per register),
 - 5.9.8 The SCM PCO voucher must be submitted to the Manager: Expenditure and/or delegated official for approval,
 - 5.9.9 On receipt of the SCM PCO voucher, the originator must then collect the goods and be issued with an invoice which he/she must submit to Creditors Section for payment,
 - 5.9.10 The supplier must include the invoice per 4.7.9 on the referred monthly creditor's statement for payment,
 - 5.9.11 The Creditors Clerk must then reconcile the statement and process a direct payment to the supplier.

5.10 The SCM Petty Cash Order Register must be submitted to the Manager:
Expenditure as part of monthly reporting.

6. OUT-OF-POCKET EXPENSES

- 6.1. Where a staff member has made a purchase from own funds and seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.
- 6.2. The responsibility to ensure that the purchase must be in accordance with all the prescriptions of this policy will be the sole responsibility of the purchaser of such items.
- 6.3. All the reimbursements relating to out-of-pocket expenses must be processed through the Supply Chain Management Division.
- 6.4. A reimbursement purchase order must be processed in this regard. And such an order must be in the names of employee claiming to be reimbursed.
- 6.5. No Instant Payment Method must be allowed for Out-of-Pocket Expenses.

7. MANAGEMENT OF PETTY CASH

- 7.1. A proper petty cash register must be kept where each disbursement of petty cash transactions are recorded.
- 7.2. The minimum detail to be recorded in the petty cash register is:
 - 7.2.1. department name,
 - 7.2.2. U-Key to allocate petty cash transaction,
 - 7.2.3. name of vendor,
 - 7.2.4. date,
 - 7.2.5. amount issued, and
 - 7.2.6. name of Manager,
 - 7.2.7. Instant Payment voucher number,

- 7.3. The petty cash register with all petty cash vouchers, receipts or slips must be attached to the Petty Cash Control Sheet.
- 7.4. The Principal Clerk: Creditors must reconcile the petty cash balances on the system against the Petty Cash Control Sheet.

8. DISBURSEMENT OF PETTY CASH

- 8.1. All petty cash disbursements must be completed on the prescribed petty cash voucher, authorized by the delegated official of each department as approved by Council in terms of the delegation of authorities.
- 8.2. The authorized official must ensure that funds are available in the budget prior the submission of claims. The Budget Office may also provide with confirmation to the U-Key utilized and the availability of funds.
- 8.3. An invoice or an original receipt, clearly indicating the description of items purchased must support the petty cash voucher.
- 8.4. In the case where a petty cash advance has been granted in the form of Instant Voucher Payment; the recipient of the voucher must submit an invoice and/or original receipt within five (5) working days from receipt of the voucher to the petty cash official.
- 8.5. Where proof of expenditure could not be provided on petty cash advances within the prescribed period, the advance will automatically be deducted from the respective employee's salary.

9. INTERNAL CONTROLS

- 9.1. Surprise petty cash audits must be concluded on random basis throughout the financial year.

- 9.2. Petty cash reconciliations with the general ledger must be reconciled before 30 June of each year.
- 9.3. The petty cash reconciliations must be verified by the Accountant: Creditors and approved by the Manager: Expenditure. A copy of the register must be submitted to the Manager: Annual Financial Statements for audit purposes.

10.REPORTING

- 10.1. A monthly reconciliation report, including the total amount of petty cash purchases for that month, must be prepared by the petty cash holder.
- 10.2. The monthly reconciliation report of petty cash must be reviewed by the Accountant: Creditors or delegated official and verified by Manager: Expenditure.

11.GENERAL ADMINISTRATION

- 11.1 Petty cash will be reimbursed from Monday to Thursday between 14h00 until 16h00.

12.REVIEW

- 12.1. This policy will be reviewed annually to be in line with municipal practices and legislation.

13.SHORT TITLE

- 13.1. This policy shall be called the Petty Cash Policy of the Bitou Municipality.

5.

BITOU MUNICIPALITY



SUBSISTENCE AND TRAVEL ALLOWANCE POLICY

2025/26

1 PURPOSE

- 1.1 It is essential for representatives of the municipality to travel from time to time to other cities and towns in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in or interacting with the sphere of local government.
- 1.2 It is also important for representatives of the municipality to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and changes in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders.
- 1.3 The purpose of this policy is to regulate how travelling and subsistence costs are paid to staff member and Councillors required to undertake approved council business which involves incurring expenses for travel, lodging, meal and other costs for attending conferences, meetings, seminars, training and conducting other council business.
- 1.4 This policy sets out the basis for the payment of a subsistence and travel allowance for the purpose of such official travelling.
- 1.5 The Travelling and Subsistence allowance policy needs to be updated from time to time in order to ensure that prevailing economic circumstances such as fuel prices, interest rates and cost of living are taken into account in the payment of allowances. It is also necessary that the policy be tailored to suit the operational requirements of the municipality.
- 1.6 The purpose of this policy is also to regulate how travelling and subsistence costs are paid to external candidates attending job interviews at the municipality as well as invitees as Presiding Officers, Initiators or witnesses for internal disciplinary hearings and investigations. This will also apply to official guests invited for conferences, meetings, seminars, training and/or other business at the municipality.

2 PRINCIPLES

When considering a policy for the reimbursement for travelling and subsistence cost to councillors and officials, one must first and foremost acknowledge the purpose of the policy and that it is to be reimbursive; secondly, the principle of fairness needs to be applied; and, thirdly, the affordability must be addressed.

3 DEFINITIONS

For the purpose of a subsistence allowance, a representative shall mean:

- 3.1 Executive Mayor,
- 3.2 Deputy Executive Mayor,
- 3.3 Speaker,
- 3.4 Members of Mayoral Committee,
- 3.5 Other Councillors specifically authorized to represent the municipality on a particular occasion,
- 3.6 Municipal Manager,
- 3.7 Departmental Directors,
- 3.8 Divisional Managers,
- 3.9 Any other official specifically authorized to represent the municipality on a particular occasion,
- 3.10 Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution,
- 3.11 Any other person who is granted permission to attend meetings, conferences by the Municipality Manager,
- 3.12 A subsistence and travel allowance is an amount of money paid by the municipality to a representative,
- 3.13 Government rates: rates charge by hotels for government institutions which are lower than the normal rates charged,
- 3.14 For the purposes of this policy, domestic travel shall mean travel within South Africa,
- 3.15 International travel shall mean travel to any country other than South Africa,
- 3.16 Normal workplace means the town where the employee is stationed/required to perform his or her duties,
- 3.17 A day is calculated as a single 24-hour period, which commences at time of departure from the normal workplace.

4 AUTHORIZATION

- 4.1 All journeys must be authorized beforehand.
- 4.2 The approval of claims for personnel travelling outside the municipal geographical boundaries and/or payments thereof will be as follows:
The approval of the:-
 - 4.2.1 Executive Mayor; in the case where Speaker being the traveller or Speaker in the case where Executive Mayor being the traveller, is required;
 - 4.2.2 Executive Mayor; in the case where the Municipal Manager being the traveller, is required;
 - 4.2.3 Municipal Manager; in the case where the Departmental Director and/or Manager: Office of the Executive Mayor and/or Manager: Office of the Speaker and/or Manager: Office of the Deputy Executive Mayor being the traveller(s), is required;

- 4.2.4 Departmental Director; in the case where the Divisional Manager and/or any other personnel within the designated department being the traveller, is required.
- 4.3 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. Prior required authorization must still be obtained from the Municipal Manager, Executive Mayor, Speaker, Departmental Director or as the case may be. If any representative fails to do so, or leave the event before its conclusion, the Executive Mayor and Speaker, the Municipal Manager, or the Departmental Director, as the case may be, may recover all allowances and disbursement paid to such delegate or representative, provided that such delegate or representative is afforded the opportunity to submit reasons for not getting prior approval and /or not being able to be present from the commencement to conclusion of such event.
- 4.4 Councillors will be paid according to the prescribed SALGA circular.
- 4.5 Officials travelling outside the municipal boundaries will be remunerated on the Department of Transport tariffs.
- 4.6 Municipal guests such as Presiding Officer and/or Initiators for disciplinary matters, investigators, assessors, facilitators, and any other person deemed to be falling under this category will be remunerated on the South African Revenue Services (SARS) tariffs.
- 4.7 Candidates invited for job interviews will be remunerated on the tariff as determined by Council, which will be reviewed on annual basis.
- 4.8 Travelling and subsistence will not be paid in cases where it is being paid for by the host or person who extended the invitation.
- 4.9 The Councillors and officials must abide with the report back policy in terms of submission of report when attending official businesses of Council.
- 4.10 The processing of Subsistence and Travelling claims will be limited to a 2150cc engine capacity.

5 **GUIDELINES FOR APPROVAL OF OVERNIGHT ALLOWANCE**

Table 1

Travel Distance	Time-frames of Event	Comment
Bitou to Destination >200km	Starting time: 10h00	No overnight allowance approved prior the event.
Bitou to Destination >200km	Starting time: 08h00	Overnight allowance approved prior the event.
Destination to Bitou <400km	Ending time: 15h00	No overnight allowance approved after the event.
Destination to Bitou >450km	Ending time: 15h00	Overnight allowance approved after the event.
Destination to Bitou >500km	Ending time: 14h00	Overnight allowance approved after the event.
Bitou to Destination <>100km	Starting time: 08h00 Ending time: 16h00	Overnight allowance will be approved if travelling will occur in three consecutive days.

6 **RESPONSIBILITIES OF REPRESENTATIVES**

- 6.1 Every representative who travels on the business of the municipality must comply with this policy.
- 6.2 Representatives who travel on business of the municipality must appreciate, at all times, that they are ambassadors for the municipality, that their actions, conduct and statement must be in the best interest of the municipality, and that they must comply with any specific mandates they have been given.
- 6.3 Consistent with the municipality's performance monitoring and evaluation objectives, the municipal manager will ensure that a database of all representatives and official travelling is kept. The Municipal Manager may delegate this to the Departmental Directors.
- 6.4 Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion.
- 6.5 Any council funds, which were appropriated for the purposes of the subsistence and travel requirements of an individual and which are not fully utilized by that individual, MUST be paid back to Council within 48 hours of returning. Failure to adhere to this requirement may result in disciplinary and criminal proceedings being undertaken by Council.

7 HOTEL ACCOMMODATION - COUNCILLORS AND STAFF

- 7.1 When booking accommodation, an enquiry must be made at the establishment for a government rate of accommodation.
- 7.2 Actual cost of a **3 Star hotel on a bed and breakfast basis** to the maximum amount of **R1 800 (VAT inclusive) per person per day**, with prior approval by Municipal Manager or delegated official can be incurred.
- 7.3 Where a 3 Star hotel is not available and/or the hotel with the threshold as per 7.2, a hotel of similar or higher grading may be used with prior approval by the Departmental Director and/or Municipal Manager.
- 7.4 Where a rate of a hotel, guest house or accommodation of a higher grading proves to be cheaper than that of a 3 Star accommodation, the accommodation at a higher grading venue may be accepted from the Departmental Director and/or Municipal Manager.
- 7.5 Where the location of conference, symposium, workshop, or training venue necessitates that accommodation be used of a higher grade than that of a 3 Star hotel, prior approval must be obtained from the Departmental Director and/or Municipal Manager.
- 7.6 Should a delegate elect to arrange his/her own accommodation at relatives or friends, an allowance be paid to him/her calculated as follows:
- 7.6.1 **Meals and incidental cost** in amount equal to annual determination for meals and incidental cost that are deemed to have been expected by South African Revenue Services (**R570.00 for 2026**).
- 7.6.2 An **overnight allowance** for **R1 200.00 per night** will serve as an allowance for accommodation, where after the municipality will have no further obligation towards the delegate for accommodation or any kind of financial assistance.
- 7.6.3 No additional kilometre will be remunerated between meeting venue and hotel in the event where the traveller opted to stay with relatives, family or friends.

8 SUBSISTENCE ALLOWANCE - COUNCILLORS AND STAFF

- 8.1 The purpose of subsistence allowance is to reimburse for any expenditure incurred relating to beverages and any incidental expenditure, not included in the bed and breakfast tariff of the hotel/guest house where the employee/Councillor is accommodated.
- 8.2 Exceeding 6 hours outside Bitou Municipality: **Incidental costs** in the amount equal to the annual determination for incidental cost that are deemed to have been expended by the South African Revenue Services (**R176.00 for 2026**) per day.

8.3 Exceeding 24 daily hours (overnight): **Meals and incidental costs** in the amount equal to the annual determination for meals and incidental cost that are deemed to have been expended by South African Revenue Services (**R400.00 for 2026**) per day.

8.4 Where a booking for accommodation is done on a dinner, bed and breakfast basis; either by the host or Bitou Municipality, an allowance for **incidental costs** in the amount equal to the annual determination for incidental costs that are deemed to have been expended by the South African Revenue Services (**R176.00 for 2026**) per day will be payable.

8.5 For the purpose of calculating the allowance, both the day of departure and the day of return shall qualify for the payment of subsistence allowance.

9 HOTEL ACCOMMODATION – OFFICIAL MUNICIPAL GUESTS

9.1 When booking accommodation for official guests for the municipality; such as Presiding Officers, Initiators or witnesses for internal disciplinary hearings and investigators, an enquiry for accommodation must be made at the establishment with a government rate on accommodations.

9.2 Actual cost of a **3 Star hotel on a bed and breakfast basis** to the maximum amount of **R1 800 (VAT inclusive) per person per day**, with prior approval by Municipal Manager or delegated official can be incurred.

9.3 Where a 3 Star hotel is not available and/or the hotel with the threshold as per 9.2, a hotel of similar or higher grading may be used with prior approval by the Departmental Director and/or Municipal Manager.

9.4 Where a rate of a hotel, guest house or accommodation of a higher grading proves to be cheaper than that of a 3 Star accommodation, the accommodation at a higher grading venue may be accepted from the Departmental Director and/or Municipal Manager.

9.5 In the event where the meeting has been scheduled for two (2) or more consecutive days, starting at 08h00, the municipality may allow accommodation for guests, even if the travel distance is about 100km “from-base-to-Bitou” on a “one-way trip”. Such an overnight approval will be applicable to the first day after the event and limited to the last day of the event.

9.6 The guest will be allowed **overnight meals to the maximum amount of R300.00 per night**.

9.7 The municipality will not allow for any alcohol beverages; as a result, the cost to such consumables will be on the guest account.

10 REIMBURSEMENT OF TRAVEL COSTS – OFFICIAL MUNICIPAL GUESTS

- 10.1 The municipality will reimburse the guests' travel costs based on the actual distance travelled at **R4.76 per kilometer, regardless of the value and engine capacity of the vehicle as per SARS schedules for 2026.**
- 10.2 The municipality will reimburse the travel costs "from-base-to-Bitou" and no additional kilometers will be remunerated thereafter unless approved by the Departmental Director and/or Municipal Manager
- 10.3 The claimant must complete the official travel claim form of the municipality, approved by the Departmental Director and/or Municipal Manager prior to the claim being processed.

11 ENTERTAINMENT OF OTHER PERSONS

- 11.1 Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will separately be reimbursed (subject to prior approval of the Municipal Manager where applicable).
- 11.2 **Only the Executive Mayor, Deputy Executive Mayor, Speaker and Municipal Manager will be allowed to entertain external business associates or contacts or other parties. Prior arrangements must be made with the preferred local restaurant(s) and a reasonable cost for meals and non-alcoholic beverages only will be paid by the municipality. No alcohol beverages will be paid from municipal funds.**

12 AIR TRAVEL

- 12.1 Economic air travel.
- 12.2 For travelling to and from the airport, the normal travelling policy will apply.

13 ROAD IN STEAD OF AIR TRAVEL

- 13.1 Where air travel is available and the delegate wishes to travel by road the following will apply: -
- 13.2 Quotations where for economy air travel to the intended destination must be submitted to the Head of Department; afterwards, an amount equal to lowest of the quotations will be paid to the delegate as travelling expenses.
- 13.3 In addition to the above, the delegate will only be reimbursed for actual kilometers travelled between the venue of the conference and the place of accommodation.

- 13.4 The delegate will receive a subsistence allowance for one day travelling time irrespective the actual travelling time if this option is chosen (refer to par 8.2).
- 13.5 Where the cost of renting a vehicle as a travelling medium is determined to be more cost effective than either travelling with own transport or travelling by air, the Municipal Manager in agreement with the respective Head of Department and the Chief Finance Officer may elect to rent a vehicle for travelling purposes for the designated official.

14 SHORT-TERM VEHICLE RENTAL

- 14.1 The municipality must follow the below guidelines, as per Table 2, for the short-term rental of vehicles:

Table 2

KM to be travelled	Drivers' position	Minimum Vehicles' Group Allowed
<150	<T13	Group B
<150	T14 – T18	Group C
<150	HOD – Cllrs	Group F
151 - 600	<T13	Group C
151 - 600	T14 – T18	Group F
151 - 600	HOD – Cllrs	Group G
>601	<T13	Group F
>601	T14 – T18	Group G
>601	HOD – Cllrs	Group H

- 14.2 An official "Vehicle Rental Requisition" must be completed by the requestor/driver and approved by the Departmental Director and/or Municipal Manager. Once approval has been granted, the Expenditure Management will process the application and issue the requestor/driver with a Vehicle Rental Voucher.
- 14.3 Only one vehicle per delegate except if circumstances dictate otherwise and prior approval is granted by the Municipal Manager and/or delegated Head of Department upon submission of a detailed motivation.
- 14.4 Where more than four delegates are involved, a seven (7) or eight (8) seater minibus must be considered.
- 14.5 Maximum kilometer allowance of 200km per day may be included in the daily rental amount. However, in the event where the travel distance will be in excess of the daily 200km; the municipality may opt to "unlimited kilometers" to curbing on kilometers costs.
- 14.6 No personnel will be allowed to rent a vehicle without prior approval. All expenses relating to such rental will be for the renter's account.

15 INSURANCE

All vehicle rentals will be made on Super-Waiver Insurance.

16 TRAFFIC FINES

16.1 The driver of the official and/or rented vehicle - at the time of an offence - is responsible for the payment of the fine.

16.2 The costs of such fine as well as all the related admin fees will be recovered from the driver (employee) through salary deductions without prior consultation.

INTERNATIONAL TRAVEL AND SUBSISTANCE

17 AIR TRAVEL

17.1 Economy class airfare.

17.2 Airport Tax - Actual cost on presentation of receipt if not included in the airfare.

17.3 Airport Transfers – Actual cost on presentation of receipt if not included in the land arrangements.

18 ACCOMMODATION

18.1 Actual cost of a three or presentation hotel on bed and breakfast basis.

18.2 Hotel taxes on presentation of receipt if not included in the room rate.

19 DAILY ALLOWANCE

19.1 A daily allowance of US\$250.00 for meals, refreshments and incidental expenses, where the accommodation is paid by the municipality.

19.2 Where accommodation is paid by the municipality or any sponsoring institution/body/organisation, the daily allowance will be reduced to 50% of the allowance in 19.1 and be applicable for every night a councillor or official spends outside the borders of the republic of South-Africa.

20 TRAVELLING COSTS

20.1 Only one vehicle per delegation.

20.2 A maximum of 250km per day.

20.3 International telecommunication cost incurred for official purposes will be paid to representatives on a reimbursement basis upon submission of documentary proof to the accounting officer. Reasonable private calls will be allowed but may not exceed R200 per day for the period of travel outside the country.

21 IMPLEMENTATION OF POLICY

The Subsistence and Travel Claim Policy of Bitou Municipality shall be implemented as follows:-

	Activity	Date of Implementation
21.1	<ul style="list-style-type: none"> ▪Meals and incidental costs as determined by the Commissioner of South African Revenue Services (SARS), refer to – ✓Sec 7.6.1, ✓Sec 8.2, ✓Sec 8.3, ✓Sec 8.4, ▪Travel costs claimed by the municipal guests as determined by the Commissioner of South African Revenue Services (SARS), as per Sec. 10.1 	01 March of each year after the National Minister of Finance has delivered the Budget Speech
21.2	<ul style="list-style-type: none"> ▪Overnight allowances as per Sec 7.6.2, ▪Overnight meals as per Sec 9.6, ▪Entertainment allowances of Executive Mayor, Deputy Executive Mayor and Speaker as per Sec 11.2 	01 July of each year after Council has approved the Annual Municipal Budget

22 REVIEW OF POLICY

22.1 This Subsistence and Travel Policy is the sole policy governing the subsistence and travel in the Bitou Municipality and this policy will be reviewed annually by the Bitou Council.

6.

Borrowing Policy

2025/2026

Policy Review



Policy Title: Borrowing Policy
Status: Final review, submitted to Council on 30/05/2025

Financial Year: 2025/2026

1. Purpose

- 1.1. The purpose of this policy is to establish a borrowing framework for the Municipality and to set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds, in order to:
- Manage interest rate and credit risk exposure;
 - Maintain debt within specified limits and ensure adequate provision for the repayment of debt;
 - Ensure compliance with all Legislation and Council policy governing borrowing of funds.
- 1.2 This Policy should be implemented in conjunction with the approved Liquidity, Funding and Reserves Policy.
- 1.3 This policy is implemented to provide guidance on the appropriation of capital funding resources on a sustainable basis in the longer term.
- 1.4 Although legislation provides guidance as to the broader framework to ensure financial management of resources to ensure the Council meets all of its obligations timeously, it is not prescriptive with regards to quantifying not only the prudent level of Borrowing but more so the optimal level hereof.
- 1.5 Therefore in this Policy cognisance has been taken of the legislative guidelines whilst more prescriptive guidelines are set for the optimal management and monitoring of external funding sources to the Municipality's avail based on sound financial practices.

2. Legislative Framework

- 2.1 All borrowings made by the Municipality shall be subject to the requirements of the Local Government: Municipal Finance Act, 2003 ("the MFMA") and the Municipal Regulations on Debt Disclosure ("the Disclosure Regulations") made thereunder and

Policy Title: Borrowing Policy

Financial Year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

published under GN R 492 in Government Gazette 29966 of 15 June 2007.

- 2.2 Further the MFMA Circular 71 stipulates the following guidelines regarding borrowing:

Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

- 2.3 Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x100 Criteria:

6% - 8%

Debt (Total Borrowings) / Revenue

- 2.4 (Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation

+ Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue Criteria:

Maximum 45%

3. Definitions

Any word or expression used in this policy shall, unless the context clearly requires a different interpretation, bear the same meaning attached to it in the MFMA or the Disclosure Regulations, as the case may be; provided that if there is any conflict between a definition contained in the MFMA and a definition contained in the Disclosure Regulations, then the definition contained in the MFMA shall prevail.

4. Types of Debt

4.1 This policy applies to the debt incurred by the Municipality through the issue of municipal debt instruments or in any other way.

4.2 Without derogating from the generality of the preceding subparagraph, this policy will apply:

4.2.1 To any debt, whether short-term or long term;

4.2.2 To any debt incurred pursuant to any financing agreement, which includes any of the following agreements under which the Municipality undertakes to repay a long-term debt over a period of time:

4.2.2.1 Loan agreements;

4.2.2.2 Leases;

4.2.3 Instalment purchase contracts;

4.2.4 Hire purchase arrangements;

4.2.5 To any debt created by the issuance of municipal debt instruments, including:

4.2.5.1 Any note;

4.2.5.2 Bond; or

4.2.5.3 Debenture; and

4.2.6 To any contingent liability such as that created by guaranteeing a monetary liability or obligation of another.

4.3 Types of loan financing

4.3.1 Annuity Loans enable the Municipality to provide for the redemption of loans on an amortising basis which is generally the most cost effective method of financing often referred to as vanilla funding;

4.3.2 Bullet Redemption Loans are attractive as interest on the loan is serviced with the capital redemption only taking place at the end of the tenure of the loan. However, this method is more costly as interest is paid on the full debt throughout the term as the Capital does not reduce. This type of loan also requires an annual contribution to a sinking fund, which in essence then mimics the traits of an annuity loan although at a higher cost. The use of such structure warrants a detailed motivation based on the benefits to the implementation of the capital project;

4.3.3 Sculpted Repayment Loans offer a combination of the above two types, as loans are sculpted according to the potential cash flows to be generated from the capital project in future. For example the following can be included in a sculpted loan:

4.3.3.1 A capital grace period in the first years of the development of the capital project;

4.3.3.2 An incremental annual increase in the repayment in relation to the projected growth in revenue from the project.

5. Principles Guiding Borrowing Practices

The following principle shall guide the borrowing practices of the Municipality, namely:

5.1 Risk Management: The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure;

5.2 Cost of Borrowings: The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation;

5.3 Prudence: Borrowings shall be made with care, skill, prudence and diligence. To this end, officials of the Municipality are required to:

5.3.1 adhere to this policy, and other procedures and guidelines;

5.3.2 exercise due diligence;

5.3.3 prepare all reports in a timely fashion;

5.3.4 ensure strict compliance with all Legislation and Council policy.

6. Factors to be taken into account when borrowing

6.1 The Municipality shall take into account the following factors when deciding whether to incur debt:

6.1.1 the type and extent of benefits to be obtained from the borrowing;

6.1.2 the length of time the benefits will be received;

6.1.3 beneficiaries of the acquisition or development financed by the debt;

6.1.4 the impact of interest and redemption payments on both current and forecast income;

6.1.5 the current and future capacity of the Municipality's revenue base to pay for borrowings;

6.1.6 other current and projected sources of funds;

6.1.7 likely movements in interest rates for variable rate borrowings;

6.1.8 competing demands for funds;

6.1.9 timing of money market interest rate movements and the long-term rates on the interest rate curve.

6.1.10 The Borrowing and other financial ratios norms, standards and benchmarks applicable to comparable municipalities

6.2 The Municipality will, in general, seek to minimize its dependence on borrowings in order to limit future revenue committed to debt servicing and redemption charges.

7. Sources of Borrowings

7.1 Subject to any particular determination of the Council of the Municipality, the Municipality may enter into financing agreements with:

7.1.1 Registered South African Banks;

7.1.2 Development finance institution

7.1.3 Vendors or suppliers of goods acquired under leases, instalment purchase contracts or hire purchase arrangements;

7.1.4 Any other institutional investors

7.2 Unless the Council of the Municipality specifically determines otherwise, the Municipality shall not incur any debt by the issuance of any municipal debt instruments.

8. Short-term Debt

8.1 The Municipality may incur short –term debt only in accordance with and in the circumstances contemplated in Section 45 of the MFMA.

8.2 In particular, the provisions of section 45 (1) of the MFMA must be noted, these requiring that the Municipality may incur short –term debt only when necessary to bridge:

8.2.1 Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or

8.2.2 Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

8.3 Furthermore, as required by section 45 (4) of the MFMA, the Municipality must pay off short term debt within the financial year.

9. Overdraft Facility

9.1 Overdraft facilities are regulated by Section 45(3) of the MFMA.

9.2 The current policy of the Council of the Municipality is that the Municipality shall not have an overdraft facility.

10. Long Term Debt

10.1 The Municipality may incur long-term debt only in accordance with and in the circumstances contemplated in Section 46 of the MFMA.

10.2 Long-term debt may be incurred only for the purposes contemplated in Section 46(1) of the MFMA, namely:

10.2.1 Capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government, as set out in Section 152 of the Constitution; or

10.2.2 Re-financing existing long term debt, subject to section 46(5).

11. Council approval

Policy Title: Borrowing Policy

Status: Final review, submitted to Council on 30/05/2025

Financial Year: 2025/2026

Sections 45(2) and 46(2) require that short-term debt and long-term debt respectively may be incurred only if:

11.1 A resolution of the Council, signed by the Mayor, has approved the debt agreement;

11.2 The accounting officer has signed the agreement or other document which creates or acknowledges the debt.

12. Refinancing

12.1 Short-term debt may not be renewed or refinanced where that would have the effect of extending the short-term debt into a new financial year.

12.2 The Municipality may borrow in order to refinance long-term debt subject to the conditions contained in Section 46(5) of the MFMA.

13. Early repayment of loans

13.1 No loans will be repaid before due date unless there is a financial benefit to the Municipality.

13.2 The Municipality shall therefore assess the nature and extent of any benefits of early repayment before it makes any such early repayment.

13.3 Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the assessment.

14. Debt Repayment Period

14.1 As far as is practical, cognisance must be taken of the useful lives of the underlying assets to be financed by the debt for purposes of determining the duration of the debt.

14.2 Should it be established that it is cost effective to borrow the funds for a duration shorter than that of the life of the asset, the Municipality should endeavour to negotiate terms for the loan agreement on a shorter duration.

Policy Title: Borrowing Policy

Status: Final review, submitted to Council on 30/05/2025

Financial Year: 2025/2026

15. Provision for Redemption of Loans

15.1 The Municipality may set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan.

15.2 Such sinking funds may be invested directly with the Lender's Bank.

15.3 The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

16. Non-Repayment or Non-Servicing of Loan

16.1 The Municipality must honour all its loan obligations.

16.2 Failure to effect prompt payment may jeopardise the Municipality's credit rating and adversely affect the ability of the Municipality to raise loans in the future at favourable interest rates.

16.3 In addition to ensuring the timely payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements, including, in particular, the following where applicable:

16.3.1 furnishing audited annual financial statements;

16.3.2 maintaining long-term credit rating;

16.3.3 reporting of material changes in financial position of the Municipality.

17. Borrowing for Investment Prohibited

The Municipality shall not under any circumstances borrow funds for the purposes of investing them.

18. Interest Rate Risk Management

Policy Title: Borrowing Policy

Status: Final review, submitted to Council on 30/05/2025

Financial Year: 2025/2026

- 18.1 The impact of interest and capital redemption payments on both the current and forecasted property rates and service charges through tariffs taking into consideration the current and future capacity of the consumer to pay therefore;
- 18.2 Likely movement in interest rates for variable rate borrowings. There are benefits to be yielded from borrowing on a variable rate if rates are projected to decrease in future, however it is prudent for the municipality to enter into fixed interest rate loans to accurately budget for expenses incurred.

19. Loan Covenants

- 19.1 The municipality is to maintain a Loan Covenants Register detailing the covenants entered into with each active loan agreement until date of maturity thereof;
- 19.2 Compliance with all loan covenants are to be monitored and reported on annually to council following the compilation of the Annual Financial Statement (AFS) to ensure that the municipality does not breach any covenants;
- 19.3 Should a default be triggered based on non-compliance with loan covenants, the municipality is to alert Council and send the related Financial Institutions a written commitment to address the matter within a reasonable timeframe.

20. Level of gearing

- 20.1 Gearing is not only limited by the level of debt against the Total Operating Income (excluding conditional grants) but also limited by other operational factors including compliance with the stipulations of the approved Liquidity, Funding and Reserves Policy.
- 20.2 Should the municipality not be in contravention with any stipulations in the Liquidity Policy or any other approved financial policy, then it is recommended that the municipality maintain external gearing at levels not lower than 25% but not higher than 35%.

20.3 The ratios to be considered to take up additional borrowings are as follows, unless in contravention with any loan covenants:

20.3.1 Estimated long-term credit rating of BBB and higher;

20.3.2 Interest Paid to Total Expenditure not to exceed 5%;

20.3.3 Total Long-term Debt to Total Operating Revenue (excluding conditional grants and transfers) not to exceed 35%;

20.3.4 Operating Cash Surplus generated before loan repayments are made covers the Total Annual Repayment at least 1 time;

20.3.5 Percentages of Total Annual Repayment (Capital and Interest) to Operating Expenditure to be less than 8%.

21. Security

21.1 Section 48 of the MFMA provides that the Municipality may provide security for any of its debt obligations in any of the forms referred to in Section 48(2).

21.2 Such security shall be given only pursuant to a resolution of the Council, which resolution must comply with the provisions of Section 48(3), (4) and (5) of the MFMA.

21.3 Unless sufficient motivation is provided and other than for the provision of a sinking fund for the redemption of a bullet loan, the provision of any security against external borrowings, should be specifically motivated by the CFO for approval.

22. Disclosure

22.1 Section 49 of the MFMA requires that any person involved in the borrowing of money by a municipality must, when interfacing with a prospective lender or when preparing documentation for consideration by a prospective investor, disclose all relevant information in that person's possession or within that person's knowledge that may be material to the decision of that lender or investor, and take reasonable

Policy Title: Borrowing Policy

Financial Year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

care to ensure the accuracy of any information disclosed.

22.2 In addition the Disclosure Regulations establish detailed requirements for the disclosure of information to prospective lenders and investors. Regulations 2, 3, 4, 5, 15, 16 and 17 are of particular importance to the Municipality, given the nature of the borrowings which it intends to make.

23. Guarantees

The Municipality may issue guarantees only in accordance with the provisions of Section 50 of the MFMA.

24. Internal Control

The accounting officer shall ensure that mechanisms, procedures and systems are put in place to ensure that:

24.1 Duties are separated in order to prevent fraud, collusion and other misconduct;

24.2 loan agreements and contracts are kept in proper safe custody;

24.3 there is a clear delegation of duties relating to the borrowing process;

24.4 senior officials check and verify all transactions;

24.5 transactions and repayments are properly documented;

24.6 Code of ethics and standards is established and adhered to;

24.7 Procedures relating to the borrowing process are established.

25. National Treasury Reporting and Monitoring Requirements

The Municipality shall promptly submit all returns and reports relating to borrowings as required by National Treasury, including reports on the Municipality's external interest paid each month, and the quarterly itemization of all of its external borrowings.

26. Other Reporting and Monitoring Requirements

Policy Title: Borrowing Policy

Financial Year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

26.1 The Municipality shall on a monthly basis perform the following control and reporting functions relevant to borrowings:

26.1.1 Reconciliation of bank accounts;

26.1.2 Payment requisition verification and authorization;

26.1.3 Completion of South African Reserve Bank returns;

26.1.4 Maintain schedule of payment dates and amounts;

26.1.5 Complete National Treasury Cash Flow returns;

26.1.6 Submission of particulars of borrowings as required by Section 71 of MFMA;

26.1.7 Perform analysis of ratios;

26.1.8 Scrutinise loan agreements to ensure compliance with loan covenants.

26.2 The Municipality shall on a quarterly basis perform the following control and reporting functions relevant to borrowings:

26.2.1 Submit National Treasury Borrowings return

26.2.2 Prepare debt schedules for reporting to the Executive Committee.

27. Corporate Governance (Oversight)

Compliance with the various stipulations as documented in this Borrowing Policy need to be monitored by the Chief Financial Officer and reported on to the Municipal Manager on a monthly basis and to the Executive Mayor on a quarterly basis.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Executive Mayor must monitor the successful implementation of the corrective action plans and report progress to Council.

28. Transitional Arrangement

Upon adoption of this policy by the Council, the Municipal Manager in conjunction with the Chief

Policy Title: Borrowing Policy

Financial Year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

Financial Officer must determine the current performance levels of the municipality against this Policy and present a plan of action towards achieving and maintaining the stipulation as set out in this policy thereby utilising a more blended funding mix for capital infrastructure investment.

The Council must approve an appropriate timeframe within which the municipality must achieve the approved stipulations as set out in this Policy. The period between the date of the policy adoption by Council and the target date for compliance shall be known as the Transitional Period.

The Executive Mayor must report progress during the approved Transitional Period to the Council.

29. Policy Management

The Borrowing Policy forms part of the municipality overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

30. Related Policies

This policy must be read in conjunction with the following other policies of the Municipality:

- 30.1 Budget Process Policy;
- 30.2 Cash Management and Investment Policy;
- 30.3 Virement Policy
- 30.4 Liquidity, Funds and Reserves Policy.
- 30.5 Long term financial planning policy

Policy Title: Borrowing Policy

Status: Final review, submitted to Council on 30/05/2025

Financial Year: 2025/2026

31. Municipal Manager to Implement Policy

The Municipal Manager, as accounting officer of the Municipality, shall be responsible for implementing this policy, provided that he or she may delegate in writing any of his or her powers under this policy to any senior finance official of the Municipality.

32. Commencement

This policy shall come into force on date by Council of the Municipality.

7.

Tariff Policy

Reviewed
2025/2026



TABLE OF CONTENTS

	<u>PAGE</u>
1. OBJECTIVE	3
2. DEFINITIONS.....	3
3. ABBREVIATIONS	6
4. PURPOSE OF THIS POLICY	6
5. TARIFF PRINCIPLES.....	7
6. CATEGORIES OF CONSUMERS	9
7. SERVICE AND EXPENDITURE CLASSIFICATIONS.....	100
8. TARIFF TYPES	133
9. TARIFF STRUCTURES AND METHODS OF CALCULATIONS.....	144
10. CAPITAL CONTRIBUTIONS	223
11. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES	223
12. IMPLEMENTATION OF THE POLICY	233
13. ADJUSTMENT OF ACCOUNTS.....	233
14. SHORT TITLE	234

1. OBJECTIVE

1.1 The objectives of the Tariff Policy (Policy) are to ensure that –

- (a) All consumers within a specific category are treated equally and reasonably.
- (b) The income base of the municipality is optimally safeguarded by only approving exemptions, reductions and rebates that are reasonable and affordable.
- (c) The principles supporting the Councils Mission, Vision and IDP are supported.
- (d) Municipal tariffs are set in a manner that promotes the provision of reliable, sustainable and affordable services to all.

2. DEFINITIONS

2.1 In this Policy, unless the context otherwise indicates –

- (a) “**Availability tariff**” means where vacant properties are not connected to the municipal infrastructure but can reasonably connect to the service.
- (b) “**Accommodation establishments**” means a facility that provides for lettable residential and non-residential units or homes, holiday or self-catering accommodation on a regular, seasonal, continuous or occasional basis
- (c) “**Basic charge**”, is a charge intended for the recovery of the fixed and overhead cost components associated with a service, irrespective of the extent to which a service is consumed or used, it covers inter-alia cost associated with distribution, maintaining the reticulation network and other infrastructure and equipment and billing-related costs, institutional cost, and other administrative costs , plus the cost of the meter, servicing and reading the meter, mailing the bills and maintaining customer records.
- (d) “**Business**” means the activity of buying, selling or trading in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of agriculture, farming or, inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
- (e) “**Business unit**”. in relation to any premises, means a building or section of a building or containers, occupied or used for shops, offices, hotel rooms accommodation establishments, caravan parks etcetera.
- (f) “**Industrial consumers**” means industrial undertakings, factories, warehouses, workshops, scrap yards, wine cellars, abattoirs, dairy processing plants, fish markets and suchlike consumers.

- (g) “**Community service**” means services in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature.
- (h) “**Consumer**” means the owner of a premises, regardless of whether it is domestic, commercial, industrial or any other type and who has entered into an agreement with the Municipality for the supply of a service. A consumer must only be the owner and not a tenant or lessee.
- (i) “**Council**” means the Bitou Municipal Council, and "Municipal Council" shall have a corresponding meaning.
- (j) “**Domestic consumers**” means residential properties, group housing, town houses, semi-detached houses and suchlike properties.
- (k) “**Due date**”–
- (i) In relation to accounts payable monthly on a recurring basis, the 07th of the month which follows on the month during which an account is rendered;
 - (ii) In relation to accounts payable annually, 30 September unless otherwise provided by any other law; and
 - (iii) In all other instances, as and when demand for payment is made by the Municipality.
- (l) “**Economic services**” means services in respect of which the tariffs are set at a level that the total costs of the services are recovered from customers.
- (m) “**Educational institutions**” means schools and such like institutions.
- (n) “**Fixed costs**” means costs which do not vary with consumption or volume produced.
- (o) “**Indigent households**” means households that are registered at the Municipality as such and meet the municipality's criteria in terms of its Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy and occupying a property within the jurisdiction of the Municipality and "poor households" shall have a corresponding meaning.
- (p) “**MFMA**” means the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).
- (q) “**Minimum charge**” shall refer to the minimum amount payable by the consumer in respect of a particular service irrespective of the extent to which the service is used during any given period of time.
- (r) “**MSA**” means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

- (s) **“Owner”** in relation to a property, means the person in whose name the property is registered in the Deeds Registry and such owner's successors.
- (t) **“Premises”** means any erf, immovable property or property which is capable of receiving municipal services whether it is receiving such services or not and whether occupied or not.
- (u) **“Property”** means –
 - (i) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
 - (ii) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
 - (iii) A land tenure right registered in the name of a person or granted to a person in terms of legislation; and
 - (iv) Public service infrastructure.
- (x) **“Public benefit organisations”** means an organisation conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax Act for tax reductions because of those activities.
- (y) **“Resident”** means a person who ordinarily resides in the municipal area.
- (z) **“Place of public worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is –
 - (i) Registered in the name of the religious community;
 - (ii) Registered in the name of a trust established for the sole benefit of a religious community; or
 - (iii) Subject to a land tenure right.
- (aa) **“Non-residential”** means all property other than those defined as residential.
- (bb) **“Service charge”** means the charged levied for the provision of a service on a daily, monthly or annual basis.
- (cc) **“Special agreements”** means special tariff agreements entered into with categories of consumers making significant economic contributions to the community and that create job opportunities.

- (dd) **“Sport and recreation facilities”** means properties used exclusively for sport and recreation purposes including school sport fields which are metered separately for water and electricity consumption.
- (ee) **“Total cost”** means the sum of all fixed and variable costs associated with a service.
- (ff) **“Trading services”** means services referred to in Paragraphs 7.1(a), 9.2 and 9.3 in the Policy in respect of which the tariffs are set at a level that the Council makes a profit on the delivery of the services.
- (gg) **“Units consumed”** means the number of units consumed of a particular service and are measured in terms of the tariff structure reflected in Paragraphs 9.2 and 9.3 in the Policy.
- (hh) **“Variable costs”** means costs that vary with consumption or volume produced.
- (ii) **“VAT”** means Value-Added Tax in terms of the Value-Added Tax Act, 1991, as amended.
- (jj) **“Restaurant”** means a commercial establishment where meals and refreshments are prepared and/or served to paying customers primarily for consumption on the property, and may include licensed provision of alcoholic beverages for consumption on the property, and the sale of food for consumption off the property (takeaways).

3. ABBREVIATIONS

Kg	Kilogram
Kl	Kilolitre or 1,000 litres
kVa	Kilovolt Ampere
kWh	Kilowatt Hour
m³	Cubic Meter

4. PURPOSE OF THIS POLICY

- 4.1 The Bitou Municipality wishes to achieve the following objectives by adopting this Policy –
- (a) To comply with the provisions of Section 62(1)(f) of the MFMA;
 - (b) To comply with the provisions of Section 74 of the MSA;
 - (c) To prescribe procedures for calculating tariffs where the municipality wishes to appoint service providers in terms of Section 76(b) of the MSA; and

- (d) To give guidance to the Executive Mayor regarding tariff proposals that must be submitted to the Council annually during the budget process.

5. TARIFF PRINCIPLES

- 5.1 In setting its annual tariffs the Council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.
- 5.2 The Municipality wishes to record that the following tariff principles will apply –
- (a) Service tariffs imposed by the municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the relief measures for poor households and deserving categories of users approved by the municipality from time to time); and
 - (b) The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
- 5.3 Tariffs for service charges rendered by the Municipality, namely –
- (a) Electricity;
 - (b) Water;
 - (c) Sanitation; and
 - (d) Refuse;
- And the Municipality shall as far as possible recover the expenses associated with the rendering of each service concerned. The tariff, which a particular consumer or user pays shall therefore be directly related to the cost to the municipality of rendering the services that are used or consumed.
- 5.4 In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the Municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.
- 5.5 The Municipality's Policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be disclosed to users.
- 5.6 The Municipality shall ensure that its tariffs shall be readily understandable by all users affected by the Policy.

- 5.7 The Municipality undertakes to render its service costs effectively in order to ensure the best possible cost of service delivery.
- 5.8 The consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The municipality must ensure that meters are functional and accurate to ensure that consumers are billed for their actual consumption. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.
- 5.9 The Municipality shall levy monthly availability or basic charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with the detailed policies. Generally, consumers of water and electricity shall therefore pay two charges: one, which is unrelated to the volume of consumption and is to recover the distribution on costs; and another directly related to the consumption of the service in question.
- 5.10 In considering the costing of its water, electricity and sewerage services; the Municipality shall take due cognisance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services. The Municipality therefore undertakes to plan the management and expansion of the services carefully in order to ensure that both current and reasonably expected future demands are adequately catered for, and that demand levels which fluctuate significantly over shorter periods are also met. This may imply that the services may at times or for certain periods operate at less than full capacity, and the costs of such surplus capacity must also be covered in the tariffs which are annually levied.
- 5.11 The Municipality shall, by adopting what is fundamentally a two-part tariff structure, namely a fixed minimum charge coupled with a charge based on consumption, endeavour to address the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.
- 5.12 Part of the Municipality's Policy for electricity services will be to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. Such consumers shall therefore pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.
- 5.13 A property used for multiple purposes must for purposes of these tariffs be assigned to a category determined by the Council for properties used for a purpose corresponding with the dominant use of the property if the Municipality cannot readily make an apportionment in relation to the services concerned and the categories of users.
- 5.14 The different units on a single erf whether occupied as a residential unit or utilised as a business unit or any other use in line with this policy, will be levied for all basic services individually as provided for in the tariff structure in line with the use of such unit.

- 5.15 In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by customers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time. The level of the deposits shall be revised annually depending on the defaults instances.

6. CATEGORIES OF CONSUMERS

- 6.1 Separate tariff structures may be imposed for the following categories of consumers (which the council may change) –
- (a) Residential consumers;
 - (b) Business or Commercial consumers;
 - (c) Industrial consumers;
 - (d) Municipalities;
 - (e) Consumers with whom special agreements were made;
 - (f) Educational institutions;
 - (g) Public benefit organisations and suchlike institutions; and
 - (h) Places of worship.
 - (i) Agricultural consumers
 - (j) State owned properties
- 6.2 Where substantially different demands are made on the infrastructure to provide a service to a specific group of users within a category or the standard of services required by such users, the Council may, after having considered a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.
- 6.3 The differentiation must be based on one or more of the following elements; infrastructure costs, volume usage, availability and service standards.
- 6.4 If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users, the Chief Finance Officer shall, by applying the closest match principle,

determine the category under which the user or category of users fits in best taking into account the nature of the service concerned and the user or category of users involved.

7. SERVICE AND EXPENDITURE CLASSIFICATIONS

7.1 Service classification

The Chief Financial Officer may, subject to the guidelines provided by the National Treasury and the Mayoral Committee of the Council, make provision for the following classification of services:

(a) Trading Services:

- (i) Water; and
- (ii) Electricity.

(b) Economic Services:

- (i) Solid Waste; and
- (ii) Waste Water.

(c) Community services:

- (i) Air Pollution;
- (ii) Firefighting Services;
- (iii) Local Tourism;
- (iv) Town Planning;
- (v) Municipal Public Works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law;
- (vi) Storm Water management system in built-up areas;
- (vii) Trading Regulations;
- (viii) Fixed Billboards and the display of advertisements in public places;
- (ix) Cemeteries;
- (x) Control of Public Nuisances;
- (xi) Control of undertakings that sell liquor to the public;

- (xii) Facilities for accommodation, care and burial of animals;
- (xiii) Fencing and fences;
- (xiv) Licensing and control of undertakings that sell food to the public;
- (xv) Local Amenities;
- (xvi) Local Sport Facilities;
- (xvii) Municipal Parks and Recreation;
- (xviii) Municipal Roads;
- (xix) Noise Pollution;
- (xx) Pounds;
- (xxi) Public Places;
- (xxii) Street Trading / Street Lighting;
- (xxiii) Traffic and Parking;
- (xxiv) Building Control;
- (xxv) Licensing of Motor Vehicles and Transport Permits; and
- (xxvi) Nature reserves.

(b) Subsidised Services:

- (i) Libraries and Museums;
- (ii) Proclaimed Roads; and
- (iii) Street lights.

7.2 Expenditure classification

Expenditure will be classified in the following categories –

(a) Subjective Classification as per mSCOA Chart:

- (i) Employee Related Costs;
- (ii) Remuneration of Councillors;

- (iii) Bad Debt Impairment;
- (iv) Depreciation and Asset Impairment;
- (v) Finance Charges;
- (vi) Bulk Purchases;
- (vii) Other Materials;
- (viii) Contracted Services;
- (ix) Transfers and Subsidies;
- (x) Other Expenditure;
- (xi) Loss on Disposal of Property, Plant and Equipment; and
- (xii) Capital Expenditure for Capital Projects.

(b) Objective Classification:

- (i) Cost centres will be created to which the costs associated with providing the service can be allocated per –
 - (aa) Department;
 - (bb) Division; and
 - (cc) Section.
- (ii) The subjective classification of expenditure each with a unique vote will be applied to all cost centres.

7.3 Cost elements

The following cost elements will be used to calculate the tariffs –

- (a) Fixed costs which consist of the capital costs (interest and redemption) on external loans as well as internal advances and or depreciation whichever are applicable and any other costs as determined by the Council from time to time;
- (b) Variable costs: This includes all other variable costs; and
- (c) Total costs: Consist of the fixed cost and variable cost.

8. TARIFF TYPES

- 8.1 In determining the type of tariff applicable to the type of service the municipality shall make use of the following options or a combination of the same.

(a) Single Tariff:

This tariff shall consist of a cost per unit consumed.

(b) Two to Three Part Tariff – Electricity:

This tariff shall consist of two to three parts. Management, capital, maintenance and operating costs will be recovered by grouping certain components together e.g. management, capital and maintenance costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers, while the variable costs may be recovered by a unit charge per unit consumed. Three part tariffs will be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

(c) Inclining Block Tariff – Electricity:

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase. This tariff will only be used to subsidised free basic services and to prohibit the exorbitant use of a commodity. The first step in the tariffs will be calculated at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the commodity.

(d) Declining Block Tariff – Electricity:

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase. The first step will be calculated by dividing the fixed and variable cost and profit, determined by council from time to time, by the volume consumed. This tariff will only be used for special agreements.

(e) Regulating Tariff – Electricity:

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

(f) Time-of-Use Tariff – Electricity:

This tariff is based on fixed charges and seasonally and time differentiated energy and demand charges.

9. TARIFF STRUCTURES AND METHODS OF CALCULATIONS

9.1 Calculation of Tariffs for Major Services

- (a) In order to determine the tariffs, to be charged for the supply of water and electricity, the municipality shall endeavour to include at least the operational costs of the undertakings concerned.
- (b) To determine the basic or minimum charge the following categories within the operating budget will be included as a basis for calculation –
 - (i) Capital costs (interest on loans);
 - (ii) Maintenance of infrastructure and other fixed assets;
 - (iii) Salary costs; and
 - (iv) Depreciation expenses.
- (c) To determine the unit charges the following categories within the operating budget will be used as a basis for calculation –
 - (i) Cost of bulk purchases in the case of electricity;
 - (ii) Distribution costs (General Expenses);
 - (iii) Distribution losses;
 - (iv) Administration and service costs, including –
 - (aa) Service charges levied by other departments such as finance, human resources and legal services;
 - (bb) Reasonable general overheads, such as the costs associated with the office of the Municipal Manager;
 - (cc) Adequate contributions to the provisions for bad debts and obsolescence of stock; and
 - (dd) All other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area.
- (d) The intended surplus to be generated for the financial year, such surplus to be applied –
 - (i) As an appropriation to capital reserves; and/or

- (ii) Generally, in relief of rates and general services; and/or
 - (iii) The cost of approved indigent relief measures.
- (e) The Municipality shall provide the first 50 kWh of electricity per month to registered indigent, qualifying pensioners and qualifying disabled consumers free of charge. The Municipality shall further consider relief in respect of the tariffs for sewerage, water and refuse removal for such registered indigents, pensioners and disabled persons to the extent that the Council deems such relief affordable in terms of each annual budget. Multiple step inclining block tariffs are utilised to enable the consumer to exercise control over the cost to themselves.
- (f) The Municipality shall adhere the requirements of the National Energy Regulator insofar as the tariff modelling of the municipality is concerned and prepare and submit a cost of supply study to NERSA as and when required for the approval of the tariff structure to be implemented by the municipality.

9.2 Water

- (a) Fixed costs plus rising block tariffs will apply to all consumers.
- (b) The inclining block tariffs and amounts payable in accordance therewith will be determined in accordance with the annual tariff schedule annually approved by the municipal council in the budget approval process.
- (c) Method of calculation
- (i) Indigent, pensioners and people with disability consumers will receive the appropriate 6 Kl free water.
 - (ii) The fixed costs of the service shall consist of the costs indicated as such by the council per premises/per unit/ per dwelling irrespective of the number of water connections, the number of meters installed, the volume of consumption or the size of the units..
 - (iii) The number of users and estimated volume consumed per category will be used to determine the fixed tariff per category.
 - (iv) Where properties are not connected to the water service but can reasonably be connected to the service an **availability tariff** will be payable.
 - (v) Where council decide to make a profit on the service the profit will be added to the fixed and variable cost before tariffs are calculated.

(d) Drought tariffs

(i) Drought Situation Stage 1

This tariff will be applied only if the **Roodefontein** Dam is at 80% - 60% volume

(ii) Drought Situation Stage 2

The tariff will be applied only if the **Roodefontein** Dam is at 40% or the river flow of the Keurbooms River is at 400 litres per second and **when consumption is more than 20kl per month**. The sliding scale will be charged from 21 - 30kl of consumption.

(iii) Drought Situation Stage 3

The tariff will be applied only if the **Roodefontein** Dam is at 25% or the river flow of the Keurbooms River is at 300 litres per second and **when consumption is more than 50kl per month**. The sliding scale will be charged from 16kl of consumption.

(iv) Drought Situation Stage 4

The tariff will be applied only if **the Roodefontein** Dam is at 35% - 21%. On **consumption greater than 15kl per month per household connection**. The sliding scale will be charged from 16kl of consumption.

(v) Drought Situation Stage 5

The tariff will be applied only if **the Roodefontein** Dam is at 20%. On **consumption greater than 15kl per month per household connection**. The sliding scale will be charged from 16kl of consumption.

9.3 Electricity

(a) Tariff structure

- (i) Maximum demand (kVA) plus fixed tariff plus kWh consumed.
- (ii) Fixed tariff plus kWh consumed.
- (iii) Unit tariff (KWh consumed) (Pre-payment meters).

- (iv) Basic charge calculated in accordance with the size of connection (AMP Charge per ampère per month)

(b) Method of calculation

- (i) Guidelines issued by the National Electricity Regulator from time to time will form the basis of calculating tariffs.
- (ii) To recover the capital cost of supplying electricity through a fixed charge will make electricity unaffordable to many low consumption users. Cross subsidisation between and within categories of consumers will be allowed based on the load factors of the categories and consumers within the category. Portions of the fixed costs will be recovered through an energy or time-of-use charge. To apply the abovementioned principle, the cost allocation basis, cost groupings, tariff components and tariff types reflected in the following tables will be used.

Cost groupings	Underlying cost-allocation bases		
	Capacity costs: expressed as Rands/kVa/month	Variable costs: expressed as Cents/kWh	Customer specific costs: expressed as rands/ customer/month
Purchase cost	√	√	
Capital costs	√	√	√
Support costs	√		√

Tariff types	Tariff components			
	Fixed charge (rands/ customer/ month)	Energy charge (cents/kWh)	Time-of-use energy charge expressed as (cents/kWh)	Capacity charge expressed as (rands/kVa/ month)
One-part single energy rate tariff (Lifeline tariff)		√		
Two-part tariff	√	√		
Three-part tariff	√	√		√
Three-part time-of-use	√		√	√

- (iii) The one-part single energy rate tariff:

For the one-part single energy rate tariff, all costs are expressed in a single cents/kWh charge. The recommended methodology for allocating costs into this tariff is as follows:

- (aa) The rands/kVa/month cost must be allocated into a cents/kWh charge through consideration of the average load factor of the types of customer who are likely to use the one-part single energy rate tariff.
 - (bb) The rands/customer/month fixed cost should also be allocated into the cents/kWh charge and allocated to the kWh purchase costs in such a way as to ensure that at a level of monthly consumption of kWh, the full amount of the fixed costs would have been recovered through the cents/kWh charge.
- (iv) The three-part tariff:
- (aa) The rands/kVa charge recovers the capital cost elements. Some of this cost must be reallocated into different tariff elements.
 - (bb) The cents/kWh charge therefore recovers the full variable costs as well as a portion of the reallocated rands/kVa costs.
 - (cc) The rands/customer/month charge is not reallocated.
- (v) The three-part time-of-use tariff:
- (aa) As with the standard three-part tariff, a portion of the rands/kVa/month charge is reallocated into the various time-of-use cents/kWh charges. The amount of the reallocation takes place with regard to the customer's load factor. The time-variation of the capacity costs is taken into account in the reallocation of the rands/kVa charge into the various time-of-use cents/kWh charges.
 - (bb) The cents/kWh charge therefore recovers the full variable costs as well as a portion of the reallocated rands/kVa charges.
 - (cc) The rands/customer/month charge is not reallocated.
- (vi) Where council decides to make a profit on the service the profit will be added to the fixed and variable cost before tariffs are calculated.
- (vii) Where properties are not connected to the electricity service but can reasonably be connected to the service an availability tariff will be payable. The Town Electrical Engineer will annually determine the tariff.

9.4 Solid Waste (Refuse removal)

(a) Tariff structure

- (i) Wheelie Bin or equivalent volume per number of removals per week.
- (b) Method of calculation
 - (i) The costs per unit of measurement will be determined by dividing the total costs of the service by the total volume of refuse disposed of during the year. The total cost of the service includes the removal cost plus the operating cost associated with the service.
 - (ii) The cost associated with the removal of bulk containers will be determined by calculating how many of the smallest removal units will be absorbed by a specific container.
 - (iii) After council has consulted with owners or occupiers of commercial and industrial undertakings which do not make use of the standard black bags or mass containers, tariffs will be determined based on the estimated volume that will be removed per month.
 - (iv) Costs for once-off removals will be calculated per truckload or kilogram depending on the nature of the refuse as referred to in the annual tariff schedule approved by council in the budget approval process.
 - (v) Private dumping at the disposal site will be allowed after a tariff based on the estimated volume of the dumping has been paid.
 - (vi) Compulsory use - A refuse removal tariff will be raised and is payable by all owners or occupiers of each situated on the waste removal network, irrespective of whether they making use of the service of the council or any other service provider or those who have applied to be connected whether such owner or occupier uses the refuse removal service or not or those who are not connected to the distribution networks to whom a refuse removal service is rendered on request.
 - (vii) No refuse removal tariffs will be raised in areas where council has not introduced a refuse removal service.
 - (viii) An availability charge will be applied to erven/properties situated on the refuse removal route for all categories of consumers, whether the service is utilised or not.
- (c) Reallocation of consumers due to excessive consumption
 - (i) Where a consumer is found exceeding the tariff applicable to their category of solid waste for which they are levied –
 - (aa) They will be moved to the appropriate corresponding tariff category.

- (bb) They may approach Council for reinstatement to the original tariff. Subject to evidence provided.

9.5 Waste Water (Sewerage/emptying of conservancy tanks)

(a) Tariff structure

- (i) Properties connected to the sewerage reticulation network.
- (ii) Tanker vehicle per load.

(b) Method of calculation

- (i) A fixed basic charge will be payable for each property connected to the sewerage reticulation network irrespective of number of toilets or size of business units. Per dwelling/ per unit/ per premises –
 - (aa) Domestic/group housing
 - (bb) Business/Commercial/Industrial
 - (cc) Schools/Hostels/Creches
 - (dd) Restaurants
- (ii) Where properties are not connected to the sewerage network but can reasonably be connected to the service an **availability tariff** will be payable. The tariff will be calculated by adding a surcharge to the fixed costs applicable to connected consumers per category.
- (iii) An effluent charge will be charged to promote more efficient use of council's sewerage infrastructure.
- (iv) The cost of emptying conservancy tanks will be based on the load, During normal working hours, outside normal working hours, Sunday and Public holidays
- (v) For the operation of the septic tank effluent drainage system [STED] in Areas with septic Tanks and Areas with septic Tanks an annual sewerage charge shall be levied for the effluent discharged into the Council's sewer system.
- (vi) In respect of the vacuum tanker removals from the STED system no charge shall be levied by Council for such service.

9.6 Calculation of minor tariffs

- (a) All minor tariffs (being tariffs in respect of services and facilities other than the major services referred to in Paragraphs 9.1 to 9.5 above) shall be approved by the Council

in each annual budget, and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

- (b) All minor tariffs over which the Municipality has full control, and which are not directly related to the cost of a particular service, shall annually be adjusted at least in line with the prevailing consumer price index, unless there are compelling reasons why such adjustment should not be effected.
- (c) The following services shall be considered as community services, and no subsidised tariffs shall be levied for their use –
 - (i) Municipal lending library (except for fines set out below);
 - (ii) Maintenance of graves and garden of remembrance (cremations);
 - (iii) Rentals for the use of municipal halls and other premises (subject to the proviso set out below).
 - (iv) Building plan fees;
 - (v) Clearance certificates for purposes of property transfers; and
 - (vi) Town planning fees.
- (d) The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned –
 - (i) Housing rentals;
 - (ii) Sales of plastic refuse bags;
 - (iii) Sales of refuse bins;
 - (iv) Cleaning of stands;
 - (v) New connection fees: electricity, water, sewerage; and
 - (vi) Photostat copies and fees.
- (f) The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined at a reasonable level (with due regard to direct and indirect costs involved, need for discouraging undesirable practices and advantages enjoyed by user) in each annual budget –
 - (i) Fines for lost or overdue library books;
 - (ii) Advertising sign fees;
 - (iii) Pound fees;
 - (iv) Disconnection and reconnection fees: electricity, water;
 - (v) Penalty and other charges imposed in terms of the approved policy on credit control and debt collection; and

- (g) Market-related rentals shall be levied for the lease of municipal properties defined as investment assets.
- (h) In the case of rentals for the use of municipal halls and premises, if the Municipal Manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the Municipal Manager may allow a discount or exemption on the rental that would otherwise have applied.
- (i) The Municipal Manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields, and in so determining shall be guided by the likelihood of the municipality sustaining damages as a result of the use of the facilities concerned.
- (j) Tariff structure:
 - (i) The unit of measurement as reflected in the separate list of tariffs approved annually will be used to determine regulatory community and subsidised services.
- (k) Overdue Amounts
 - (i) The municipality shall be entitled to levy an administration fee on a month-to-month basis on all overdue accounts subject to such maximum amount per month as the Council may determine.
 - (ii) The municipality may at its discretion enter into a repayment schedule with a consumer in respect of overdue amounts, which repayment schedule will be incorporated into an acknowledgment of debt in favour of the municipality and signed by the consumer. Upon signature of such an acknowledgment of debt, the consumer will become liable for payment of an administration fee in such amount as the Council may determine for attending on the debtor and entering into the acknowledgment of debt with the consumer.

10. CAPITAL CONTRIBUTIONS

10.1 For purposes of these tariffs the under mentioned words and expressions shall have the following meanings assigned to them unless the context otherwise requires –

- (a) “**capital contributions**” means the tariffs (augmentation fees) payable in respect of the water, electricity, sewerage, storm water, roads and refuse removal infrastructure of the Municipality as determined by Council and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure.

11. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES

11.1 The tariffs will be approved as part of the annual budget.

11.2 The tariffs will come into effect as and when determined by the Council.

12. IMPLEMENTATION OF THE POLICY

12.1 The principles contained in this Policy will be reflected in the various budget proposals submitted to Council on an annual basis, service by-laws as promulgated and adjusted by Council from time to time and the tariff by-laws referred to in Section 75 of the Systems Act.

12.2 The Council may determine conditions applicable to community service of a regulatory nature. These conditions will be reflected in the standing orders of Council.

13. ADJUSTMENT OF ACCOUNTS

13.1 Where incorrect debits were raised, the accounts under query will be rectified as necessary for the current financial.

13.2 Where the property rates levied on a particular property have been incorrectly billed or omitted 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 property rates payable shall be appropriately adjusted. Property rates will be 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. Interest on the unpaid portion of the adjusted property rates payable shall be levied at the applicable prime interest rate plus 1% from the date the correction was made. This section does not prevent the Municipality from retrospectively levying rates where the Municipality is able to prove the claim in a normal legal process.

13.3 Where the property rates levied on a particular property have been incorrectly billed due to incorrect categorisation by the municipality, the property rates payable shall be appropriately adjusted. Property rates will be 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 incorrectly levied in terms of the current valuation roll.

13.4 Where the service charges levied on a particular property have been incorrectly billed to the detriment of the consumer, the correction will be made retrospectively from the date that charges were incorrectly levied. Where the municipality, through its processes discovers that a service has not been charged on a customer's account by error, due to the service not been activated or any other reason, the municipality may bill the service after having informed the customer retrospectively for up to three (3) years. This section does not prevent the Municipality from retrospectively levying service charges where the Municipality is able to prove the claim in a normal legal process.

14. SHORT TITLE

14.1 This policy is called the Tariff Policy of the Bitou Municipality.

8.



BITOU MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY 2025/2026

FINAL SUBMITTED TO COUNCIL 30 MAY 2025
PREVIOUSLY APPROVED BY COUNCIL 24 JANUARY 2024

SUPPLY CHAIN MANAGEMENT POLICY

The Supply Chain Management Policy, adopted in terms of Section 111 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 868 of 30 May 2005.

The council resolves in terms of Section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following as the Supply Chain Management Policy of the Bitou Local Municipality:

EFFECTIVE DATE	
POLICY OWNER:	Bitou Municipality Supply Chain Management Unit
POLICY EFFECTIVE DATE:	1 July 2025

TABLE OF CONTENTS		
SECTION	DESCRIPTION	PAGE #
1	DEFINITIONS	7
	CHAPTER 1: ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY	
2	SUPPLY CHAIN MANAGEMENT POLICY	10
3	AMENDMENT OF SUPPLY CHAIN MANAGEMENT POLICY	10
4	DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES	11
5	SUB-DELEGATIONS	11
6	OVERSIGHT ROLE OF COUNCIL	12
7	SUPPLY CHAIN MANAGEMENT UNIT	13
8	TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS	13
	CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM	
9	FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM	14
	<i>PART 1: DEMAND MANAGEMENT</i>	
10	SYSTEM OF DEMAND MANAGEMENT	14
	<i>PART 2: ACQUISITION MANAGEMENT</i>	
11	SYSTEM OF ACQUISITION MANAGEMENT	16
12	RANGE OF PROCUREMENT PROCESSES	16
13	GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS	17
14	LISTS OF ACCREDITED PROSPECTIVE PROVIDERS	17
15	PETTY CASH PURCHASES	18
16	WRITTEN OR VERBAL QUOTATIONS	18

17	FORMAL WRITTEN PRICE QUOTATIONS	19
18	PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH WRITTEN OR VERBAL QUOTATIONS AND FORMAL WRITTEN PRICE QUOTATIONS	19
19	COMPETITIVE BIDS	20
20	PROCESS FOR COMPETITIVE BIDDING	20
21	BID DOCUMENTATION FOR COMPETITIVE BIDS	21
22	PUBLIC INVITATION FOR COMPETITIVE BIDS	22
23	PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS	22
24	NEGOTIATIONS WITH PREFERRED BIDDERS	23
25	TWO-STAGE BIDDING PROCESS	23
26	COMMITTEE SYSTEM FOR COMPETITIVE BIDS	23
27	BID SPECIFICATION COMMITTEES	24
28	BID EVALUATION COMMITTEES	24
29	BID ADJUDICATION COMMITTEES	25
30	PROCUREMENT OF BANKING SERVICES	26
31	PROCUREMENT OF IT RELATED GOODS AND SERVICES	26
32	PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE	26
33	PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS	27
34	PROUDLY SA CAMPAIGN	27
35	APPOINTMENT OF CONSULTANTS	27
36	DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES	27
37	UNSOLICITED BIDS	28
38	COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM	29

	PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT	
39	LOGISTICS MANAGEMENT	31
40	DISPOSAL MANAGEMENT	31
41	RISK MANAGEMENT	32
42	PERFORMANCE MANAGEMENT	33
	PART 4: OTHER MATTERS	
43	PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER	34
44	PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE	34
45	AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE	34
46	ETHICAL STANDARDS	34
47	INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS	35
48	SPONSORSHIPS	36
49	OBJECTIONS AND COMPLAINTS	36
50	RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES	36
51	APPEALS	37
52	CONTRACTS AND CONTRACT MANAGEMENT	37
53	CONTRACT MANAGEMENT	38
54	CONTRACT ADMINISTRATION	38
55	CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER	39
56	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	39
57	COMMENCEMENT	40
ANNEXURE A	CODE OF CONDUCT FOR SCM PRACTITIONERS	41

1. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the **Municipal Finance Management Act, no 56 of 2003**, has the same meaning as in the Act, and –

“Accounting Officer”	in relation to a Municipality means the Municipal Manager as described in Section 60 of the Local Government: Municipal Finance Management Act, no 56 of 2003 as well as Section 82 of the Municipal Structures Act, no 117 of 1998.
“Bid”	means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods
“Close Family Member”	means: (i) spouse or partner, (ii) child, (iii) parent
“Close Members of the Family for GRAP Disclosure”	Means – (a) that person’s children and spouse or domestic partner; (b) children of that person’s spouse or domestic partner; (c) dependents of that person or that person’s spouse or domestic partner; (d) a grandparent, grandchild, parent, brother or sister; and (e) a parent-in-law, brother-in-law or sister-in-law.”
“Competitive Bidding Process”	means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;
“Competitive Bid”	means a bid in terms of a competitive bidding process;
“Consultants”	means consulting firms, engineering firms, legal firms, construction managers, management firms, procurement agents, inspection agents, auditors, other multinational organizations, investments and merchant banks, universities, research agencies, government agencies, non-governmental (NGO’s) and individuals.
“contract”	means the agreement that results from the acceptance of a bid by the Municipality;
“Contract Manager”	means the official within a specific department, responsible for all day-to-day activities (including performance management and dispute resolution) during the life cycle of the contract (with delegated powers to perform this function), as the contract champion. The Contract Manager can also be seen as the Budget holder accountable for expenditure from, and income to, particular budget.

“Contract Owner”	means the official who is, as the owner of a budget vote, ultimately accountable for all the activities during the life cycle of a contract.
“delegation”	in relation to a duty, includes an instruction a request to perform, or to assist in performing the duty.
“Emergency”	means a serious, unexpected, unforeseen, disastrous , and potentially dangerous and damaging situation requiring immediate action and which is not due to a lack of planning.
“Exceptional Case”	means unusual not typical circumstances where it is impractical or impossible in practice to follow procurement processes.
“Final Award”	in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;
“Formal Written Price Quotation”	means quotations referred to in Section 12 (1) (c) of this Policy;
“Director”	means a person in the employment of Bitou Municipality who heads a department or who reports to the Municipal Manager
“IDP”	means Integrated Development Plan
“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 Public Finance Management Act, 1999 (Act No.1 of 1999); (e) an executive member of the accounting authority of any national or provincial public entity; or (f) an employee of Parliament or a provincial legislature; (g) an employee of state agencies and State-Owned Enterprises,
“Irregular Expenditure”	For the purpose of this Policy means expenditure incurred by the municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management Policy of the municipality, and which is not condoned in terms of the Policy
“Long Term Contract”	means a contract with a duration period exceeding one year;
“List of Accredited Prospective Providers”	means the list of accredited prospective providers which the municipality must keep in terms of Section 14 of this Policy;

“Municipality”	means Bitou Local Municipality
“Municipal Systems Act”	means the Local Government: Municipal System Act 32 of 2000
“Notice Boards”	means the official notice boards at the municipal offices, libraries and any notice boards at the dedicated directorates
“Other Applicable Legislation”	<p>means any other legislation applicable to municipal supply chain management, including –</p> <ul style="list-style-type: none"> a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000); d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); e) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000); f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); g) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004); h) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations; i) the Preferential Procurement Regulations, 2017 j) the Competitions Act 1998 (Act No. 89 of 1998)
“Policy”	means the Supply Chain Management Policy of the Bitou Local Municipality
“Quotation”	means a stated price that a supplier expects to receive for the provision of specified services, works or goods;
“Sole Supplier”	means the only supplier in the South African market that can provide a particular product or service;
“supply chain management practitioners”	includes the Chief Financial Officer, the Head of the Budget and Treasury Office and the Head of Supply Chain Management;
“Tender”	means ‘bid’ or ‘quotation’ in relation to ‘Tender Box’
“Treasury Guidelines”	means any guidelines on supply chain management issued by the Minister in terms of Section 168 of the Act;
“validity period”	means the period for which a bid is to remain valid, and binding as stipulated in the relevant tender document.

CHAPTER 1

ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply Chain Management Policy

- 1) The Bitou Municipality resolved in terms of Section 111 of the Municipal Finance Management Act, No 56 of 2003, to have and implement a Supply Chain Management Policy 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 –
 - ii) the Regulations; and
 - iii) 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;
 - f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector;
 - g) applies the highest ethical standards; h)
 promotes local economic development; and
 - i) assign responsibility for the implementation of the policy to the Accounting Officer of the Municipality.
- 2) The Municipality may not act otherwise than in accordance with this Supply Chain Management Policy when:
 - a) procuring goods or services; b)
 - disposing of goods no longer needed;
 - c) selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - d) selecting external mechanisms referred to in Section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in Section 83 of that Act.
- 3) 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.

3. Amendment of the Supply Chain Management Policy

- 1) The Accounting Officer must –
 - a) at least annually review the implementation of this Policy; and b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Council.
- 2) If the Accounting Officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
 - a) ensure that such proposed amendments comply with the Regulations; and b) report any deviation from the model policy to the National Treasury and the Provincial Treasury.
 - c) 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.
 - d) The Accounting Officer must, in terms of Section 62(1) (f) (i) of the Act, take all reasonable steps to ensure that the Municipality has and implements this Supply Chain Management Policy.

4. Delegation of supply chain management powers and duties

- 1) The council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –
 - a) to discharge the supply chain management responsibilities conferred on the Accounting Officer in terms of –
 - (i) Chapter 8 of the Act; and (ii) the Supply Chain Management Policy.
 - b) to maximize administrative and operational efficiency in the implementation of this Policy;
 - c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - d) to comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Act.
- 2) Section 79 of the Act applies to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of Sub-Section (1).
- 3) The Council or Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of municipality or to a committee which is not exclusively composed of officials of the municipality.
- 4) Section 4(3) may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in Section 26 of this Policy.

5. Sub-delegations

- 1) The Accounting Officer may in terms of Section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with Sub-Section (2) of this Section and Section 4 of this Policy.
- 2) The power to make a final award –
 - a) above R10 million may not be sub-delegated by the Accounting Officer;

- b) above R300 000 , but not exceeding R10 million, may be sub-delegated but only to –
- (i) the Chief Financial Officer;
 - (ii) a Director; or
 - (iii) a Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member.
- 3) The Accounting Officer and Chief Financial Officer may further delegate the signing of SCM award letters, contracts and payment to invoices to the Manager: Supply Chain Management,
- 4) An official or Bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with Sub-Section (2) must within five working days of the end of each month submit to the Accounting Officer a written report containing particulars of each final award made by such official or committee during that month, including–
- a) the amount of the award;
 - b) the name of the person to whom the award was made; and
 - c) the reason why the award was made to that person.
- 5) A written report referred to in Sub-Section (3) must be submitted – a)
- to the Accounting Officer, in the case of an award by –
 - (i) the Chief Financial Officer;
 - (ii) a senior manager; or
 - (iii) a Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member.
 - b) to the Chief Financial Officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) a manager referred to in subparagraph (2)(c)(iii); or
 - (ii) a Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is not a member.
- 6) Sub-Section (3) of this Section does not apply to procurements out of petty cash.
- 7) This Section may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in Section 26 of this Policy.
- 8) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. Oversight role of council

- 1) The council reserves its right to maintain oversight over the implementation of this Policy.
- 2) For the purposes of such oversight the Accounting Officer must – a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the Supply Chain Management Policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
- b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council.
- 3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the Supply Chain Management Policy to the mayor.
- (3) The reports must be made public in accordance with Section 21A of the Municipal Systems Act.

- (4) The Accounting Officer will, within 60 days of the end of each financial year, submit to the Provincial Treasury any information concerning supply chain management in such format as the National Treasury and Provincial Treasury may determine.

7. Supply Chain Management Unit

- 1) The Accounting Officer must establish a Supply Chain Management Unit to implement this Policy.
- 2) The Supply Chain Management Unit operates under the direct administrative charge of the Chief Financial Officer, supervised by the Manager: Supply Chain Management, and the Unit's operations led by the Senior SCM Practitioner: Acquisition, Contract and Compliance, and Senior SCM Practitioner: Demand and Logistics Management, to whom this duty has been sub-delegated in terms of Section 82 of the Act.

8. 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.

SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

- (1) This Supply Chain Management Policy provides systems for –
- (a) demand management;
 - (i) acquisition management;
 - (ii) logistics management;
 - (iii) disposal management;
 - (iv) risk management; and
 - (v) performance management.

Part 1: Demand Management

10. System of demand management

- 1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality to support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- 2) The demand management system must –
- (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;
 - (c) provide for the compilation of the required specifications to ensure that their needs are met;
 - (d) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized; and
 - (e) include the following demand management considerations –
 - (i) understanding of future and current needs;
 - (ii) requirements are linked to the budget;
 - (iii) specifications are determined;
 - (iv) needs form part of the strategic plan and Integrated Development Plan of the Municipality;
 - (v) analysis of past and current expenditure;
 - (vi) optimum methods to satisfy needs;
 - (vii) frequency of requirements is specified;
 - (viii) calculation of economic order quantity; and
 - (ix) conducting industry and market analysis.
- 3) The Demand Management Plan must be developed in conjunction with the IDP, Service Delivery and Budget Implementation Plan (SDBIP) and annual budget.
- 4) All user departments are required to submit their procurement plans to the Supply Chain Management Unit by 31 May in terms of the IDP and Budget processes.

- 5) The Demand Management Plan must be submitted to and approved by the Accounting Officer or his or her delegate before 30 June of each year.
- 6) The Demand Management Plan must be reviewed regularly and submitted to the Accounting Officer or his delegate on a quarterly basis.
- 7) Demand management must be coordinated by SCM officials of the Municipality in consultation with budget holders.
- 8) The outcome of this activity should be a detailed planning document that outlines what goods, works or services should be procured, the manner in which they should be procured as well as the timelines to execute the procurement functions.

Part 2: Acquisition management

11. System of acquisition management

- (1) The Accounting Officer must establish, through operational procedures, an effective system of acquisition management in order to ensure:-
 - (a) that goods and services are procured by the municipality in accordance with authorized processes only;
 - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of Section 15 of the Act;
 - (c) that the threshold values for the different procurement processes are complied with;
 - (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - (e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in Section 110(2) of the Act, the Accounting Officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including - (a) the kind of goods or services; and (b) the name of the supplier.

12. Range of procurement processes

- (1) Goods and services may only be procured by way of –
 - (a) petty cash purchases in terms of Council's Petty Cash Policy for procurement transactions with a value up to R2 000 (Incl. VAT);
 - (b) formal written price quotations for procurement transactions of a value over R2 000 up to R300 000 (Inc. VAT); and
 - (c) a competitive bidding process for–
 - (i) procurement transactions with a value above R300 000; and (ii) the procurement of long-term contracts.
- (2) The Accounting Officer may, in writing-
 - (a) lower, but not increase, the different threshold values specified in Sub-Section (1); or (b) direct that –
 - (i) formal written quotations be obtained for any specific procurement of a transaction value lower than R2 000 (Incl. VAT);
 - (ii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R300 000 (Inc. VAT);
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement

for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

- (4) For the procurement of goods and services, the municipality will follow the below delegations for the approval of Petty Cash, SCM related Requisitions, Invoices for payments, memorandums of motivation, requests and approvals, Deviations and Contract related matters, including payments, service agreements, etc. The following delegations will be part of the officials' Delegations of Authority on procurement matters.

Task Grade	Procurements/Payments Range (R)	Types of payments (The below relates to individual transactions)
T13 and above	Up to 5 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices up to the value of R5 000.
T14 and above	Up to 30 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices up to the value of R30 000.
T15 and above	Up to 50 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices up to the value of R50 000.
T16 and above	Up to 100 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related Memorandums up to the value of R100 000.
T17 and above	Up to 200 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related Memorandums up to the value of R200 000.
T18 and above	Up to 300 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related Memorandums up to the value of R300 000.
Directors	Up to 10 000 000	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related Memorandums, and recommend to the Municipal Manager the SCM Deviations up to the value of R10 000 000.
MM	Up to the value of the contract	Petty Cash, i.e., 0 – R2 000 (with pre-consultation with Manager: Expenditure), as well as SCM Requisitions, and Invoices, and Payment related

		Memorandums and approve the SCM Deviations.
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13. General preconditions for consideration of written quotations or bids

A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

- (a) has furnished that provider's –
 - (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any;
- (b) has authorized the Municipality to verify any of the documentation referred to in Sub-Section (a) above; and
- (c) has indicated –
 - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal 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 Sub-Section (ii) is in the service of the state or has been in the service of the state in the previous twelve months.
- (d) has indicated the status of the providers municipal accounts with Bitou Municipality, where applicable.

14. Lists of accredited prospective providers

- 1) The Accounting Officer must –
 - a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through formal written price quotations;
 - b) ensure that the listing platforms comply with National Treasury instructions;
 - c) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers; and
 - d) ensure that prospective providers meet the following listing criteria:
 - (i) Name of supplier / service provider;
 - (ii) Street address;
 - (iii) Postal address;
 - (iv) Contact person in Sales Department;
 - (v) Sales Department's telephone number;
 - (vi) Sales Department's fax number;
 - (vii) Sales Department's cell number;
 - (viii) Sales Department's email address;
 - (ix) Contact person in Accounts Department;
 - (x) VAT registration number;
 - (xi) Bank details;

- (xii) Type of industry;
 - (xiii) Valid certification for specialized services;
 - (xiv) Tax reference number and Pin for verification of tax status;
 - (xv) Valid certification or Sworn affidavit in respect of Exempted Micro Enterprises or B-BBEE Status Level of Contributor, if available; and
 - (xvi) Relevant identification numbers of all members, directors and partners
- e) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- 2) The list must be updated at least annually 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.
 - 2) 3) The list must be compiled by commodity and per type of service.
 - 4) Once a list has been compiled per commodity and per type of service, formal written price quotations will be invited from the suppliers in a manner that promotes on-going competition, including on a rotation basis.
 - 5) The inclusion of any supplier in the database of suppliers does not exempt the supplier from the obligation to respond in the prescribed manner to notices of the municipality's supply chain management requirements.
 - 6) Suppliers who wish to be included in the list of accredited suppliers without waiting for the next invitation may approach the Procurement Section for inclusion, provided that they supply the necessary documentation and information for evaluation. Once these requirements have been satisfied, the Procurement Section will ensure that the prospective supplier is evaluated and will provide a response as to approval or not within a reasonable time.

15. Petty cash purchases

- 1) The conditions for the procurement of goods by means of petty cash purchases referred to in Section 12(1)(a) of this Policy must be stipulated in a Petty Cash Policy and must include the following:
 - a) the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;
 - b) maximum number of petty cash purchases or the maximum amounts per month for each manager;
 - c) any types of expenditure from petty cash purchases that are excluded, where this is considered necessary; and
 - d) a monthly reconciliation report from each manager must be provided to the chief financial officer, including – (i) the total amount of petty cash purchases for that month; and (ii) receipts and appropriate documents for each purchase.
- 2) The Chief Financial Officer have the discretion to approve transactions that does not exceed R 2 000 per transaction.

16. Formal written price quotations

- 1) The conditions for the procurement of goods or services for a value over R2 000 up to R300 000, 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 set out in Section 14(1)(b) and (c) of this Policy;
 - c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer, and
 - d) the Accounting Officer must record the names of the potential providers and their written quotations.
- 2) Quotations must:
- a) be in writing, and signed by a person with the necessary authority to act on behalf of the prospective supplier;
 - b) comply with the specifications set out in the quotation notice;
 - c) be marked for identification in relation to the particular quotation.
- 3) A designated official referred to in Sub-Section (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 Sub-Section.

17. Procedures for procuring goods or services through formal written price quotations

- 1) The procedure for the procurement of goods or services through formal written price quotations is as follows:
- a) 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 goods and services in excess of R30 000 that are to be procured by means of formal written price quotations must, in addition to the requirements of Section 16, be advertised for at least seven days on the website and an official noticeboard of the municipality;
 - c) re-imbursements to personnel are subject to emergency situations only, and have to be authorized by the relevant Director as well as the Chief Financial Officer;
 - d) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - e) the Accounting Officer or Chief Financial Officer must, on a monthly basis, be notified in writing of all formal written price quotations accepted by an official acting in terms of a sub delegation;
 - f) all offers above R2 000 must be awarded based on compliance with specifications and conditions of contract, ability and capability to deliver the goods and services and the lowest price;
 - g) all acceptable offers received must be subjected to the preference points system (PPPFA and associated regulations), unless valid reasons are documented for instances where it is impractical to do so, awards must be made to the bidder scoring the highest points; and
 - h) requirements for proper record keeping such as: (i) filing of documents for audit purposes; (ii) ensure the correctness of documents; (iii) before the awards proper checking of documents must be done.
- 2) Notwithstanding the above requirements for consideration, formal written quotations not meeting the required specifications may not be accepted.
- 3) Only quotations complying with the specifications will be considered for acceptance, provided that there are sufficient funds appropriated within the budget.

- 4) Where no formal written price quotation complies with the specification, as determined by the relevant Head of the Department requiring the goods or service, the SCM Manager may re-invite quotations.
- 5) Following are possible examples of not being in a position to obtain formal written price quotations: -
 - i. Publication of official and legal notices as well as advertisements in the media,
 - ii. Disciplinary hearings (Appointment of a Chairperson, Initiator) ,as per delegations of the Municipal Manager, the appointment of any legal person(s) to institute and defend any legal processes/proceedings and claims by or against Council, in any court of law, including the initiation, dealing with or settlement of such proceedings, training events, artwork, courses, seminars, membership fees, doctor consultations, medical specialists, subscription, emergency tow in services, servicing agents for specific assets, postage, library books, books, Prescribed stationary including books and forms in respect of DLTC, driving licenses and motor vehicle licenses, telecommunications and related services, advertisements, subscription fees, registration and tuition fees.
 - iii. In the event of a strip and quote or adhoc repairs to plant, equipment and machinery where it is not possible to ascertain the nature or extent of the work required in order to call for quotations authorized by the Director engineering services.
 - iv. Payment of annual license and support charges, enhancements and additional functional modules to ensure compliance with the MSCOA classification framework and to move towards a municipal ERP system, to the provider of the core financial system of the municipality.

18. Competitive bids

- 1) Goods or services above a transaction value of R300 000 and long-term contracts may only be procured through a competitive bidding process, subject to Paragraph 11(2) of this Policy.
- 2) The bid documentation will be prepared by the bid documentation will be prepared by the Bid Specifications Committee in consultation with the relevant directorate and displayed on noticeboards, placed on the council's website, and advertised in commonly circulated local and/or provincial newspapers with a closing date of at least 14 days after the date that the advertisement first appears.
- 3) No requirement for goods or services above an estimated transaction value of R300 000 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.

19. 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 Section 21;
 - b) Public invitation of bids as detailed in Section 22;
 - c) Site meetings or briefing sessions as detailed in Section 22;
 - d) Handling of bids submitted in response to public invitation as detailed in Section 23;
 - e) Evaluation of bids as detailed in Section 28;
 - f) Award of contracts as detailed in Section 29;
 - g) Administration of contracts; after approval of a bid, the Accounting Officer or by the delegated official and the bidder must enter into a written agreement.
 - h) Proper record keeping; Original / legal copies of written contract agreements should be kept in a secure place for reference purposes.

20. Bid documentation for competitive bids

- 1) The criteria with which bid documentation for a competitive bidding process must comply, must –
 - a) take into account – (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the CIBD, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - c) include the compulsory submission of B-BBEE status level verification certificates and/or a Valid Sworn Affidavit or certified copies thereof;
 - d) include evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - e) include evaluation criteria for measuring functionality (where applicable);
 - f) include conditions for sub-contracting according to applicable legislation;
 - g) ensure that a due diligence process is conducted to determine whether the preferred bidders have the capability and ability to execute the contract;
 - h) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
 - i) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three 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; and
 - (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.
 - 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) a requirement to supply tax references, tax pin, VAT registration numbers and identification or registration numbers;
 - l) details of any contracts above R300 000 carried out on behalf of the municipality within the last five years;
 - m) contract management processes and procedures including provision for the Accounting Officer to cancel the contract on the grounds of unsatisfactory performance; and
 - n) any other matters as required by the MFMA and the Supply Chain Management Regulations.

21. Public invitation for competitive bids

- 1) The procedure for the invitation of competitive bids is as follows:
 - a) Any invitation to prospective providers to submit bids must be by means of a public advertisement 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); and b) the information contained in a public advertisement, must include – (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million, or which are of a long term nature (longer than 3 years), or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to Sub-Section (2) of this policy;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
 - (iii) date, time and venue of any proposed site meetings or briefing sessions.
- 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 a 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) Bid documents must be made available on Council's Website at no charge, as far as possible.
- 4) The Municipality charges a non-refundable fee for provision of bidding documents. This is subject to annual review. The values of the fees will be determined annually and included in the official lists of tariffs.
- 5) Bids submitted must be sealed.

22. Procedure for handling, opening and recording of bids

- 1) The procedures for the handling, opening and recording of bids are as follows:
 - a) Bids–
 - (i) must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) received after the closing time should not be considered and returned unopened immediately.
 - b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
 - c) No information, except the provisions in Sub-Section (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
 - d) The Accounting Officer must – (i) record in a register all bids received in time; (ii) make the register available for public inspection; and
 - (iii) publish the entries in the register on the website.
- 2) In order for a bid to be considered it must be placed in the official tender box located at the Supply Chain Management Unit.
- 3) The Manager: Supply Chain will ensure that tender boxes are sealed until the time of their official opening and ensure that they are properly secured.
- 4) At the advertised time, the tender box will be unlocked by officials from the Supply Chain Management Unit.

- 5) A Supply Chain Management practitioner will open bid documents in the presence of bidders or other interested parties.
- 6) The tender box may be opened without any members of the public being present provided that the appropriate procedure for advertising the time and venue has been followed.
- 7) The unmarked or incorrectly marked tenders will be opened for recording
- 8) The names and if practical, the total bid amounts will be read out and recorded in the tender register, which will be available for public inspection on request.
- 9) A copy of the record must be kept in the office of the SCM Manager, and a complete schedule provided as soon as is practical.
- 10) Bid results will be published on the municipality's website.

23. 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.
- 3) No unauthorized communication with bidders and prospective providers:
 - a) where bids and quotations have been submitted to the municipality, a bidder may not communicate with any Councillor, official, or authorized service provider on any matter regarding his bid, quotation or offer other than a notice of withdrawal.
 - b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in paragraph (c) below. Every such case of unauthorized communication shall forthwith be reported to the Supply Chain Management Unit as well as the chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorized communication has occurred may be disqualified.
 - c) The budget holder must approach the Bid Evaluation Committee, as determined in paragraph 28(2), to consider authorizing an employee or authorized consulting service provider, in writing, to communicate with a bidder during the period mentioned in subsection (d) above for the purpose of:-
 - (i) Obtaining an explanation and verification of declarations made in the bid response;
 - (ii) confirming technical particulars and the compliance thereof with specifications;
 - (iii) clarifying delivery times/quantities;
 - (iv) extending the validity period of a bid;
 - (v) clarifying any other commercial aspect;
 - (vi) for the submission of substantiating documents;
 - (vii) any other clarifications
 - e) In all cases where authority has been granted to communicate with bidders in terms of paragraph (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee that the nature of the communication as well as by whom such authority to communicate has been granted.

24. Two-stage bidding process

- 1) A two-stage bidding process is allowed for – a) large, complex projects; b) projects where it may be undesirable to prepare complete detailed technical specifications; or
c) long term projects with a duration period exceeding three years.
- 2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- 3) In the second stage final technical proposals and priced bids should be invited.

25. Committee system for competitive bids

- 1) The Accounting Officer is required to establish a committee system for competitive bids of at least-
 - (i) a Bid Specification Committee;
 - (ii) a Bid Evaluation Committee; and
 - (iii) a Bid Adjudication Committee.
- 2) The Accounting Officer appoints the members of each committee, taking into account Section 117 of the Act.
- 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) Section 26, 27 and 28 of this Policy; and
 - b) any other applicable legislation.
- 5) The Accounting Officer may apply the committee system to formal written price quotations.

26. Bid Specification Committees

- 1) The bid specification committee must compile the specifications for each procurement transaction 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 Organization, or an authority accredited or recognized 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 trademark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2022; and
 - g) Must state in the tender documents if the tender will be evaluated on functionality.

- (3) The evaluation criteria for measuring functionality must be objective.
- (4) The tender documents must specify-
 - (a) the evaluation criteria for measuring functionality;
 - (b) the points for each criterion and, if any, each sub-criterion; and
 - (c) the minimum qualifying score for functionality.
- (5) The minimum qualifying score for functionality for a tender to be considered further-
 - (a) must be determined separately for each tender; and
 - (b) may not be so-
 - (i) low that it may jeopardize the quality of the required goods or services; or
 - (ii) high that it is unreasonably restrictive.
- (6) Points scored for functionality must be rounded off to the nearest two decimal places.
 - (a) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.
- (1) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged in regulation 11.
- 2) must be approved by the Bid Specification Committee prior to publication of the invitation for bids in terms of Section 21 of this Policy.
- 3) A bid specification committee must be composed of at least three (3) officials of the municipality. The attendance of the relevant Project Manager is compulsory, and the Committee 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.
- 5) A quorum will be a minimum of four (4) members (i.e. the Chairperson, another member, an SCM Practitioner and the relevant Project Manager) of the Bid Specification Committee shall constitute a quorum for any formal sitting/meeting of the Bid Specification Committee. In case the Chairperson is not available the members present can appoint the Chairperson for the meeting. A member of the specification committee can also be a member of either the Bid Evaluation or Bid Adjudication Committee (but not both committees) that considers any of the bids for the same goods or services.
- 6) The advertisement must be approved by the Accounting Officer or the official or Bid Specifications Committee delegated by the Accounting Officer prior to the advertisement of the bid.

27. Bid evaluation committees

- 1) The SCM Unit must convene a technical evaluation committee, where,
 - a) The value of the tender for goods and services exceeds the amount of R2 million (excluding VAT),
 - b) The value of the tender for infrastructure exceeds the amount of R2,5 million (excluding VAT),
- 2) The committee must be composed of the Chairperson, at least three members, an SCM Practitioner and the relevant Project Manager.
- 3) The Committee must work through the entire tenders' specifications to assess the bidders' ability to render service or delivering goods to the municipality.

- 4) The bid evaluation committee must –
 - a) evaluate bids in accordance with
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of Section 27(2)(f);
 - b) evaluate each bidder's ability to execute the contract;
 - c) check in respect of each bidder whether municipal rates and taxes and municipal service charges are not in arrears,
 - d) check in respect of each bidder that their tax matters are in order and;
 - e) may use the following remedies where a bidder does not comply to any or certain requirements–
 - (i) disqualify bidders from the bidding process;
 - (ii) recover all costs, losses or damages the municipality has suffered from the bidder's non-compliance;
 - (iii) claim any damages as a result of having to make less favourable arrangements
 - f) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- 5) 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,
 - c) Technical experts, consultants or advisors, provided that these experts can only actively contribute to discussions, and not vote on the items
 - d) A quorum will be a minimum of four (4) members (i.e. the Chairperson, another member, an SCM Practitioner and the relevant Project Manager) of the Bid Evaluation Committee shall constitute a quorum for any formal sitting/meeting of the Bid Evaluation Committee.
 - e) Attendance of the relevant project manager is compulsory'
 - f) Members of the bid evaluation committees may not serve on any adjudication committee that adjudicates on any of the items that has been considered at a bid evaluation committee.
 - g) Notwithstanding the above requirements for consideration, bids not according to specification may not be accepted and the evaluation committee may recommend that new tenders be called if necessary.

28. Bid Adjudication Committees

- 1) The Bid Adjudication Committee must –
 - a) consider the report and recommendations of the bid evaluation committee; and
 - b) either –
 - (i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - (ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.
- 2) The Bid Adjudication Committee must consist of at least four Directors of the municipality which must include –

- a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and
 - b) at least one senior supply chain management practitioner who is an official of the municipality; and
 - c) a technical expert in the relevant field who is an official, if such an expert exists.
- 3) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- 4) The BAC meeting must not continue if the members do not form a quorum.
- 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,
 - b) check in respect of the preferred bidder whether the bidder's taxation matters are in order,
 - c) notify the Accounting Officer.
- 7) The Accounting Officer may –
- a) after due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee referred to in paragraph (a); and
 - b) if the decision of the Bid Adjudication Committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- 8) The Accounting Officer may, at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- 9) The Accounting Officer must:
- a) Comply with Section 114 of the Act within 10 working days if a tender other than the one recommended in the normal course of implementing the supply chain management policy is approved.
 - b) Notify the Auditor-General, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation, in writing,
 - c) This Section does not apply if a different tender was approved in order to rectify an irregularity.
- 10) The Accounting Officer must publish the bid results on the municipal website.

29. Procurement of banking services

- 1) A contract for banking services –
- a) must be procured through competitive bids;
 - b) must be consistent with Section 7 of the Act; and
 - c) may not be for a period of more than five years at a time.
- 2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

- 3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of Section 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

30. 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) SITA may comment on the procurement needs submitted per Sub-Section (3)
- 5) If the municipality disagrees with comments made by SITA, the comments and the reasons for rejecting or not following such comments must be submitted to the Council, the National Treasury, the Provincial Treasury and the Auditor-General
- 6) The ICT business-critical systems, applications, and maintenance thereof may be provisioned for up to a period of five (5) years through the tender process. This allows for the necessary stability and continuity in managing these crucial systems, ensuring their uninterrupted functionality and support for the organization.
- 7) In panel tenders, the focus will not be on the procurement of construction works, ICT Services, or goods and services whether professional engineering services or not. However, such procurements will be selected from a list of accredited suppliers to perform work assignments based on processes which could include rotation and secondary competitive processes. Each work assignment would require approval by an appropriate delegated authority before the execution of such a work assignment can commence.

31. 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) Sub-Sections (1)(c) and (d) do not apply if –
 - a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

32. Procurement of goods necessitating special safety arrangements

- 1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.

- 2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

33. Proudly SA Campaign

- 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 from:
 - a) Firstly – suppliers and businesses within the municipality or district;
 - b) Secondly – suppliers and businesses within the relevant province;
 - c) Thirdly – suppliers and businesses within the Republic.

34. Appointment of consultants

- 1) The Accounting Officer may procure consulting services provided that any Treasury guidelines in respect of consulting services, as well as the Section 5 of the Bitou Council's Approved Cost Containment Policy, have been 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 R300 000; or
 - (b) the duration period of the contract exceeds one year.
- 3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
 - (a) all consultancy services provided to an organ of state in the last five years; and
 - (b) any similar consultancy services provided to an organ of state in the last five years.
- 4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service, is vested in the municipality.
- 5) The appointment of advisors must also follow the same competitive bidding process as set out in this Policy.
- 6) No advisor will take any part in the final decision-making process regarding the award of bids.
- 7) No decision-making authority may be delegated to an advisor.

35. Deviation from, and ratification of minor breaches of, procurement processes

- 1) The Accounting Officer may –
 - a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency which is considered an unforeseeable and sudden event with materially harmful or potentially materially harmful consequences for the municipality which requires urgent action to address.
 - (ii) where it can be demonstrated that 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.

- b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and
 - c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy, provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.
- 2) The Accounting Officer must record the reasons for any deviations in terms of Sub-Sections (1)(a) and (b) of this policy and report them to the next meeting of the Council and include as a note the annual financial statements.
 - 3) Sub-Section (2) does not apply to the procurement of goods and services contemplated in Section 11(2) of this policy.

36. Unsolicited bids

- 1) In accordance with Section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- 2) The Accounting Officer may decide in terms of Section 113(2) of the Act to consider an unsolicited bid, only if –
 - a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - c) the person who made the bid is the sole provider of the product or service; and
 - d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- 3) If the Accounting Officer decides to consider an unsolicited bid that complies with Sub-Section (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 Sub-Section (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 Provincial Treasury.
- 8) If any recommendations of the National Treasury or Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor-General, the Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations. 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.

37. 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 an 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) take cognizance of the provisions of Chapter 2 of the Competition Act no 89 of 1998, with specific reference to:
 - (i) restrictive practices;
 - (ii) abuse of a dominant position;
 - and
 - (iii) exemption from application of Chapter 2 of the Act.
 - e) 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; unless a suitable arrangement has been made between the bidder and the Bitou Municipality that the total amount in arrears be recovered directly from the bidder’s invoices during the contract period. The said debt repayment plans are selectively for local bidders, who reside within the Bitou Municipal area. All other bidders residing outside the Bitou area are excluded from such arrangements”, 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;
 - f) 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;
 - g) 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
 - h) 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 a 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 has been listed in the Register for Tender Defaulters in terms of Section 29 of the Prevention and has been in contravention of the Competition Act no 89 Of 1998.
 - i) No person placing a procurement requisition for goods or Services shall knowingly understate the requirements of the estimated value with the intention of avoiding a more stringent procurement process. This includes the deliberate splitting of requirements to

reduce individual order values. Procurement is limited to R300 000 per commodity type per month unless a competitive bidding process has been undertaken. The Municipal Manager shall promptly institute disciplinary action against any person infringing this requirement.

- j) No official shall engage in contact with a prospective supplier in respect of a quotation or tender which the supplier intends to submit except where clarification of requirements is required from either party, or where the Accounting Officer may negotiate with identified preferred bidders. Any such communication must be recorded and appropriately filed with the bid documentation.
 - k) The Accounting Officer may, where a bidder has contravened the prescriptions of the Competition Act no 89 of 1998 –
 - (i) recover all costs, losses or damages the Municipality suffered as a result of the bidder's conduct;
 - (ii) cancel the contract and claim any damages which the Municipality has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (iii) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis; and
 - (iv) forward the matter for criminal prosecution.
- 2) The Accounting Officer must inform the National Treasury and relevant Provincial Treasury in writing of any actions taken in terms of Sub-Sections (1)(b)(ii), (e) or (f) of this policy.

Part 3: Logistics, Disposal, Risk and Performance Management**38. Logistics Management**

- 1) The Accounting Officer must establish and implement an effective system of logistics management, which must include -
 - (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - (d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
 - (g) monitoring and review of the supply vendor's performance to ensure compliance with specifications and contract conditions for particular goods or services.
 - (h) monitoring and review of the distribution of items,
 - (i) monitoring and review of losses and surpluses.

39. Disposal management

- 1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets will be subject to Sections 14 of the Act, and asset transfer regulations;
- 2) 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
- 3) The Accounting Officer must ensure that –
 - a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
 - c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
 - d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
 - e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are reviewed annually;

- f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

40. Risk management

- 1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system must be identified.
- 2) Risk management must include –
 - (i) the identification of risks on a case-by-case basis;
 - (ii) the allocation of risks to the party best suited to manage such risks;
 - (iii) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (iv) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (v) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
- 3) The Accounting Officer must ensure that risks are identified utilizing the following methods –
 - (i) Focus group sessions;
 - (ii) Personal interviews;
 - (iii) Questionnaires;
 - (iv) Audit reports analysis;
 - (v) Statistical analysis of related risk data;
 - (vi) Trend analysis;
 - (vii) Scenario analysis; and
 - (viii) Forecasting methodologies.
- 4) The Accounting Officer must ensure that a risk register is implemented consisting of the following–
 - (i) Each risk identified with a unique number;
 - (ii) Description of the risk;
 - (iii) Assessment of occurrence or likelihood and its impact if it does;
 - (iv) Grading of risk;
 - (v) Responsibility for managing the risk; and
 - (vi) Proposed mitigation processes.
- 5) The Accounting Officer must ensure that all risks are assessed and indicate the magnitude of the risk as well as the probability of occurrence;
- 6) The Accounting Officer must ensure that a risk strategy is implemented which may include the following-
 - (i) avoiding the risk by eliminating the action;
 - (ii) treating the risk, how the risk can be prevented and if it were to occur how the impact can be minimized;

- (iii) transfer or outsource the risk;
 - (iv) tolerate the risk.
- 7) The Accounting Officer must ensure that all risk related matters are reported and that a communication plan which may consist of the following is implemented –
 - (i) responsibility for the communication;
 - (ii) frequency of communication;
 - (iii) format of communication;
 - (iv) record of communication.

41. 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 authorized supply chain management processes were followed and whether the objectives of this Policy were achieved;
- 2) The Accounting Officer must ensure that the following issues are reported on a quarterly basis –
 - (i) Achievement of preferential procurement goals and objectives;
 - (ii) Implementation of the Supply Chain Management Policy of the municipality;
 - (iii) Compliance to SCM norms and standards such as the municipal supply chain management regulations, National Treasury's model policy, standard bid documents and the general conditions of contract;
 - (iv) Savings generated, amongst others, by arranging contracts for the purpose of developing economies of scale;
 - (v) Stores efficiency, (the proper layout of stores through clear bin locations and bin numbering, promptly satisfying the users requirements, etc.)
 - (vi) Contract breach either by the municipality or contractors;
 - (vii) Cost efficiency of the procurement process;
 - (viii) That the supply chain objectives are consistent with Government's broader policy focus on trade, small business development, anti-corruption measures and the proudly South African.

Part 4: Other matters

42. Prohibition on awards to persons whose tax matters are not in order

- 1) No award above **R30 000** may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in compliance.

- 2) Before making an award to a person the Accounting Officer must first check with SARS whether that person's tax matters are in compliance.
- 3) Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality, within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status submitted by the bidder to the municipality must be verified via the CSD or e-Filing.
- 4) The Accounting Officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.

43. 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 –
 - (i) a member of any municipal council, any provincial legislature or the National Assembly or the National Council of Provinces;
 - (ii) an official of any municipality;
 - (iii) 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);
 - (iv) a member of the board of directors of any municipal entity;
 - (v) an executive member of the accounting authority of any national or provincial public entity;
 - c) a person who is an advisor or consultant contracted with the municipality.

44. Awards to close family members of persons in the service of the state

- 1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 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.

45. Ethical standards

- 1) All officials involved in supply chain management for the municipality must comply with the Code of Conduct prescribed in the Municipal Systems Act, the Supply Chain Management Framework and the Code of Conduct for Supply Chain Management role players as prescribed.
- 2) A code of ethical standards is hereby established for officials and other role players in the Supply Chain Management System 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.

- 3) An official or other role player involved in the implementation of the Supply Chain Management Policy:
- a) must treat all providers and potential providers equitably;
 - b) may not use his or her position for private gain or to improperly benefit another person;
 - c) may not accept any rewards, gift, favour, hospitality or other benefit directly, including to any close family member, partner or associate of that person, of a value more than R350;
 - d) notwithstanding Sub-Section 48(2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
 - e) must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;
 - f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - g) must be scrupulous in his or her use of property belonging to the Municipality;
 - h) must assist the Accounting Officer in combination fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - i) must report to the Accounting Officer any 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 Section 49(1) of this Policy; or
 - (iii) any alleged breach of this of this code of ethical standards.
 - j) Declarations in terms of Sub-Sections 49 (2) (d) and (e)-
 - (i) must be recorded in a register which the Accounting Officer must keep for this purpose;
 - (ii) by the Accounting Officer must be made to the Mayor of the Municipality who must ensure that such declarations are recorded in the register.
 - k) The National Treasury Code of Conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.
 - l) The National Treasury Code of Conduct for Supply Management Practitioners, attached as Annexure A, is adopted by the Municipality and shall apply mutatis mutandis to and be binding on supply chain management of the Municipality.
 - m) A breach of the code of conduct adopted by the Municipality must be dealt with in accordance with Schedule 1 (code of Conduct for Councillors) and Schedule 2 (Code of Conduct for Municipal Staff Members) of the Municipal Systems Act, No 32 of 2000.

46. 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 Sub-Section (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- 3) Sub-Section (1) does not apply to gifts less than R350 in value.

47. 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.

48. 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.

49. 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
 - (iii) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
 - b) Suppliers must provide details of the reasons for their appeal including any noncompliance with this Policy, the MFMA and related legislation. The Accounting Officer shall provide written acknowledgement of the receipt of appeals to the appellant;
 - c) If the appeal is based on a technically complex matter, the Accounting Officer may engage an impartial external advisor, provided that their engagement is compliant with this Policy and sufficient budgetary provision exists. The Accounting Officer is not bound by any opinion provided.
 - d) The Accounting Officer will decide if an appeal constitutes sufficient grounds for delay of procurement from the approved supplier, and if a delay is practical. If the Accounting Officer determines there are grounds for delay, the approved supplier will be advised in writing of the reasons for the delay.
 - e) When a ruling on an appeal has been made, the Accounting Officer will advise the appellant in writing of the outcome.
- 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) The Provincial Treasury may refer the query to the National Treasury for resolution.
- 6) This Policy must not be read as affecting a person's rights to approach a court at any time.

50. Appeals

- 1) A person whose rights are affected by a decision taken to award a tender by a municipality, in terms of a power or duty delegated or sub-delegated by a delegating authority, may appeal against that decision, by giving written notice of the appeal and reasons to the Accounting Officer within 21 days of the date of the notification of the decision.
- 2) When the appeal is against a decision taken by a staff member or committee other than the Accounting Officer, the Accounting Officer must consider the appeal or refer it to the appeal authority when appropriate;
- 3) The Accounting Officer must promptly submit the appeal to the appropriate appeal authority.
- 4) 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.
- 5) An appeal authority must commence with an appeal within six weeks and decide the appeal within a reasonable period.
- 6) This Policy must not be read as affecting a person's rights to approach a court at any time.

51. Contracts and contract management

- 1) A contract or agreement procured through the supply chain management system of the municipality must—
 - a) be in writing;
 - b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for—
 - (i) the termination of the contract or agreement in the case of non- or underperformance;
 - (ii) dispute resolution mechanisms to settle disputes between the parties;
 - (iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and
 - (iv) any other matters that may be prescribed.
- 2) The accounting officer must—
 - a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
 - b) monitor on a monthly basis the performance of the contractor under the contract or agreement;
 - c) establish capacity in the administration of the municipality or municipal entity—

- (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
 - (ii) to oversee the day-to-day management of the contract or agreement; and
 - (iii) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.
- d) A contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, but only after—
 - e) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and
 - f) the local community—
 - (i) has been given reasonable notice of the intention to amend the contract or agreement; and
 - (ii) has been invited to submit representations to the municipality or municipal entity.
 - g) Amendments, expansion, and variation of contracts may be considered by the Accounting Officer if the value does not exceed 15% of the value of the contract or 20% of the value of the contract for construction-related contracts.

52. Contract Management

- 1) The Accounting Officer must ensure that all bids and contracts are subject to the General Conditions of Contract and any Special Conditions of Contract, if specified;
- 2) All contracts must be based on the General Conditions of Contract, issued by the National Treasury. Any aspect not covered by the General Conditions of Contract must be dealt with in the Special Contract Conditions;
- 3) Matters such as attendance of compulsory site meetings, briefing sessions and special delivery conditions must be covered in the Special Conditions of Contract with the proviso that the standard wording of the General Conditions of Contract should not be amended;
- 4) The General Conditions of Contract, International Federation of Consulting Engineers (FIDIC) regulations and the Joint Building Contracts Committee (JBCC) guidelines issued by the Construction Industry Development Board are utilized in cases of bids related to the construction industry;
- 5) Where the Special Conditions of Contract is in conflict with the General Conditions of Contract, the Special Conditions of Contract will prevail;
- 6) These conditions must form an integral part of the bidding documents.

53. Contract Administration

- 1) Contract administration includes all administrative duties associated with a contract that has arisen through one of 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. 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.
- 3) A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.
- 4) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

- 5) The contract manager shall take all reasonable steps to ensure that a contract procured through the provisions of this policy is properly enforced.
- 6) In administering a contract, the contract manager will be required to form opinions and make decisions which, while in the Municipality's best interests, must be fair to all parties concerned.
- 7) Director shall be responsible for ensuring that contract managers:
 - a) are assigned to all contracts within the Director's area of responsibility;
 - b) are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.
- 8) In discharging his duties, the contract manager shall:
 - 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 contracts related to the procurement of goods and services are captured on the contract management system in the form of a price schedule;
 - c) ensure that all original contract documentation is lodged with the Supply Chain Management Unit for record purposes;
 - d) monitor, on a monthly basis, the performance of the contractor in order to ensure that all of the terms and conditions of the contract are met, including the contractor's obligations as regards Broad-Based Black Economic Empowerment, targeted labour and/or resources and local production and content, as applicable;
 - e) where necessary, take appropriate action where a contractor is underperforming or is in default or breach of the contract;
 - f) manage contract variation or change procedures;
 - g) administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;
 - h) conduct, as appropriate, post contract reviews;
 - i) maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
 - j) act with care and diligence and observe all accounting and legal requirements.

54. Contracts providing compensation based on turnover

- 1) If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –
 - a) a cap on the compensation payable to the service provider; and
 - b) that such compensation must be performance based.

55. Contracts having future budgetary implications

- 1) A municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if—
 - a) the municipal manager, at least 60 days before the meeting of the municipal council at which the contract is to be approved—
 - (i) has, in accordance with section 21A of the Municipal Systems Act—

- (aa) made public the draft contract and an information statement summarizing the municipality's obligations in terms of the proposed contract; and
 - (bb) invited the local community and other interested persons to submit to the municipality comments or representations in respect of the proposed contract; and
 - (ii) has solicited the views and recommendations of—
 - (cc) the National Treasury and the relevant provincial treasury;
 - (dd) the national department responsible for local government; and
 - (ee) if the contract involves the provision of water, sanitation, electricity, or any other service as may be prescribed, the responsible national department;
 - b) the municipal council has taken into account—
 - (i) the municipality's projected financial obligations in terms of the proposed contract for each financial year covered by the contract;
 - (ii) the impact of those financial obligations on the municipality's future municipal tariffs and revenue;
 - (iii) any comments or representations on the proposed contract received from the local community and other interested persons; and
 - (iv) any written views and recommendations on the proposed contract by the National Treasury, the relevant provincial treasury, the national department responsible for local government and any national department referred to in paragraph (a)(ii)(cc); and
 - c) the municipal council has adopted a resolution in which—
 - (i) it determines that the municipality will secure significant capital investment or will derive a significant financial, economic or financial benefit from the contract;
 - (ii) it approves the entire contract exactly as it is to be executed; and
 - (iii) it authorizes the municipal manager to sign the contract on behalf of the municipality.
- 2) The process set out in subsection (1) does not apply to—
- a) contracts for long-term debt regulated in terms of section 46(3);
 - b) employment contracts; or
 - c) contracts—
 - (i) for categories of goods as may be prescribed; or
 - (ii) in terms of which the financial obligation on the municipality is below—
 - (aa) a prescribed value; or
 - (bb) prescribed percentage of the municipality's approved budget for the year in which the contract is concluded.
- 3) All contracts referred to in subsection (1) and all other contracts that impose a financial obligation on a municipality—
- a) must be made available in their entirety to the municipal council; and
 - b) may not be withheld from public scrutiny except as provided for in terms of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).
- 4) Sub-Section (a)(i) does not apply to contracts in respect of which the financial obligation on the municipality is below prescribed value.

56. Commencement

This Policy takes effect on the date as approved of by the Council resolution.



CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1 General Principles

- 1) The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.
- 2) Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.
- 3) Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse power and authority vested in them.

2 Conflict of interest

- 1) 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, to the value of R350 or more;
 - 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

- 1) Practitioners are accountable for their decisions and actions to the public.
- 2) Practitioners should use public property scrupulously.
- 3) Only Accounting Officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- 4) All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system.
- 5) Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- 6) Practitioners must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- 7) Practitioners must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including:
 - a) any alleged fraud, corruption, favouritism or unfair conduct;
 - b) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
 - c) any alleged breach of this code of conduct.
- 8) Any declarations made must be recorded in a register which the Accounting Officer must keep for this purpose.
- 9) Any declarations made by the Accounting Officer must be made to the mayor who must ensure that such a 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

- 1) 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 infringe on the relevant bidder's / contractor's personal rights.
- 2) 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 provision 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

- 1) Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 2) Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 3) All members of Bid Adjudication Committees should be cleared up by the Accounting Officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 4) No person should –

- a) interfere with the supply chain management system of the municipality; or
- b) amend or tamper with any price quotation / bid after its submission.

7 Combative Practices

- 1) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:
- a) Suggestions for fictitious lower quotations;
 - b) Reference to non-existent competition;
 - c) Exploiting errors in price quotations / bids;

9.

Property Rates Policy

2025 2026



TABLE OF CONTENTS

	<u>PAGE</u>
1. BACKGROUND.....	3
2. LEGISLATIVE CONTEXT	3
3. DEFINITIONS & INTERPRETATION	3
4. PRINCIPLES.....	6
5. CATEGORIES OF RATEABLE	7
6. EXCLUSION OF RATEABLE PROPERTY FROM THE PAYMENT OF RATES.....	8
7. DIFFERENTIAL RATE TARRIFS	8
7.1 GENERAL.....	8
7.2 MULTIPLE USE PROPERTIES.....	8
7.3 ACCOMMODATION ESTABLISHMENTS.....	9
8. RELIEF MEASURES RELATED TO CATEGORIES OF OWNERS.....	9
9. SPECIAL CASES	10
9.1 PUBLIC BENEFIT ORGANISATIONS.....	10
9.2 PUBLIC SERVICE INFRASTRUCTURE	11
9.3 AGRICULTURAL PROPERTIES.....	11
10. REBATES AND GRANTS	11
11. CRITERIA FOR INCREASING RATE TARIFFS.....	11
12. REDUCTIONS IN MARKET VALUES	11 12
13. LIABILITY FOR RATES.....	12
13.1 ANNUAL PAYMENT ARRANGEMENTS.....	12
13.2 METHOD AND TIME OF PAYMENT	12
13.3 RECOVERY OF ARREAR RATES FROM TENANTS, OCCUPIERS AND AGENTS	12
13.4 OWNERSHIP	12 13
13.5 INTERIM VALUATION DEBITS.....	12 13
13.6 DEVELOPMENTS.....	13
13.7 CLEARANCE CERTIFICATE	13
13.8 LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES.....	13
14. COSTS OF EXEMPTIONS, REBATES AND REDUCTIONS.....	13
15. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT	13 14
16. REGISTER OF PROPERTIES	14
17. NOTIFICATION OF RATES	14
18. CORRECTION OF ERRORS AND OMISSIONS.....	14
19. FREQUENCY OF VALUATIONS	14
20. REVIEW OF THE POLICY	15

BACKGROUND

1.1 In 2024, the Bitou Municipality initiated a process to prepare a General Valuation Roll of all property situated within the geographical boundaries of the municipality in terms of the Local Government: Municipal Property Rates Act, 6 of 2004 (MPRA), which became operative on 1 July 2025. The General Valuation Roll 2025/29 came into effect on 01 July 2025 and remains valid until 30 June 2025.

1.2 This policy is formulated in terms of Section 3 of the Local Government: Municipal Property Rates Act, No 6 of 2004 (MPRA).

2. LEGISLATIVE CONTEXT

2.1 In terms of Section 229 of the Constitution, a municipality may impose rates on property.

2.2 In terms of Section 4(1)(c) of the Local Government: Municipal Systems Act, No 32 of 2000 (MSA), a Municipal Council has the right to finance the affairs of the Municipality by imposing, inter alia, rates on property.

2.3 In terms of Section 2(1) of the MPRA, a municipality may levy a rate on property in its area in accordance with the other provisions of the MPRA.

2.4 This Policy must be read together with, and is subject to the provisions of the MPRA and the Bitou Municipality's Property Rates By-Law.

2.5 In terms of Section 8(1) of the MPRA, the Municipality may, in terms of its Policy, levy different rates for different categories of rateable property, determined in subsection (2) and (3) of the MPRA, which must be determined to the –

(a) Use of the property; and

(b) Permitted use of the property; or a combination of (a) and (b).

3. DEFINITIONS & INTERPRETATION

3.1 In addition to the definitions contained in the MPRA and the Bitou Municipality's Property Rates By-Law, the following words and phrases bear the meanings assigned to them below

3.1.1 **"Act"** means the Local Government Municipal Property Rates Act, 2004 (No 6 of 2004).

3.1.2 **"MPRA"** means the Local Government Municipal Property Rates Act, 2004 (No 6 of 2004).

3.1.3 **"Accommodation establishment"** means a facility that provides for lettable residential and non-residential units or homes, holiday or self-catering accommodation on a regular, seasonal, continuous or occasional basis.

3.1.4 **"Agricultural property"** means property that is used primarily for agricultural purposes but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading hunting of game. The definition includes agricultural properties used for subsistence farming.

3.1.5 **"Bona-fide farmers"** means genuine or real farmer whose dominant income is generated from farming activities, on an agricultural property, within the Bitou municipal area, and is taxed by SARS as a bona-fide farmer.

3.1.6 **"Business"** means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such

business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

- 3.1.7 **“Category”** (a) in relation to property, means a category of property determined in terms of Section 8(2) of the Act; (b) in relation to owners of property, means a category of owners determined in terms of Section 15(2) of the Act.
- 3.1.8 **“Exemption”** in relation to the payment of a rate, means an exemption granted in terms of Section 15 of the Act.
- 3.1.9 **“Heritage”** means a property containing a building or other heritage resource of national, provincial, or municipal significance.
- 3.1.10 **“Indigent person”** means a person whose household income does not exceed the minimum household income as predetermined by the Council;
- 3.1.11 **“Market value”**, in relation to a property, means the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer as per Section 46 of the Act.
- 3.1.12 **“New Business incentive rebate”** means a rebate granted, on a declining scale, on a property used for a new business brought to the Bitou municipal area. The definition excludes existing business where:
- (a) Change of ownership occurred;
 - (b) Name change occurred; and
 - (c) Current business operations are expanded.
- 3.1.13 **“Household income”** means the income accruing to all members of the household permanently residing at the address. It includes income of spouses.
- 3.1.14 **“Industrial”** means a building or usage, other than a noxious trade, which concurs with the meaning of factory as defined in the Machinery and Occupational Safety Act, 1983), and includes an office, caretaker’s quarters, or other building, the use of which is incidental to, and such as would ordinarily be incidental to, or reasonably necessary in connection with the use of such factory on the same site, and included all light industrial uses, but does not include a service trade.
- 3.1.15 **“Non-residential”** means all property other than those defined as residential.
- 3.1.16 **“Permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of –
- (a) Any restrictions imposed by –
 - (i) A condition of title;
 - (ii) A provision of a town planning or land use scheme; or
 - (iii) Any legislation applicable to any specific property; or
 - (b) Any alleviation of any such restrictions.

- 3.1.17 **“Place of public worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium:
- (a) Provided that the property is –
 - (i) Registered in the name of the religious community;
 - (ii) Registered in the name of a trust established for the sole benefit of a religious community; or
 - (iii) Subject to a land tenure right.
- 3.1.18 **“Private Open Space”** means any land in private ownership used primarily as a private site for play, rest, recreation without financial gain.
- 3.1.19 **“Property”** means –
- (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
 - (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
 - (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or
 - (d) Public service infrastructure.
- 3.1.20 **“Protected area”** means an area that is listed in the register referred to in Section 10 of the National Environmental Management: Protected Areas Act 2003.
- 3.1.21 **“Public Benefit Organisation property”** means property owned by public benefit organisations and used for any specific public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the ninth Schedule to the Income Tax Act.
- 3.1.22 **“Public Service Infrastructure”** means publicly controlled infrastructure (as defined in the MPRA) may not be rated on the first 30% of market value in terms of Section 17(1)(a) of the MPRA.
- 3.1.23 **“Public Service Purposes”** in relation to the use of a property means property owned and used by an organ of state as per components (a), (b), (c), (d), (e) and (f) of the definition in the Municipal Property Rates Act., but excludes property contemplated in the definition of “public service infrastructure”.
- 3.1.24 **“Rebate”**, in relation to a rate payable on a property, means a discount on the amount of the rate payable on the property.
- 3.1.25 **“Reduction”**, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount.
- 3.1.26 **“Residential”** means a property included in a valuation roll in terms of Section 48(2)(b) of the Act as residential in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 of the Act.

- 3.1.27 **“Sport and recreational facilities”** means property used exclusively for sport and recreational purposes not operating from municipal properties. The property category include sport fields an sport clubs
- 3.1.28 **“State-owned”** means property owned by the State, which are not included in the definitions of public service infrastructure or public service purposes in the Act. These properties are classified as follows –
- (a) State properties that provide local services;
 - (b) State properties that provide regional/municipal district-wide/metro-wide services; or
 - (c) State properties that provide a provincial/national service.
- 3.1.29 **“Vacant land”** means land where no immovable improvements have been erected. Vacant land can be classified as follows –
- (a) Residential vacant, means a property included in a valuation roll in terms of Section 8(2) of the Act (read with Section 8(3) as vacant.
 - (b) Business vacant means a property included in a valuation roll in terms of Section 8(2) of the Act (read with Section 8(3) as business vacant.
 - (c) Industrial vacant, means a property included in a valuation roll in terms of Section 8(2) of the Act (read with Section 8(3) as industrial vacant.
 - (d) Vacant State land means a property included in a valuation roll in terms of Section 8(2) of the Act (read with Section 8(3) as State Owned vacant.
 - (e) Agricultural vacant land means a property included in a valuation roll in terms of Section 8(2) of the Act (read with Section 8(3) as Agricultural vacant
 - (f) Vacant private open spaces means a property included in a valuation roll in terms of Section 8(2) of the Act (read with Section 8(3) as vacant open spaces
 - (g) Vacant public service infrastructure means a property included in a valuation roll in terms of Section 8(2) of the Act (read with Section 8(3) as vacant PSI

4. PRINCIPLES

- 4.1 The following principles ensure that the municipality treats persons liable for rates equitably:
- 4.1.1 Equity: The municipality will treat ratepayers with similar properties in a like manner.
 - 4.1.2 Affordability: The ability of a person to pay rates will be taken into account by the municipality. The municipality may provide relief measures through specified exemptions, reductions or rebates to the poor or indigent as defined in Council’s Indigent policy.
 - 4.1.3 The Municipality may –
 - (a) Levy different rate tariffs on different categories of properties;
 - (b) Exempt a specific category of property from payment of rates; and/or

(c) Grant a rebate on, or a reduction in, the rate payment.

- 4.1.4 Council also pledges itself to limit each maximum annual increase, as far as is practicable, to the increase stipulated by National Treasury in the appropriate annual Budget Circular except when the approved Integrated Development Plan of Council requires a greater increase or there has been a significant change in the valuation of a property.

5. CATEGORIES OF RATEABLE

5.1 Properties will be categorised as follows:

Residential	<ol style="list-style-type: none"> 1. Improved Residential 2. Indigent 3. Vacant land
Industrial	<ol style="list-style-type: none"> 1. Industrial
Business and Commercial Properties	<ol style="list-style-type: none"> 1. Business and Commercial 2. Lettable Accommodation 9+ Rooms 3. Vacant Land
Agricultural	<ol style="list-style-type: none"> 1. Agricultural
Properties owned by an Organ of State used for public service purposes	<ol style="list-style-type: none"> 1. State Owned
Public Services Infrastructure	<ol style="list-style-type: none"> 1. PSI
Properties owned by Public Benefit Organisations and used for specific public benefit activities	<ol style="list-style-type: none"> 1. Public Benefit Organisations
Properties used for multiple purposes	Portions of property will be classified individually as per one of the other classifications with separate municipal valuations
Vacant Land	<ol style="list-style-type: none"> 1. Residential 2. Business and Commercial 3. Industrial 4. Agriculture 5. State Owned Properties 6. Private open space 7. Vacant public service infrastructure
Municipal Owned Properties	<ol style="list-style-type: none"> 1. Municipal Buildings 2. Public Open Spaces 3. Municipal Improved Residential 4. Municipal Staff Housing 5. Municipal Vacant Residential 6. Municipal Vacant Public Open Spaces 7. Municipal Vacant Non-Residential
Places of Worship (Section 17(1)(i))	<ol style="list-style-type: none"> 1. Places of Worship 2. Non-Developable
Properties	<ol style="list-style-type: none"> 1. Acquired through Provision of Land and Assistance Act, 1993 (No. 126 of 1994); or

	2. The Restitution of Land Rights Act, 1994 No 22 of 1994), or 3. Subject to the Communal Property Associations Act, 1996 (No. 28 of 1996).
Other	1. Any other category of property as Council may from time to time identify; or 2. As may be determined by the Minister or Council with the concurrence of the Minister of Finance by Notice in a Gazette.

6. EXCLUSION OF RATEABLE PROPERTY FROM THE PAYMENT OF RATES

6.1 The following properties will be excluded from the payment of rates –

- (a) Properties of which the Municipality itself is the owner in terms of Section 7(2)(a) of the Act.
- (b) Subject to paragraph (aA), on the first 30% of the market value of public service infrastructure;(aA) on any property referred to in paragraphs (a),(b),(e),(g) and (h) of the definition of “public service infrastructure
- (c) Rights registered against immovable property in the name of a person.
- (d) Property registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community, which is occupied by the office-bearer of that community who officiates at services at that place of worship in terms of Section 17(1)(i) of the Act.
- (e) Residential properties (excluding accommodation establishments and vacant land) in terms of Section 15(1) (b) of the Act will be exempted as per tariff structure.
- (f) Properties registered or recognized as private nature reserves in terms of relevant legislation, which are not developed or used for commercial, business, agricultural or residential purposes in terms of Section 17(1)(e) of the Act.

7. DIFFERENTIAL RATE TARRIFS

7.1 General

7.1.1 The following may be taken into consideration in determining differential rate tariffs –

- (a) The use of the property, the permitted use of the property or a combination of use and permitted use.
- (b) The nature of the property including the impact of rates on its operations e.g. agricultural properties used for farming purposes.
- (c) The promotion of social and economic development of the municipality.

7.2 Multiple Use Properties

7.2.1 Property tax on properties used for multiple purposes will be determined by –

- (a) Apportioning the market value of the property to the different purposes for which the property is used.

- (b) Applying the relevant rate tariff, to the corresponding market value.

7.3 Accommodation Establishments

- 7.3.1 It is required that all properties within the definition of accommodation register with the municipality in order to be categorized in terms of use, by means of a supplementary valuation as provided for in the Act.
- 7.3.2 Properties that are no longer operating as accommodation establishment must be re-categorized by means of supplementary valuation and are required to provide proof of the following –
 - (a) That all signage is removed;
 - (b) That all links on accommodation websites are removed (safari now, sleeping out etc.);
 - (c) That any links or affiliation with any letting agents be removed;
 - (d) Home page website to be removed (should you wish to retain your home page domain name for email purposes, please ensure a generic page is loaded by your hosting company that does not show any accommodation);
 - (e) Any other form of marketing; and
 - (f) An inspection maybe carried out on the property by a municipal official or representative to verify details on the application.
- 7.3.3 Businesses including accommodation establishments will be rated at business rates tariff.
- 7.3.4 A penalty fee **as may be determined by Council from time to time in its tariff structure** will be levied, where the municipality detects/identify a property operating as an accommodation establishment, where the owners failed to register the property as an Accommodation Establishment with the municipality or in the event where owners supplied incorrect/false information.

8. **RELIEF MEASURES RELATED TO CATEGORIES OF OWNERS**

NOTE: IN ADDITION TO WHAT IS SET OUT BELOW, COUNCIL MAY ANNUALLY DETERMINE A BASE VALUE WHICH WILL BE DEDUCTED FROM THE MARKET VALUE SHOWN ON THE VALUATION ROLL, IN COMPUTING THE RATE LIABILITY.

8.1 Exemptions, Reductions and Rebates

- 8.1.1 When granting in terms of subsection 8.1 exemptions, rebates or reductions in respect of owners of categories of properties, a Municipality may determine such categories in accordance with Section 8(2) and when granting exemptions, rebates or reductions in respect of categories of owners of properties, such categories may include –
 - (a) Indigent owners;
 - (b) Owners dependent on pensions or social grants for their livelihood;
 - (c) Owners temporarily without income;

- (d) Owners of property situated within an area affected by –
 - (i) A disaster within the meaning of the Disaster Management Act 2002; or
 - (ii) Any other serious adverse social or economic conditions;
- (e) Owners of residential properties.
- (f) Owners of agricultural properties who are *bona fide* farmers.

8.1.2 In addition to the categories of rateable property determined in terms of Section 8(2) of the MPRA a municipality may, subject to any ratio determined in terms of Section 19, for the purposes of granting exemptions, rebates and reductions, determine such property categories based on –

- (a) Properties used for public service purposes; and
- (b) Properties to which the provisions of the National Heritage Resources Act, 1999 (Act 25, of 1999), apply, or an institution that has been declared to be subject to the Cultural Institutions Act, 1998 (Act 119 of 1998).

8.2 Criteria for Exemptions, Rebates and Reductions

- 8.2.1 Sufficient proof of status / income of household / affidavits for proof of reasons / identity documents must be attached to all applications;
- 8.2.2 Applicants must be the owner and occupy the property and not own more than one property;
- 8.2.3 Where the owner is for acceptable reasons due to no fault of his/her own unable to occupy the property, the spouse or minor children may satisfy the occupancy requirements;
- 8.2.4 The Municipal Manager or his/her nominee must approve all applications;
- 8.2.5 Applications must reach the Municipality before the end of May preceding the start of the new municipal financial year for which relief is sought; and
- 8.2.6 The Municipality retains the right to refuse exemptions, rebates or reductions if the details supplied in the application form were incomplete, incorrect or false.

9. **SPECIAL CASES**

9.1 Public Benefit Organisations

- 9.1.1 All properties **operating as** Public Benefit Organisations will be rated at the prescribed ratio as per the Municipal Property Rates Regulations.
- 9.1.2 Taking into account the effects of rates on Public Benefit Organisations performing a specific public benefit activity and registered in terms of the Income Tax Act for tax reduction because of those activities, it is proposed that Public Benefit Organisations (PBOs) performing the following specified public benefits activities will be rated in accordance with the ratio to residential property as determined in the annual tariff determination –
 - (a) Welfare and humanitarian, such as providing disaster relief.
 - (b) Health Care, such as the counselling, care and treatment of persons (and their dependants) afflicted with HIV and AIDS.

- 9.1.3 Applications for Public Benefit organizations must reach the municipality before end **March** preceding the start of the new municipal financial year in which relief is sought. A tax exemption certificate issued within the preceding 12 months of application, 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 must be submitted with the application .The municipal manager or his nominee must approve all applications.

9.2 Public Service Infrastructure

- 9.2.1 All rateable components of public service infrastructure providing essential services to the community shall be rated at the prescribe ratio as per the Municipal Property Rates Regulations.

9.3 Agricultural Properties

- 9.3.1 Agricultural properties used primarily for agricultural activities will be categorised as Agricultural and shall be rated at a rate determined by applying the prevailing ratio as prescribed by Regulation. Agricultural properties not predominantly used for bona fide farming purposes shall be rated according to the category of the actual use thereof.
- 9.3.2 Proof of bona fide farming from SARS is required to request a change of category from other to Agricultural. Confirmation of subsistence farming is subject to in loco inspection to the property.

10. **REBATES AND GRANTS**

- 10.1 Rebates granted in terms of Section 4 of this Policy may be considered for the following categories of properties –
- (a) Market value of residential property below a determined threshold;
 - (b) Retention and restoration of conservation worthy buildings; and
 - (c) Heritage areas.
- 10.2 Over and above the determinations contemplated in Section 17(1)(h) of the Act owners of property who depend on pensions or social grants for their livelihood may qualify for a rebate as determined by Council's Indigent policy.

11. **CRITERIA FOR ANNUAL INCREASING RATE TARIFFS**

- 11.1 Annual increase of rate tariffs will be done in accordance with Section 20 of the Act and the following will be taken into account for the purpose of increasing or decreasing of rates –
- (a) Priorities of a municipality reflected in its Integrated Development Plan;
 - (b) The revenue needs of the municipality; and
 - (c) Affordability of rates to ratepayers.
- 11.2 The Municipality will consider the imposition of rates annually during the budget process.
- 11.3 All increases in property rates will be communicated to the community in terms of Section 21A of the Municipal Systems Act (Act no. 32 of 2000).

12. **REDUCTIONS IN MARKET VALUES**

12.1 A reduction in the municipal valuation as contemplated in Section 15(1)(b) of the MPRA, may be granted where the value of a property is affected by fire damage, demolition, or flood.

12.2 The reduction will be granted by Council only after a valuer has carried out an inspection of the property concerned.

13. LIABILITY FOR RATES

13.1 Annual Payment Arrangements

13.1.1 By prior arrangement Bitou Municipality will recover the rates levied in a single amount, which is due on or before 30 September of the year in which it is levied.

13.2 Method and Time of Payment

13.2.1 Bitou Municipality will recover the rates levied in periodic instalments of equal amounts over twelve months. The instalment is payable on or before the last working day of every month, following the month in which it has been levied. Interest will be charged at 1% above the prime interest rate for any late payments received.

13.3 Recovery of Arrear Rates from Tenant, Occupiers and Agents

13.3.1 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined in terms of Section 26(2) of MPRA, the Municipality may recover the amount in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier. The Municipality may recover an amount only after the Municipality has served a written notice on the tenant or occupier.

13.3.2 The amount the Municipality might recover from the tenant or occupier of the property in terms of subsection above is limited to the amount of the rent or other money due and payable but not yet paid by the tenant or occupier to the owner of the property.

13.3.3 Any amount the Municipality recovers from the tenant or occupier of the property must be set off, by the tenant or occupier, against any money owed by the tenant or occupier to the owner.

13.3.4 The Municipality may recover the amount due for rates from an agent of the owner after it has given written notice to that agent or person. The amount the Municipality may recover from the agent or other person is limited to the amount of rent received by the agent or person, less the commission due to that agent or person, subject to the Estate Agents Act, 1976 (Act No. 112 of 1976). The agent or other person must, on request by the Municipality, furnish the Municipality with a written statement specifying all payments for rent on the property and any other money received by that agent or person during a period determined by the Municipality. Section 29(2) of the MPRA

13.4 Ownership

13.4.1 Properties, which vest in the Municipality during developments, i.e. open spaces and roads, will be transferred at the cost of the developer to the Municipality. Until such time, rates levied will be for the account of the developer.

13.5 Interim Valuation Debits

- 13.5.1 In the event that a property has been transferred to a new owner and rates emanating from a supplementary valuation become due and payable, the new owner will be held responsible from the date of registration for the settlement of the interim rates account.

13.6 Developments

- 13.6.1 The developer of a property will be liable for all rates raised on the development until the individual units are transferred to the new owners including properties which must be transferred to the Municipality in terms of the land use ordinance and development agreement.

13.7 Clearance Certificate

- 13.7.1 Issuing of Clearance Certificate will be dealt with in accordance with section 118 of Municipal Systems Act.
- 13.7.2 With the sale of a property within the municipal jurisdiction the Council shall withhold rates clearance certificate until all rates, services and sundry costs attached to the property is paid and an amount equal to four months' rates and service charges will be collected in advance as part of the rates clearance process. The indigent beneficiaries will only be charged outstanding consumption. The rates clearance remains valid for 60 days from the date of issuing.
- 13.7.3 All debt is deemed to be collectable from the seller of a property by the municipality despite a Clearance Certificate issued in terms of section 118 (1)(b).

13.8 Levying of Rates on Property in Sectional Title Schemes

- 13.8.1 A rate on property, which is subject to a sectional title scheme, will be levied on the individual sectional title units in the scheme in terms of Section 10 of the Act. However, in valuing the sectional title unit there shall be included in that value the owners proportionate share of the value of the common use areas such as gardens, roads, swimming pools, passages etc.

14. COSTS OF EXEMPTIONS, REBATES AND REDUCTIONS

- 14.1 During the budget process the Chief Financial Officer must inform Council of all costs associated with exemptions, rebates and reductions.
- 14.2 Provision must be made on the operating expenditure budget for:
- (a) The full potential income associated with property rates; and
 - (b) The full costs associated with exemptions, rebates and reductions.

15. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT

- 15.1 The Municipality may grant rebates to organisations that promote local, social and economic development based on the criteria determined in its local, social and economic development policy(s). The following criteria will apply –
- (a) Job creation in the municipal area;
 - (b) Social upliftment of the local community; and
 - (c) Creation of infrastructure for the benefit of the community.

- 15.2 Rebates may be granted up to 100% of the rates payable and must be phased out within 3 years from the date that the rebate was granted for the first time.

16. REGISTER OF PROPERTIES

- 16.1 The Chief Financial Officer must cause to have drawn up and maintain a register of properties as contemplated as Section 23 of the Municipal Property Rates Act.

17. NOTIFICATION OF RATES

- 17.1 Council will give notice of all rates approved at least 30 days prior to the date that the rates become effective in the local media and by publishing a resolution in the provincial gazette. Accounts delivered after the 30 days' notice will be based on the new rates.
- 17.2 A notice stating the purport of the Council resolution, date on which the new rates shall become operational will be displayed by the municipality at places installed for that purpose.

18. CORRECTION OF ERRORS AND OMISSIONS

- 18.1 Where the property rates levied on a particular property have been incorrectly determined, because of an error or omission 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 property 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 property rates were first levied in terms of the current valuation roll. Interest on the unpaid portion of the adjusted property rates payable shall be levied at the applicable prime interest rate plus 1% from the date the correction was made.

19. FREQUENCY OF VALUATIONS

- 19.1 The Municipality shall prepare a new valuation roll every **4** years. The MEC for local government may extend the period for which the valuation roll is valid to 7 years.
- 19.2 A supplementary valuation roll shall be prepared at least once a year, in terms of subsection 78(1) of the Act, in respect of any rateable property –
- (a) Incorrectly omitted from the valuation roll;
 - (b) Included in a municipality after the last general valuation roll;
 - (c) Subdivided or consolidated after the last general valuation roll;
 - (d) Of which the market value has substantially increased or decreased after the last general valuation roll;
 - (e) Substantially incorrectly after the last general valuation roll;
 - (f) That must be revalued for any other exceptional reason;
 - (g) Of which the category has changed; or
 - (h) The value of which was incorrectly recorded in the general valuation roll as a result of a clerical or typing error.

- 19.3 An interim valuation request fee in respect of interim valuations submitted outside the prescribed objection period(s) will be payable and proof of payment must accompany the said interim form.
- 19.4 Adjusted rates that result from supplementary valuation process will be implemented retrospectively as per the implementation date indicated on the supplementary valuation notice.
- 19.5 The municipality will communicate imminent correcting journals that will be processed on the customer's account by email and/or other methods reasonably available to the municipality at the time of implementation to the last known postal or e-mail address as provided by the owner of the property or his/her agent to the municipality.

20. REVIEW OF THE POLICY

- 20.1 This Property Rates Policy is the sole Policy governing property rates in the Municipality. The Municipal Council must approve any reviews to this Policy.
- 20.2 The Mayor must submit any proposed changes to this Policy to the Council as part of the annual review of policies submitted with the budget documentation.
- 20.3 Whenever the Minister of Finance or the National Treasury or the Auditor-General requires changes to the Policy by means of legislation or requests, it should be reviewed promptly in accordance with such requirements, giving full details of the reasons for the revision.

Liquidity, Funding and Reserves Policy

as reviewed on 04 March 2025



Table of Contents

1.	INTRODUCTION AND OBJECTIVE	3
2.	SECTION A: LIQUIDITY POLICY	3
2.1.	INTRODUCTION	3
2.2.	BACKGROUND AND APPROACH	3
2.3.	LEGISLATIVE REQUIREMENTS	4
2.4.	POLICY	4
3.	SECTION B: FUNDING POLICY	9
3.1.	LEGISLATIVE REQUIREMENTS	9
3.2.	STANDARD OF CARE	10
3.3.	STATEMENT OF INTENT	10
3.4.	CASH MANAGEMENT	10
3.5.	DEBT MANAGEMENT	10
3.6.	FUNDING THE OPERATING BUDGET	10
3.7.	FUNDING THE CAPITAL BUDGET	13
3.8.	FUNDING COMPLIANCE MEASUREMENT	15
4.	SECTION C: RESERVES POLICY	19
4.1.	INTRODUCTION	19
4.2.	LEGAL REQUIREMENTS	19
4.3.	TYPES OF RESERVES	19
4.4.	ACCOUNTING FOR RESERVES	22
5.	SECTION D: REVIEW OF THE POLICY	23
5.3.	CORPORATE GOVERNANCE (OVERSIGHT)	23
5.4.	TRANSITIONAL ARRANGEMENT	23
5.5.	POLICY MANAGEMENT	23

1. INTRODUCTION AND OBJECTIVE

- 1.1. The Council sets as objective a long-term financially sustainable municipality with acceptable levels of service delivery to the community.
- 1.2. This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes liquidity funding as well as reserves requirements.
- 1.3. The documented Liquidity, Funds and Reserves Policy, sets out the framework for the prudent use of Liquidity, Funds and Reserves available to the municipality.
- 1.4. This policy is implemented to provide guidance on the appropriation of capital funding resources on a sustainable basis in the longer term.
- 1.5. With reference to the applicable legislation as referred to below. Legislation exists and prescribes the framework of Funds and Reserves Policy, and these factors will all be addressed in this Policy.
- 1.6. Although legislation provides guidance as to the broader framework to ensure financial management of resources to ensure the Council meets all its obligations timeously, it is not prescriptive with regards to quantifying not only the prudent level of Liquidity, Funds and Reserves but more so the optimal level hereof.
- 1.7. Therefore, in the Policy, cognizance has been taken of the legislative guidelines whilst more prescriptive guidelines are set for the optimal management and monitoring of resources to the Municipality's avail based on sound financial practices.

2. SECTION A: LIQUIDITY POLICY

2.1. INTRODUCTION

- 2.1.1. The documented Liquidity Policy sets out the minimum risk management measures that Bitou Municipality must implement and adhere to, to ensure that its current and future liquidity position is managed in a prudent manner.
- 2.1.2. Liquidity is the amount of cash and / or "near cash" (which refers to assets or security that can easily and quickly be converted to cash), available to be utilized to meet obligations and / or pay commitments. The marketability or ability to buy or sell an asset without incurring unacceptable large losses thus determines the liquidity of an asset or defines it as near cash.
- 2.1.3. This Policy is implemented to provide guidance on the minimum liquidity level that Bitou Municipality have to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time.

2.2. BACKGROUND AND APPROACH

- 2.2.1. Various policies and procedures exist that direct the way in which the business of Bitou Municipality is or should be conducted in a prudent manner. Generally, these policies and procedures flow from the prescription made in Legislation i.e., the Municipal Finance Management Act ("MFMA") and/or directives issued by a national department such as National Treasury.
- 2.2.2. Guidelines provided by National Treasury indicate that an acceptable level of cash resources needs to be available for working capital requirements (see below).

2.2.3. It is for this reason that the need to have an official Liquidity Policy was identified.

2.3. LEGISLATIVE REQUIREMENTS

2.3.1. The MFMA circular 71 stipulates the following two prescribed ratios to manage liquidity:

2.3.1.1. **Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)** is calculated as:

2.3.1.1.1. $((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment}) / \text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}$

2.3.1.1.2. Criteria: 1 – 3 times

2.3.1.2. Current Ratio Current Assets / Current Liabilities

2.3.1.2.1. Criteria: 1.5 - 2:1

2.3.2. The above guidelines are noted but the proposed policy is more conservative to ensure that the municipality secures its strong financial position thereby providing comfort to investors.

2.4. POLICY

2.4.1. This policy provides guidance on the determination of the minimum liquidity requirement and the calculation of the liquidity available of Bitou Municipality from time to time (see Appendix 1).

2.4.2. Notwithstanding the requirements as reflected in this policy, Bitou Municipality should ensure that its Current Assets (excluding debtors older than 90 days) cover all of its Current Liabilities at least two times.

2.4.3. The policy encapsulates certain key aspects and considerations which have been outlined below:

2.4.3.1. KEY COMPONENTS OF MINIMUM LIQUIDITY REQUIRED:

2.4.3.1.1. The following constitutes the key elements to take into consideration when determining the liquidity requirement of Bitou Municipality:

2.4.3.1.2. To comply with statutory requirements, it is proposed that the following funds, reserves and provisions be fully covered by unencumbered cash and investments:

2.4.3.1.2.1. All earmarked or conditional grant transfers from spheres of Government or from Public Contributions made to Bitou Municipality that have not yet been utilized,

2.4.3.1.2.2. All commitments resulting from the legally entrenched rights and benefits employees have, with specific reference to the Council's short term commitment to staff retirement benefits and medical fund claims payable,

2.4.3.1.2.3. All funds not yet been utilized in relation to agency services provided on behalf of Provincial or National Government should also be treated as earmarked funds,

2.4.3.1.2.4. All reserves stated by Bitou Municipality on its Statement of Financial Position that have been established for the purposes of making provisions for a defined purpose.

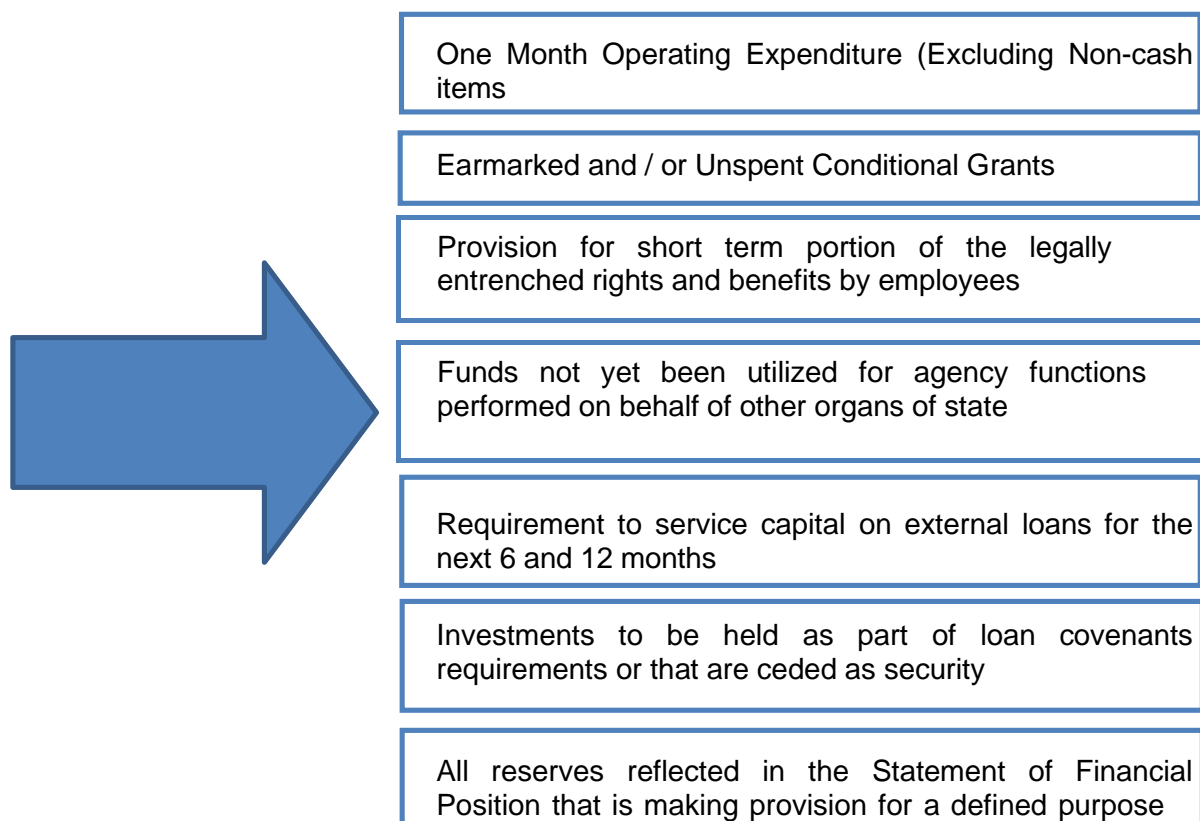
- 2.4.3.1.3. Cognisance also needs to be taken of the external loan commitments and the servicing of capital and interest on these loans. Therefore provision should be made that Bitou Municipality can meet its external loan/financial commitments together with the normal operational expenditure, as well as its liabilities to staff.
- 2.4.3.1.4. All investments ceded as security against long term loans need to be excluded from total cash and investment balances for calculation of the minimum liquidity level required.
- 2.4.3.1.5. All unspent long-term loans need to be excluded from total cash and investment balances for calculation of the minimum liquidity level required.
- 2.4.3.1.6. Capital redemption on external loans
 - 2.4.3.1.6.1. In addition, a level of cash available for normal operational expenditure needs to be held in cash to ensure that, notwithstanding fluctuations in the monthly income levels, Bitou Municipality will be in a position to meet its financial requirements. In this respect, the average monthly operational expenditure needs to be used as a guide of the minimum buffer required. One month's operational expenditure excluding debt impairments, depreciation and other non-cash expenses should be available for liquidity cover.
 - 2.4.3.1.6.2. Commitments resulting from contracts concluded as part of the capital expenditure program.
 - 2.4.3.1.6.3. The "golden rule" should be to ensure that Bitou Local Municipality will have adequate liquid assets (those that can be made into cash within 24 hours, weekly or monthly as the requirement might be) to meet its short-term financial commitments.

2.4.3.2. CALCULATION OF AVAILABLE LIQUIDITY

- 2.4.3.2.1. The amount of liquidity available should be determined from time-to-time. The following, should be regarded as cash and or near cash in calculating the available liquidity:
 - 2.4.3.2.1.1. All cash held in a bank / call accounts or invested with a money market fund,
 - 2.4.3.2.1.2. 95% of the value of all Negotiable Certificate of Deposits or other tradable instruments issued by a bank that are not already ceded,
 - 2.4.3.2.1.3. Consumer debtors aged current to 60 days,
 - 2.4.3.2.1.4. Amount of unspent conditional grants and public contributions excluded from own funds held in bank accounts,
 - 2.4.3.2.1.5. Funds provided to Council for expenditure on activities executed on behalf of other spheres of Government (Provincial and / or National) as part of an agency function, excluded from own funds held in bank accounts,
 - 2.4.3.2.1.6. Funds ring-fenced for cash backed reserves that are excluded from own funds held in bank accounts,
 - 2.4.3.2.1.7. Cash amounts that need to be held by Council resulting from loan covenants' that are part of the conditions of loans extended, but not ceded outright to lenders,

- 2.4.3.2.1.8. The undrawn portion of unconditional bank overdraft facility or liquidity facility available to Bitou Municipality.

2.4.3.3. The aforementioned in paragraphs 2.4.3.1 and 2.4.3.2. can schematically be reflected as follows:



2.4.3.4. IMPLEMENTATION AND MONITORING OF COMPLIANCE WITH LIQUIDITY POLICY:

- 2.4.3.4.1. Once the policy is approved, the CFO is to be tasked to ensure that the required cash has to be maintained to continue meeting the requirements as set out in this policy.
- 2.4.3.4.2. Firstly, the minimum required liquidity level should be calculated based on audited annual financial statements. This level of liquidity required needs to be specifically budgeted for and on a quarterly basis be reported to the Finance Committee and / or other Committees as might be stipulated by Council as well as to Council.
- 2.4.3.4.3. Notwithstanding National Treasury's three months operational expenditure guideline and the one-month operational expenditure buffer proposed as a minimum by the liquidity policy, it is recommended that Council set a target of one month's operational expenditure liquidity buffer to be achieved at the end of the transitional period.
- 2.4.3.4.4. The cash provisions made to repay external loan commitments, if specifically earmarked, should also be added to this minimum working capital liquidity, to prevent fluctuations in the working capital reserve that could put the minimum level of liquidity levels under pressure.

3. SECTION B: FUNDING POLICY

3.1. LEGISLATIVE REQUIREMENTS

3.1.1. The Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009 stipulates:

8. (1) *Each municipality must have a funding and reserves policy, which must set out the assumptions and methodology for estimating –*

- (a) projected billings, collections, and all direct revenues,*
- (b) the provision for revenue that will not be collected,*
- (c) the funds the municipality can expect to receive from investments,*
- (d) the dividends the municipality can expect to receive from municipal entities,*
- (e) the proceeds the municipality can expect to receive from transfer or disposal of assets,*
- (f) the municipality's borrowing requirements,*
- (g) the funds to be set aside in reserves.*

3.1.2. In terms of Section 18 of the Municipal Finance Management Act (Act No 56 of 2003), (MFMA) an annual budget may only be funded from:

- *Cash backed accumulated funds from previous years' surpluses not committed for other purposes:*

3.1.2.1. Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects with no recurring operating expenditure resulting thereof.

- *Borrowed funds, but only for capital projects:*

3.1.2.2. Actual capital expenditure may only be incurred on a capital project if the funding for the project has been appropriated in the Capital Budget but has also been secured from the financial source that is not committed for another purpose.

- *Realistically anticipated revenues to be collected:*

3.1.2.3. Realistic anticipated revenue projections must consider - projected revenue for the current year based on actual collection levels in previous financial years.

3.1.3. In terms of Section 19 of the Municipal Finance Management Act (Act No 56 of 2003), (MFMA):

- *A municipality may spend on a capital project only if -*
 - *the sources of funding have been considered, are available and have not been committed for other purposes.*

3.1.3.1. 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.

3.1.3.2. 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.

3.2. STANDARD OF CARE

- 3.2.1. 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.

3.3. STATEMENT OF INTENT

- 3.3.1. 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 always be adhered to.

3.4. CASH MANAGEMENT

- 3.4.1. Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

3.5. DEBT MANAGEMENT

- 3.5.1. Debt must be managed in terms of the municipality's Borrowing Policy, together with any requirements in this policy.

3.6. FUNDING THE OPERATING BUDGET

3.6.1. INTRODUCTION

- 3.6.1.1. The municipality's objective is that the user of municipal resources must pay for such usage in the period it occurs.
- 3.6.1.2. 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.

3.6.2. GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

- 3.6.2.1. The following specific principles apply when compiling the budget:
- 3.6.2.1.1. 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,
 - 3.6.2.1.2. Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information,
 - 3.6.2.1.3. Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay,
 - 3.6.2.1.4. 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.

- 3.6.2.1.5. For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for rollover purposes must be excluded from the calculation, as it must be included in changes in Cash and Cash Equivalents and Payables.
- 3.6.2.1.6. 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.
- 3.6.2.1.7. Revenue from public contributions, donations or any other grants may only be included in the Budget if there is acceptable documentation that guarantees the funds and if the transfers are unconditional of nature.
- 3.6.2.1.8. Projected revenue from services charges must be reflected as net (all billing less revenue foregone, which is free basic services, discounts and rebates).
- 3.6.2.1.9. 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.
- 3.6.2.1.10. For the purpose of the Cash flow Budget, all rebates and discounts must be deducted from the projected revenue.
- 3.6.2.1.11. Provision for revenue that will not be collected is made against the expenditure item provision for debt impairment and based on actual collection levels for the previous financial year and the reasonably projected annual non-payment rate.
- 3.6.2.1.12. Interest received from actual Long-term and or Short-term Investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends. The actual amount allocated for interest on investments is to be contributed to the Capital Replacement Reserve.
- 3.6.2.1.13. 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.
- 3.6.2.1.14. A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total as well as new and/or funded vacant positions. As a guiding principle, the salary budget should not constitute more than 35% of annual Operating Expenditure.
- 3.6.2.1.15. 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, to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an "Employee Benefits Reserve".
- 3.6.2.1.16. Depreciation must be fully budgeted for in the operating budget.
- 3.6.2.1.17. 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.

- 3.6.2.1.18. A provision is recognised when the Municipality has a present obligation as a result of a past event and it is probable, more likely than not, that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 3.6.2.1.19. Provisions are revised annually and those estimates to be settled within the next twelve (12) months are treated as current liabilities.
- 3.6.2.1.20. The Municipality should have the following provisions:

3.6.2.1.20.1. Bonus Provision

- 3.6.2.1.20.1.1. Liabilities for annual bonus are recognised as they accrue to employees. An annual provision is made from the operating budget to the bonus provision. This provision must be 100% backed by cash.

3.6.2.1.20.2. Performance Bonus Provision

- 3.6.2.1.20.2.1. Liabilities for Performance bonus are recognised as they accrue to Directors. An annual provision is made from the operating budget to the Performance bonus provision. This provision must be 100% backed by cash.

3.6.2.1.20.3. Leave Provision

- 3.6.2.1.20.3.1. Liabilities for annual leave are recognised as they accrue to employees. An annual provision is made from the operating budget to the leave provision. Because not all leave balances are to be redeemed for cash at once, only 75% of the leave provision is to be cash backed.

3.6.2.1.20.4. Landfill Rehabilitation Provision

- 3.6.2.1.20.4.1. The landfill site rehabilitation provision is created for the current operational site at the future estimated time of closure. The value of the provision is based on the expected future cost to rehabilitate the landfill site. This provision must be cash backed to ensure availability of cash for rehabilitation on closure. This provision must be 100% backed by cash.

3.6.2.1.20.5. Long Services Awards

- 3.6.2.1.20.5.1. Municipal employees are awarded leave days according to years in service at year-end. Because not all long service leave balances are redeemed for cash at once, only 75% of the non-current portion of long service leave provision, but 100% of the current portion of long service leave provision must be cash backed.

3.6.2.1.20.6. Post-Employment Medical Care Benefits

- 3.6.2.1.20.6.1. The Municipality provides post-retirement medical care benefits by subsidizing the medical aid contributions to retired employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the

completion of a minimum service period. The expected cost of these benefits is accrued over a period of employment. This provision must be 80% cash backed for the non-current portion of the provision, but 100% of the current portion of the provision to ensure the availability of cash for the payment of medical aid payments.

3.6.2.1.20.7. Other Provisions as may be indicated on the Annual Financial Statements

3.6.2.1.20.7.1. Any other Provision as may be indicated on the Annual Financial Statements in terms of GRAP should be provided for. Any provision in this category must be 100% cash backed to ensure the availability of cash for the payment of the liabilities.

3.6.2.1.21. The annual cash flow requirement for the repayment of borrowings must fully be taken into consideration with the setting of tariffs.

3.6.2.1.22. Sufficient provision must be made for the maintenance of existing infrastructure based on affordable levels. The maintenance budgets are normally lower than the recommended levels. As a guiding principle, repair and maintenance should constitute between 5% and 8% of total operating expenditure and should annually be increased incrementally until the required targets are achieved.

3.6.2.1.23. Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over expenditure.

3.7. FUNDING THE CAPITAL BUDGET

3.7.1. INTRODUCTION

3.7.1.1. 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.

3.7.1.2. The capital budget provides funding for the municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments, and enlargement of bulk infrastructure.

3.7.1.3. In order to achieve the objective, the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

3.7.2. FUNDING SOURCES FOR CAPITAL EXPENDITURE

3.7.2.1. The capital budget can be funded by way of own contributions, grants, public contributions as well as external loans. The capital budget is also limited by the availability and access to these sources of funding.

3.7.2.2. Own Contributions

3.7.2.2.1. The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve, development reserve and applicable Augmentation Reserves.

- 3.7.2.2.2. 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.

3.7.2.3. Grants (Including Public Contributions)

- 3.7.2.3.1. Grants for capital expenditure have become a common practice, especially 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.
- 3.7.2.3.2. 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.
- 3.7.2.3.3. 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.
- 3.7.2.3.4. Only Government Gazetted allocations or transfers as reflected in the Division of Revenue Act or allocations as per Provincial Gazettes may be used to fund projects. The conditions of the specific grant must be taken into consideration when allocated to a specific project.
- 3.7.2.3.5. In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the municipality has received the funding already.

3.7.2.4. External Loans

- 3.7.2.4.1. The municipality may only raise loans in accordance with its Borrowing Policy.
- 3.7.2.4.2. The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans are utilised for operating purposes.
- 3.7.2.4.3. 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.
- 3.7.2.4.4. All capital projects influence future operating budgets therefore the following additional cost factors should be considered before approval:
- 3.7.2.4.4.1. Personnel cost to staff new facilities once operational,
 - 3.7.2.4.4.2. Contracted services, that is, security, cleaning etc.,
 - 3.7.2.4.4.3. General expenditure such as services cost, stationery, telephones, material etc.,
 - 3.7.2.4.4.4. Other capital requirements to the operate facility such as vehicles, plant and equipment, furniture and office equipment etc.,
 - 3.7.2.4.4.5. Costs to maintain the assets,

- 3.7.2.4.4.6. Interest and redemption in the case of borrowings,
- 3.7.2.4.4.7. Depreciation charges,
- 3.7.2.4.4.8. The projected cost covering all financial years until the project is operational; and
- 3.7.2.4.4.9. The future operational costs and revenue on the project, including municipal tax and tariff implications.

3.8. FUNDING COMPLIANCE MEASUREMENT

3.8.1. INTRODUCTION

- 3.8.1.1. 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 determined either by the Council or by the Accounting Officer.
- 3.8.1.2. 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.

3.8.2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

- 3.8.2.1. 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 the Liquidity Policy and attached to this policy as Appendix "A".

3.8.3. CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

- 3.8.3.1. The overall cash position of the municipality must be sufficient to include:
 - 3.8.3.1.1. unspent conditional grants,
 - 3.8.3.1.2. unspent conditional public contributions,
 - 3.8.3.1.3. unspent borrowings,
 - 3.8.3.1.4. VAT due to SARS,
 - 3.8.3.1.5. secured investments,
 - 3.8.3.1.6. the cash portion of statutory funds such as the Housing Development Fund,
 - 3.8.3.1.7. other working capital requirements, and
 - 3.8.3.1.8. In addition, it must be sufficient cash to back reserves as approved by the municipality

and the portions of provisions as indicated elsewhere in this policy.

3.8.4. MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS (“CASH COVERAGE”)

3.8.4.1. This indicator shows the level of risk should the municipality experience financial stress.

3.8.5. PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS EXPECTED INFLATION TARGET

3.8.5.1. The intention of this indicator is to ensure that tariff increases are in line with expected economic targets, but also to ensure that revenue increases for the expected growth in the geographic area is realistically calculated.

3.8.5.2. 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 expected Inflation target	%	%	%
F	=Growth in excess of inflation target	%	%	%
G	Less: Expected growth %	%	%	%
H	=Increase attributed to tariff Increase above macro inflation target	%	%	%

3.8.5.3. 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.

3.8.6. CASH COLLECTION % RATE

3.8.6.1. 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.

3.8.6.2. 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.

- 3.8.6.3. It is not advisable 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.

3.8.7. PROVISION FOR DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE

- 3.8.7.1. 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.

3.8.8. CAPITAL PAYMENTS AS A PERCENTAGE OF CAPITAL EXPENDITURE

- 3.8.8.1. This indicator provides information as to the timing for payments on capital projects and utilising allowed payment terms.

3.8.9. BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)

- 3.8.9.1. This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Borrowing Policy.

3.8.10. GRANTS REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE

- 3.8.10.1. 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.

3.8.11. CONSUMER DEBTORS CHANGE (CURRENT AND NON - CURRENT)

- 3.8.11.1. The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.
- 3.8.11.2. An unacceptable high increase in either current– or non– current debtors' balances should be investigated and acted upon.

3.8.12. REPAIRS AND MAINTENANCE EXPENDITURE LEVEL

- 3.8.12.1. 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.
- 3.8.12.2. Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.
- 3.8.12.3. As a general benchmark the maintenance budget should be between 4% and 8% of the asset values.

3.8.13. ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL

3.8.13.1. This indicator supports further the indicator for repairs and maintenance.

3.8.13.2. The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

3.8.14. FINANCIAL PERFORMANCE BUDGET

3.8.14.1. Although it is not a legal requirement that the financial performance budget should balance, it only makes management sense that it should balance.

3.8.14.2. 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.

3.8.15. FINANCIAL POSITION BUDGET

3.8.15.1. 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.

3.8.16. CASH FLOW BUDGET

3.8.16.1. 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.

3.8.16.2. 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.

4. SECTION C: RESERVES POLICY

4.1. INTRODUCTION

- 4.1.1. Fund accounting historically formed a huge part of municipal finance in the IMFO standards.
- 4.1.2. Since the municipality changed to General Recognised Accounting Practices (GRAP) fund accounting is no more allowed.
- 4.1.3. The municipality, however, recognises the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and 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.
- 4.1.4. This policy aims to provide for such measure of protection by creating certain reserves.

4.2. LEGAL REQUIREMENTS

- 4.2.1. 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.
- 4.2.2. 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 allowed in accordance with the prevailing legislative framework and approved by the Accounting Officer upon recommendation by the Chief Financial Officer.

4.3. TYPES OF RESERVES

- 4.3.1. Reserves can be classified into two main categories being “cash funded reserves” and “non – cash funded reserves”.

4.3.1.1. CASH FUNDED RESERVES

- 4.3.1.1.1. In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:
- 4.3.1.1.2. Upon completion of the annual financial statements the balance of all cash funded reserves must be retained in a fixed investment for a 12-month period.

4.3.1.1.3. Capital Replacement Reserve (CRR)

- 4.3.1.1.3.1. The CRR is to be utilised for future capital expenditure, excluding capital expenditure related to development charges or augmentation fees received, from own funds and may not be used for maintenance– or other operating expenditure.
- 4.3.1.1.3.2. 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.
- 4.3.1.1.3.3. The municipality endeavours to effectively utilise and maintain the Capital Replacement Reserve for the funding of capital replacement and renewal for future financial years. This reserve needs to be cash backed. This will provide the municipality with a more balanced capital funding approach in the longer term thereby reducing the risk of reaching its maximum gearing ability or depleting its

free cash.

- 4.3.1.1.3.4. This Reserve can be generated as follows from the Operating Budget; the following methodology needs to be read in conjunction with the Liquidity Policy:

4.3.1.1.3.4.1. Cash generated from Operating Activities:

- 4.3.1.1.3.4.1.1. The municipality has maintained a marginal ability to generate surplus operational cash flow which it has used to fund most of its capital spending in the past,
- 4.3.1.1.3.4.1.2. Depreciation is a method to generate future cash. Therefore, it is prudent to annually measure the cash coverage for depreciation charges to ensure it is fully funded from cash through tariff setting. Cash generated from depreciation is to be transferred to the Capital Replacement Reserve,
- 4.3.1.1.3.4.1.3. As at year end it is to be determined whether the municipality meets its Minimum Liquidity Criteria as stipulated in the Liquidity Policy, excess cash in addition to this prescribed level is to be calculated and appropriated to the Capital Replacement Reserve and no more than 50% of the balance of the Capital Replacement Reserve as at year end should be allocated to the following year's capital budget unless sufficient recommendations are made to Council to substantiate such a decision.

4.3.1.1.3.4.2. Interest received on the investment(s) made for the Capital Replacement Reserve

4.3.1.1.4. Development Reserve:

- 4.3.1.1.4.1. The purpose of the development reserve as set out below is to ringfence all funds received from development charges to the specific contributing property.
- 4.3.1.1.4.2. The Development Reserve must be cash-backed and the Accounting Officer is hereby delegated to determine an additional contribution to be made to the Development Reserve during the compilation of the annual financial statements. In the event of an additional contribution the property(ies) must be specified.
- 4.3.1.1.4.3. The development reserve may only be utilized for capital expenditure that will create the required infrastructure for the contributing development.
- 4.3.1.1.4.4. Development charges received during the financial period must be contributed to the development reserve.
- 4.3.1.1.4.5. All interest received on ringfenced funds invested must be returned to the reserve.
- 4.3.1.1.4.6. Funds withdrawn from the reserve will be limited to amounts contributed for the specific development.
- 4.3.1.1.4.7. When council waives the development charges for a property, an equivalent contribution from the accumulated surplus account, must be made for the relevant property. The amount would be equal to the amount that was waived by council. A detailed calculation must be sent to the chief financial officer, in order to ensure the contribution is correctly allocated.

4.3.1.1.5. Augmentation Reserves:

4.3.1.1.5.1. The purpose of the augmentation reserves as set out below is to ringfence all funds received from augmentation fees received, to the applicable service. The following reserves must be created:

4.3.1.1.5.1.1. Electricity

4.3.1.1.5.1.2. Water

4.3.1.1.5.1.3. Waste water

4.3.1.1.5.1.4. Solid waste management

4.3.1.1.5.1.5. Roads and stormwater

4.3.1.1.5.1.6. Other

4.3.1.1.5.2. The Augmentation Reserves must be cash-backed and the Accounting Officer is hereby delegated to determine an additional contribution to be made to the Augmentation Reserves during the compilation of the annual financial statements. In the event of an additional contribution the applicable service(s) must be specified.

4.3.1.1.5.3. The augmentation reserves may only be utilized for capital expenditure that will increase the capacity of the service associated with the contributions.

4.3.1.1.5.4. Augmentation fees received during the financial period must be contributed to the respective augmentation reserves.

4.3.1.1.5.5. All interest received on ringfenced funds invested must be returned to the reserves.

4.3.1.1.5.6. Funds withdrawn from each reserve will be limited to amounts contributed.

4.3.1.1.5.7. When council waives the development charges for a property, an equivalent contribution from the accumulated surplus account, must be made for the relevant property. The amount would be equal to the amount that was waived by council. A detailed calculation must be sent to the chief financial officer, in order to ensure the contribution is correctly allocated.

4.3.1.1.6. Employee benefits reserve

4.3.1.1.6.1. The aim of the reserve is to ensure sufficient cash resources are available for the future payment of employee benefits.

4.3.1.1.6.2. The Employee benefits Reserve must be cash-backed.

4.3.1.1.6.3. The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

4.3.1.1.7. Non-current provisions reserve

Page **21** of **24**

- 4.3.1.1.7.1. The aim of this reserve is to ensure sufficient cash resources are available for the future payment of non – current provisions.
- 4.3.1.1.7.2. The Non-current Provisions Reserve must be cash-backed.
- 4.3.1.1.7.3. The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

4.3.1.1.8. Valuation reserve

- 4.3.1.1.8.1. 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.
- 4.3.1.1.8.2. The Valuation Reserve must be cash-backed.
- 4.3.1.1.8.3. 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.

4.3.1.1.9. Other statutory reserves

- 4.3.1.1.9.1. It may be necessary to create reserves prescribed by law, such as the Housing Development Fund.
- 4.3.1.1.9.2. Any Other statutory Reserve(s) must be cash-backed.
- 4.3.1.1.9.3. The Accounting Officer must create such reserves according to the directives in the relevant legislative framework.

4.3.1.1.10. Other cash-backed reserves

- 4.3.1.1.10.1. It may be necessary to create reserves to fund or reduce the financial impact of future operational expenditure requirements.
- 4.3.1.1.10.2. Any Other cash-backed Reserve(s) must be cash-backed.
- 4.3.1.1.10.3. The Accounting Officer is hereby delegated to create such reserve(s) as may deemed necessary.

4.3.1.2. NON – CASH FUNDED RESERVES

- 4.3.1.2.1. 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.
- 4.3.1.2.2. 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.

4.4. ACCOUNTING FOR RESERVES

- 4.4.1. The accounting for 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.
- 4.4.2. It is a condition of GRAP and this policy that no transactions may be directly appropriated against reserves.

5. SECTION D: REVIEW OF THE POLICY

- 5.1. This Liquidity, 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.
- 5.2. 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.

5.3. CORPORATE GOVERNANCE (OVERSIGHT)

- 5.3.1. Compliance with the various stipulations as documented in this Liquidity, Funding and Reserves Policy need to be monitored by the Chief Financial Officer and reported on to the Municipal Manager monthly and to the Finance/Audit Committee on a quarterly basis.
- 5.3.2. Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

5.4. TRANSITIONAL ARRANGEMENT

- 5.4.1. Upon adoption of this policy by the Council, the Municipal Manager in conjunction with the Chief Financial Officer must determine the current performance levels of the municipality against this Policy and present a plan of action towards achieving and maintaining the stipulation as set out in this policy thereby utilising a more blended funding mix for capital infrastructure investment.
- 5.4.2. The Council must approve an appropriate timeframe within which the municipality must achieve the approved stipulations as set out in this Policy. The period between the date of the policy adoption by Council and the target date for compliance shall be known as the Transitional Period.
- 5.4.3. The Finance Committee must report progress during the approved Transitional Period to the Council.

5.5. POLICY MANAGEMENT

- 5.5.1. The Liquidity, Funding and Reserves Policy forms part of the municipality overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval. The Policy is effective from the date it is approved by Council.

APPENDIX A: Liquidity Requirement as per Liquidity Policy

Financial Year End:

Liquidity Requirement Calculation [as stipulated in Paragraph 2.4.3.1.]

All earmarked and/or conditional grants received but not yet utilised	
Value of legally entrenched short term rights and benefits of employees related to Medical benefits & Retirement benefits	
Funds held for agency services not yet performed	
Funds held for unspent long-term loans	
Reserve funds reflected in Statement of Financial Position that are assumed to be held in cash	
Capital redemption and interest payments on external loans not reflected as part of normal operational expenditure	
1 month's operational expenditure excluding non-cash items	
Commitments resulting from contracts concluded as part of Capex Programme, not reflected in operational budget	

TOTAL LIQUIDITY REQUIREMENT

Actual available liquidity held [reference paragraph 2.4.3.2.]

Bank Balance at e.g.: - ABSA, FNB, Standard Bank, Nedbank, Investec, Money Market	
Bank balance sub total	
95% of all other term investments with Banks	
Consumer debtors (current – 60 days)	
Other reserves held in cash not reflected in bank balances mentioned above for e.g.:	
- Unspent conditional grants	
- Payments received for agency functions not yet performed	
- The cash value of reserves held	
- Cash deposits held as part of loan covenants or ceded	
- Undrawn bank overdraft facility or committed liquidity lines available or unspent loans	

TOTAL LIQUIDITY AVAILABLE

LIQUIDITY SURPLUS (SHORT FALL)

SURPLUS TO BE APPROPRIATED TO CAPITAL REPLACEMENT RESERVE

Liquidity ratio: Current Assets/Current Liabilities

11.

30 May 2025

INVESTMENT AND CASH MANAGEMENT POLICY



Table of Contents

DEFINITION OF KEY WORDS	2
1. LEGAL COMPLIANCE	3
2. SCOPE OF THE POLICY	3
3. OBJECTIVES OF THE POLICY	3
4. EFFECTIVE CASH MANAGEMENT	4
5. CASH-FLOW ESTIMATES	7
6. INVESTMENT ETHICS, PRINCIPLES AND PROCEDURES	8
7. CONTROL OVER INVESTMENTS	10
8. STANDARD OF CARE	11
9. PERMITTED INVESTMENTS	11
10. PROHIBITION OF INVESTMENTS DENOMINATED IN FOREIGN CURRENCY	11
11. PAYMENT OF COMMISSION	11
12. REPORTING REQUIREMENTS	12
13. CREDIT REQUIREMENTS	12
14. INVESTMENT DIVERSIFICATION	13
15. ACCOUNTING FOR TRUST FUNDS	13
16. RAISING OF DEBT	13
17. ACCOUNTING TREATMENT OF INTEREST EARNED ON INVESTMENTS	13
18. REVIEW OF THE POLICY	13
19. REFERENCES	13

DEFINITION OF KEY WORDS

In this policy the following words shall have the meanings assigned as follows: -

“Act” means the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003),

“Accounting Officer” refers to the Municipal Manager of the municipality,

“Chief Financial Officer” refers to the Head of the Finance Department,

“Councillor” refers to a member of the municipal council,

“Current assets” refers to Debtors, Cash, Stock, and the short-term portion of long-term debtors,

“Current liabilities” refers to Creditors, Bank overdrafts and the short-term portion of long-term liabilities,

“Investments” refers to funds not immediately required for the defraying of expenses and invested at approved financial institutions,

“Investment Register” refers to an electronic spreadsheet which contains details of all municipal investments,

“Investment Regulations” refers to the regulations as prescribed under the MFMA (Act No. 56 Of 2003) through Government Gazette No. 27431 dated 1 April 2005,

“Liquidity” refers to a financial ability of the municipality or any other company to service its debts when falling due,

“MFMA” refers to the Municipal Finance Management Act, (Act 56 of 2003),

“Minister” refers to a Cabinet member responsible for a particular national government department,

“Negotiable certificate” refers to a loan certificate, tradable on the capital market,

“Net current assets” refers to the difference between current assets and current liabilities,

“Optimal Yield” refers to maximum interest earned on investment,

“Policy” refers to the Cash Management and Investment Policy of the Bitou Municipality,

“Public funds” all monies received by the municipality to perform the functions allocated to them,

“Short-term portion of long-term debtors” refers to the capital repayment of long-term debtors due and in arrears in the current financial year,

“Short-term portion of long-term liabilities” refers to the capital repayment of long-term loans due in the current financial year,

“System is off-line” refers to where the financial system is off and cannot be worked on, or where the users is not allowed to work on the financial system,

1. LEGAL COMPLIANCE

- 1.1. In terms of Section 13 (2) of the Municipal Finance Management Act (Act no. 56 of 2003), municipalities are required to establish an appropriate and effective **Cash Management and Investment Policy**, in accordance with any framework that may be prescribed by the Minister acting with the concurrence of the Cabinet member responsible for local government and consistent with the Municipal Cash Management and Investment Regulations.
- 1.2. The cash collection process as determined by Chapter 9 of the Local Government: Municipal Systems Act (Act 32 of 2000)
- 1.3. National Treasury, through Government Gazette No: 27431, published Municipal Investment Regulations (R 308), which municipalities are required to apply as guidelines when preparing a Cash Management and Investment Policy with effect from 1 April 2005.

2. SCOPE OF THE POLICY

- 2.1. This policy applies to the Bitou Municipality and any municipal entity established, in terms of the Act.

3. OBJECTIVES OF THE POLICY

- 3.1. The objectives of the Cash Management and Investment Policy of the Bitou Municipality are as follows: -
- 3.2. Ensuring that cash resources are managed efficiently and effectively,
 - 3.2.1. Ensuring that investments are placed with reputable institutions, for the purpose of safety of capital investment, and diversification of the Investment Portfolio,
 - 3.2.2. Ensuring that adequate liquidity is maintained at all times, for management of cash-flows,
 - 3.2.3. Ensuring that the municipality receives optimal yield/interest on its investments with financial institutions, at minimal risk,
 - 3.2.4. Striving for reasonable growth on capital investments in addition to interest earned on investments,
 - 3.2.5. Ensuring that monies due to Council are collected and banked appropriately as soon as they are received, and
 - 3.2.6. Ensuring that payments to creditors are made by the due dates.

4. EFFECTIVE CASH MANAGEMENT

4.1. All efforts must be made to ensure that: -

- **Collection of Cash / Revenue,**
- **Payment of Creditors,**
- **Management of Proper Cash Flows,**
- **Administration of Banking Accounts, and**
- **Petty Cash Procedures,**

are properly maintained to ensure that excess cash is invested.

4.2. Collection of Cash/Revenue

4.2.1. The cash collection process as determined by Chapter 9 of the Local Government: Municipal Systems Act (Act 32 of 2000) and the Customer Care should at all times be adhered to. All cash due to Council shall be collected immediately when it becomes due. The municipality shall bank and deposit all monies on receipt.

4.2.2. Debtors:

- 4.2.2.1. The Municipal council must set a target for debt collection based on the annual debt collection rate during the last financial year.
- 4.2.2.2. The target must be expressed as a percentage of potential income and/or the turnover rate of debtors.
- 4.2.2.3. All monies due to the municipality must be correctly reflected in the debtors system.
- 4.2.2.4. All funds due the Municipality must be collected timeously and banked on a daily basis (except for identified sites where it is not financially feasible to collect daily). In exceptional cases the money must be banked at least once a week. All exceptions must be reported to the Revenue Manager on a daily basis and the Chief Financial Officer on a monthly basis.
- 4.2.2.5. Extensions for payment of rates and services charges must only be granted in terms of the municipality's credit control and debt collection by-law and in exceptional circumstances.
- 4.2.2.6. Money collected by an agency on behalf of the municipality shall be paid over to the municipality and deposited into the bank account in a manner prescribed by the Municipal Manager (Daily deposit are preferable).

4.2.3. Cash:

4.2.3.1. Money received over the counter

- 4.2.3.1.1. Every amount of payment received by a cashier or other officer responsible for the receipt of money shall be acknowledged at once by the issue of numbered official receipt (computer-generated or handwritten in official pre-printed receipt book).
- 4.2.3.1.2. Hand Written receipts may only be issued in cases where the system is off-line. Immediately after the system is back on-line, those receipts must be captured on the system and the original computer-generated receipt must be attached to the relevant hand-written receipt.
- 4.2.3.1.3. Hand written receipt books must be safeguarded by the revenue controller and only issued to cashiers in exceptional circumstances. When the circumstances changes and the receipt book is no longer needed the revenue controller must request those cashiers to return the receipt book within a certain time limit as determined by the revenue controller.
- 4.2.3.1.4. Upon return of hand-written receipt books, the revenue controller must ensure that all receipts are accounted for. In the case where it is not, it must be immediately reported to the Relevant Accountant.

4.2.3.2. Cancellation of receipts

- 4.2.3.2.1. Every cancelled original handwritten receipt shall be re-attached, in the correct place, in the receipt book.
- 4.2.3.2.2. In the case of computer-generated receipts, the original receipt to be cancelled, must be attached to the daily cash-up sheet and filed for record purposes.

4.2.4. Management of Cash:

- 4.2.4.1. The cash holding of the municipality must be kept at a minimum level required to finance the day-to-day operations of the municipality.
- 4.2.4.2. Daily, weekly, monthly, and annual cash flow forecast must be maintained on the financial system in line with the mSCOA regulations by the Revenue Management and Expenditure Services sections respectively.
- 4.2.4.3. The maximum daily average cash per month, in all current bank accounts combined, must be kept below 5% of the annual Operational and Capital Expenditure budgets as approved by council.

4.3. Payment of Creditors

- 4.3.1. The payment cycle of all trade creditors must be strictly maintained as required by the Accounts Payable Policy, or as per payment terms stipulated on individual contracts. If there are incentives (e.g., trade discount) favourable to Council when

payments are made before due dates, such incentives, where appropriate, must be applied.

- 4.3.2. Urgent payments to creditors outside standard process shall only be made with the express approval of the Chief Financial Officer, who shall be satisfied that there are compelling reasons for making such payments.
- 4.3.3. The municipality shall avoid the pre-payment of goods and services, unless when required by the contractual arrangements with the supplier.
- 4.3.4. The municipality shall accept settlement discounts to effect early payment release only when payment(s) are included in the monthly cash-flow estimates.
- 4.3.5. Creditors with arrear debtor's accounts with Bitou Municipality, shall only receive payments after adherence to council's credit control and debt collection policy.

4.4. Management of Cash-flow

- 4.4.1. The Chief Financial Officer will maintain a cash-flow system and ensure that funds not immediately required are invested daily.
- 4.4.2. All Executive Directors and Office Managers, shall in this regard, furnish the Chief Financial Officer, at the time of the budget compilation, with their respective cash-flow needs of all payments in excess of **R 100 000**, clearly indicating possible future dates of payments, as well as any possible inflow of cash from other sources of finance arranged by Directorates themselves.

4.5. Administration of Banking Accounts

- 4.5.1. The opening / closing of municipal bank accounts, deposits / withdrawals into or from the municipal bank accounts, appointment of signatories, and signing of other payment documents, are the responsibilities of the Accounting Officer but may be delegated in writing to the Chief Financial Officer.

4.5.2. Bank overdraft:

- 4.5.2.1. A bank overdraft may only be obtained in anticipation of a positive income stream or to finance capital projects in anticipation of an approved capital grant or long-term loan.
- 4.5.2.2. The bank overdraft must be repaid by the end of the financial year.
- 4.5.2.3. The council can only approve a bank overdraft on the submission of a cash flow statement indicating the anticipated income stream or a certificate stating the approval of the grant or long-term loan.

4.5.3. Short-term portion of long-term debtors:

- 4.5.3.1. Debtors outstanding relating to long-term debtors must be treated as any other outstanding account for rates and services charges.

4.5.4. Provisions:

4.5.4.1. Provisions for known short-term liabilities must be made for each order issued.

4.5.4.2. Sufficient cash must be available when payments are due.

4.5.5. Short-term portion of long-term liabilities:

4.5.5.1. Loan instalments due in the current financial year must be provided for in the financial statements.

4.5.5.2. Sufficient cash must be available when payments are due.

4.6. Petty Cash Procedures

4.6.1. All petty cash procedures relating to viz:-

4.6.1.1. Petty Cash Limits,

4.6.1.2. Balancing / Reconciliation of petty cash register,

4.6.1.3. Petty Cash Requisitions and Authorisations,

4.6.1.4. Supporting Documents, etc. is governed by the Council's Petty cash policy.

5. CASH-FLOW ESTIMATES

5.1. Before money can be invested, the Chief Financial Officer or his/her delegate must determine whether there shall be surplus funds available for the term of the investment.

5.2. In order to be able to make investments for a fixed term, it is essential that cash flow estimates be drawn up.

5.3. Provisions must be made in the cash flow estimates for operating and capital requirements of the municipality:

5.3.1. The operating requirements must include provisions for: -

5.3.1.1. Payment of monthly salaries,

5.3.1.2. Payment of bulk purchases of electricity and water,

5.3.1.3. Repayment of long-term loans,

5.3.1.4. Maintenance of assets,

5.3.1.5. General expenditure,

5.3.1.6. Expected daily and monthly income.

5.3.2. Capital requirement must provide for: -

5.3.2.1. The anticipated cash flow requirements for each capital project

6. INVESTMENT ETHICS, PRINCIPLES AND PROCEDURES

6.1. The following ethics, principles and procedures shall apply: -

6.1.1. The Municipal Manager or his/her delegate must ensure that the financial institution where the investment is to be made is creditworthy and the performance of the institution is to his/her satisfaction, before investing money in the institution.

6.1.2. The Municipal Manager or his/her delegate must obtain information from which the creditworthiness of financial institutions can be determined. This must be obtained and analyse annually.

6.1.3. The Chief Financial Officer will be responsible for the management and approval of municipal investments,

6.1.4. The Chief Financial Officer is permitted to utilize senior finance officials to assist in the execution of the investment responsibilities,

6.1.5. Where money is kept in current accounts, the municipality must bargain for more beneficial rates with regard to deposits.

6.1.6. No improper outside influence or internal interference shall be permitted at any time in regard to management of cash and placing of investments,

6.1.7. Quotations for call and/or fixed deposits from the approved financial institutions (a minimum of three) shall be obtained at the time of contemplating an investment,

6.1.8. Quotations should be obtained in writing, as rates generally change on a regular basis and time is a determining factor when investments are made.

6.1.8.1. Should one of the institutions offer a better rate for a term, other than what the municipality had in mind, the other institutions which were approach should also be asked to quote a rate for the other term.

6.1.8.2. The person responsible for requesting quotations from financial institutions must record the following particulars: -

6.1.8.2.1. Name of the institution,

6.1.8.2.2. Name of person quoting rates,

6.1.8.2.3. Period of the investment,

6.1.8.2.4. Relevant conditions, and

6.1.8.2.5. Other facts, such as interest payable monthly or on maturation.

- 6.1.8.3. Once the required number of quotes have been obtained, a thorough consideration of investment principles must be applied before a decision is taken regarding the best term offered and the institution with which funds are going to be invested.
- 6.1.9. If the Municipal Manager or his/her delegate invests with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act, (Act 94 of 1990) and that they are approved financial institutions, as approved by the Reserve Bank from time to time.
- 6.1.10. When the Municipal Manager or his/her delegate makes an investment it must be guaranteed that at least the capital amount invested is safe, and due diligence must be exercised in this regard.
- 6.1.11. No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.
- 6.1.12. The investment capital must only be paid over to the institution with which it is to be invested and not to an agent or third party.
- 6.1.13. Financial institutions shall be required to submit confirmation certificates, stating the details of the investments, upon the placement of investments, which shall include a declaration that no commission shall be paid relating to the investment,
- 6.1.14. The Municipal Manager or his/her delegate must make sure that the investment document received is a genuine document and issued by the approved institution.
- 6.1.15. The Chief Financial Officer will maintain a detailed investment register,
- 6.1.16. The Chief Financial Officer will hold in safe custody all investment related documents, for audit purposes and proper record keeping,
- 6.1.17. The Chief Financial Officer will ensure that interest and capital is received and receipted when due,
- 6.1.18. Investments made must be in the name of the Bitou Municipality (S12 (2) of the Municipal Regulations),
- 6.1.19. No funds may be borrowed for the purpose of investments (S12 (3) of the Municipal Investment Regulations),
- 6.1.20. Any risk arising from any investment transaction rest with the municipality (S12 (1) of the Municipal Investment Regulations).
- 6.1.21. Under no circumstances may delegated official(s) be forced or bribed into making an investment.
- 6.1.22. No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to so, and can merely be seen as goodwill.
- 6.1.23. Short-term Investments: -

6.1.23.1. Short-term investments should be made with financial institutions with at least a minimum B rating (where B refers to higher risk institutions).

6.1.24. Long-term Investment: -

6.1.24.1. The municipal council must approve all investments made for periods longer than twelve months after considering the cash management requirements for the next three years.

6.1.24.2. Long-term investments should be made with financial institutions with at least a minimum BBB rating (where BBB refers to lower risk institutions).

7. CONTROL OVER INVESTMENTS

7.1. An investment register should be kept and reconciled monthly. The following information must be recorded in the register:

7.1.1. Name of the institution,

7.1.2. Capital invested,

7.1.3. Date invested,

7.1.4. Interest rate,

7.1.5. Maturation date,

7.1.6. Interest received,

7.1.7. Capital repaid, and

7.1.8. Balance invested.

7.2. The investment register must be examined on a fortnightly basis to identify investments falling due within the next two weeks. It must then be established what to do with the funds, bearing in mind the cash-flow requirements.

7.3. Interest must be received timeously, together with any distributable capital.

7.4. At the maturity date of the investment, the financial institution must transfer the capital plus interest received to the Municipality's primary bank account.

7.5. The Chief Financial Officer must check that the interest is calculated correctly.

7.6. The investment documentation must be properly filed and safeguarded. The following documents must be safeguarded: -

7.6.1. Call / Fixed deposit confirmation letter,

7.6.2. Copy of electronic transfer requisition or proof of payment,

7.6.3. Schedule of comparative investment figures,

7.6.4. Interest rate quoted.

8. STANDARD OF CARE

- 8.1. Section 5 of the Municipal Investment Regulations emphasises that investments made by a municipality, through municipal officials must be made with such judgement and care, under the prevailing circumstances, as a person of prudence, discretion, and intelligence, who is entrusted with management of public funds, would exercise.
- 8.2. Investments made by the municipality may not be made for speculation. A high standard of care which includes (i) Preservation and Safety of Capital Invested, (ii) Liquidity, and (iii) Yield, must always be maintained when making investments.

9. PERMITTED INVESTMENTS

- 9.1. In terms of Section 6 of the Municipal Investment Regulations, municipalities are permitted to invest in the following instruments and investments: -
 - 9.1.1. Securities issued by the National Government,
 - 9.1.2. Deposits with Banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
 - 9.1.3. Listed corporate bonds with an investment grade rating from an internationally recognized credit rating agency,
 - 9.1.4. Deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioner's Act, 1984 (Act 46 of 1984),
 - 9.1.5. Deposits with the Corporations for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984),
 - 9.1.6. Banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
 - 9.1.7. Guaranteed endowment policies with the intention of establishing a sinking fund,
 - 9.1.8. Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
 - 9.1.9. Municipal bonds issued by a municipality, and
 - 9.1.10. Any other investment type as the Minister may identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board.

10. PROHIBITION OF INVESTMENTS DENOMINATED IN FOREIGN CURRENCY

- 10.1. In terms of Section 7 of the Municipal Investment Regulations, municipalities are not permitted to place investments denominated in foreign currencies.

11. PAYMENT OF COMMISSION

- 11.1. Section 8 of the Municipal Investment Regulations, states that: -

- 11.1.1. No fee, commission or other reward may be paid to a councillor or official of a municipality or to a spouse or close family member of such councillor, or official in respect of any investment made or referred by a municipality.
- 11.1.2. If an investee pays any fee, commission, or other reward to an investment manager in respect of any investment made by a municipality or municipal entity, both the investee and the investment manager must declare such payment to the council of the municipality or the board of directors of the municipal entity by way of a certificate disclosing full details of the payment.

12. REPORTING REQUIREMENTS

- 12.1. In compliance with Section 9 of the Municipal Investment Regulations the Accounting Officer will report within 10 working days of the end of each month, to the Executive Mayor, the investment position / portfolio of the municipality as at the end of the previous month. A similar report shall also be submitted to the Budget and Treasury Committee.
- 12.2. Such report must at a minimum provide: -
 - 12.2.1. The market value of each investment as at the beginning of the reporting period,
 - 12.2.2. Any changes to the investment portfolio during the reporting period,
 - 12.2.3. The market value of each investment as at the end of the reporting period, and
 - 12.2.4. Fully accrued interest and yield for the reporting period.
- 12.3. In complying with Section 70(2) of the MFMA, the Chief Financial Officer must report to the National Treasury/Provincial Treasury and Council whenever the consolidated bank balances show a net overdrawn balance for a period exceeding 14 days (two weeks).
- 12.4. Such report must at a minimum provide: -
 - 12.4.1. The amount by which the accounts are overdrawn,
 - 12.4.2. Reasons for the overdrawn accounts, and
 - 12.4.3. Steps taken or to be taken to correct the matter.

13. CREDIT REQUIREMENTS

- 13.1. In terms of Section 10 of the Municipal Investment Regulations reasonable and prudent steps shall be taken by the Chief Financial Officer, to ensure that investments are placed with creditworthy institutions. The investment policy of a municipality must determine acceptable investment ratings of financial institutions and must liquidate any investment that no longer has a minimum acceptable rating.
- 13.2. The following shall determine the suitability of a financial institution and shall set investment limits within which municipal investments can be placed: -
 - 13.2.1. Must be an approved instrument in terms of section 9 (Permitted Investments) of this policy,

- 13.2.2. The institution must be highly rated by credible Rating Agencies,
- 13.2.3. The shareholder equity of the institution must be in excess of at least R10bn,
- 13.2.4. The investment limit per approved financial institution must be limited at 10% of the bank's distributable reserves, as per their latest financial statements.
- 13.2.5. The credit rating of deposit taking institutions must be confirmed in writing at least on an annual basis to ensure a suitable credit rating and limit the risk to, and exposure of the municipality.

14. INVESTMENT DIVERSIFICATION

- 14.1. In terms of Section 11 of the Municipal Investment Regulations requires municipalities to take all reasonable and prudent steps, consistent with its investment policy and standard of care, to diversify its investment portfolio across institutions, types of investments and investment maturities.
- 14.2. The Chief Financial Officer must ensure that municipal investments are placed equitable amongst the approved financial institutions. Investment limits must be determined as stipulated in section 13 of this policy, and no more than 50% of municipal investments can be placed with one institution. The Chief Financial Officer must review the investment limits with approved financial institutions at least once a year, or whenever the need exists for a review.

15. ACCOUNTING FOR TRUST FUNDS

- 15.1. Unless required otherwise by trust deeds, trust funds shall be invested within the terms of this policy but be recorded separately in the municipal accounting system. If pooled with Municipality investments, trust funds shall earn the average interest rate applicable to the municipality. The requirements as stipulated by Trust Deed shall take priority.

16. RAISING OF DEBT

- 16.1. Municipal debt (short or long term) shall be raised in strict compliance with the requirements of Chapter 6 of the Municipal Finance Management Act (Act 56 of 2003).

17. ACCOUNTING TREATMENT OF INTEREST EARNED ON INVESTMENTS

- 17.1. The interest accrued on all municipal investments shall be recorded, in compliance with the requirements of Generally Recognized Accounting Practice.

18. REVIEW OF THE POLICY

- 18.1. This Cash Management and Investment Policy is the sole policy governing cash management and investments in the Bitou Municipality and this policy shall be reviewed annually by Bitou Municipality's Council.

19. REFERENCES

- 19.1. Local Government: Municipal Finance Management Act, (Act 56 of 2003),

- 19.2. Local Government: Municipal Systems Act, (Act 32 of 2000),
- 19.3. Municipal Investment Regulations (Government Gazette no: 27431 dated 1 April 2005),
- 19.4. Municipal Supply Chain Management Policy,
- 19.5. Credit Control and Debt Collection Policy,
- 19.6. GRAP

12.

Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy

2025/2026



TABLE OF CONTENTS

	<u>PAGE</u>
1. INTRODUCTION	3
2. SCOPE OF THE POLICY	3
3. OBJECTIVES OF THE POLICY	3
4. PRINCIPLES.....	4
5. DEFINITIONS	5
6. LEGISLATIVE FRAMEWORK	16
7. CUSTOMER CARE	16
8. CREDIT CONTROL.....	29
9. DEBT COLLECTION	40
10. INDIGENT, SENIOR CITIZENS AND PEOPLE WITH DISABILITY	50
11. IRRECOVERABLE DEBT	51
12. OFFENCES AND PENALTIES	57
13. TAMPERING POLICY.....	58
14. COMMENCEMENT	60

1. INTRODUCTION

- 1.1 This policy is established in terms of Chapter 9 of the Municipal Systems Act (Act no.32 of 2000) and Section 62(f) (iii) of the Municipal Finance Management Act (Act no. 56 of 2003) which requires that a Municipality establish and maintain a credit control and debt collection policy.

2. SCOPE OF THE POLICY

- 2.1 This Policy applies to the Bitou Municipality and all persons of this administration.
- 2.2 This Policy as approved by Council, has been passed to give effect to the Municipal By-law in terms of the Local Government: Municipal Systems Act (Act no. 32 of 2000) and such Policy will be binding on the public, officials and Councillors of the Municipality of Bitou and no interference in the process will be permitted.
- 2.3 The Policy is applicable until such time as it is reviewed and Council approves the revisions. All acts performed in terms of the above approved Policy, and the existing Municipal By-law, will not be invalidated due to the timing differences between approval and promulgation.
- 2.4 All acts performed as mentioned in the previous paragraph will be ratified with the promulgation of the related Municipal By-law.

3. OBJECTIVES OF THE POLICY

- 3.1 The objectives of this Policy are to –
- (a) Define a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection and to develop an effective procedure to bill and collect its revenues;
 - (b) Ensure that all monies due and payable to the Municipality are collected in full and used to deliver municipal services in the best interest 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;
 - (c) Ensure that the principles applied, as a result of this Policy, will enhance and support a healthy working capital position for the Bitou Local Municipality;
 - (d) Provide a framework for consumer care and indigent support;
 - (e) Set realistic targets for credit control and debt collection;

- (f) Enable the implementation of this Policy throughout the Bitou Municipality;
- (g) Effectively and efficiently deal with defaulters in accordance with the terms and conditions of this Policy; and
- (h) Promote a culture of payment and instil a sense of responsibility towards the payment of Municipal accounts and reduction of Municipal debt.

4. PRINCIPLES

- 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 Accounting Officer to ensure the execution of these policies.
- 4.2 All customers must complete an official application form, formally requesting municipal services. Existing customers may be required to complete new application forms from time to time, as determined by the Accounting Officer. The most important rights and obligations of the consumer and the Municipality must be included in the service application form.
- 4.3 A copy of the application form including conditions of services must be handed to every new customer on date of application for services. All customers must be informed of the contents of the Council's Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy and a copy made available to any customer on request.
- 4.4 Billing is to be accurate, timeous and understandable.
- 4.5 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 4.6 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.
- 4.7 Enforcement of payment must be prompt, consistent and effective.
- 4.8 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, penalties, loss of rights and criminal prosecutions.
- 4.9 Incentives and disincentives may be used in collection procedures.

- 4.10 The collection process must be cost effective.
- 4.11 Results will be regularly and efficiently reported and monitored.
- 4.12 There must be legal cause between the Municipality and its customer, and customer debt must arise out of a legal framework and must be legally collectable.
- 4.13 Debtors may be referred to third party debt collection agencies and may be placed on the National Credit Bureau.
- 4.14 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.
- 4.15 Consumers that meet Council's indigent criteria must be identified and supported.
- 4.16 The Municipality shall not conduct any business activity with or provide any services to any persons with arrear municipal accounts except as provided for in this Policy and as determined by the Municipality from time to time, nor will any refunds of credits be made to any debtor who is in arrears with their Municipal account.

5. DEFINITIONS

- 5.1 In this Policy any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, has that meaning, unless the context, indicates otherwise –
 - 5.1.1 **“Account”** means a notification by means of a statement of account to a ratepayer or customer who is liable for payment of any amount to the Municipality and any authorised service provider in respect of the following –
 - (a) Electricity that is consumed by a consumer based on a meter reading or an estimated consumption and any basic or availability fee;
 - (b) Water that is consumed by a consumer based on a meter reading or an estimated consumption and any basic water or availability fees;
 - (c) Refuse removal and disposal monthly removal charge or availability fees;
 - (d) Sanitation services charges, basic charges and sanitation availability fees;
 - (e) Property rates;
 - (f) Interest;

- (g) Connection fees;
- (h) Collection charges, miscellaneous;
- (i) Sundry fees;
- (j) Default administration charges; and
- (k) Housing, rentals and instalments.

- 5.1.2 ***“Accounting Officer”*** means the person appointed by the Council as the Accounting Officer of the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act (Act No. 117 of 1998) and being the head of the administration and Accounting Officer in terms of Section 60 of the Local Government: Municipal Systems Act 200 (Act No 32 of 2000). It will also include any person to whom the Accounting Officer has delegated a power, function or duty but only in respect of that delegated power, function or duty.
- 5.1.3 ***“Act”*** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time.
- 5.1.4 ***“Actual consumption”*** means the measured consumption by a customer of a municipal service.
- 5.1.5 ***“Agreement”*** means a contractual relationship between the Municipality and a customer that arises, either as a result of the Municipality's approval of a written application for municipal services, including any subsequent variation that may be made to that agreement in conformity with this Policy, or that is deemed to be an agreement.
- 5.1.6 ***“Agricultural Property”*** means a property that is used primarily for agricultural purposes but, without derogating from Section 9, of the Municipal Property Rates Act (Act 6 of 2004) excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game. The definition includes agricultural properties used for subsistence farming.
- 5.1.7 ***“Applicable charges”*** means the rate (including assessment rates), charges, tariffs or subsidies determined by the Council.
- 5.1.8 ***“Area of supply”*** means any area within or partly within the area of jurisdiction of the Municipality to which a service is provided.
- 5.1.9 ***“Arrears”*** means any amount that is due, owing and payable by a customer in respect of a

municipal service provided to such customer that has not been paid on or before the due date reflected on an account rendered in respect thereof.

- 5.1.10 **“Arrangements”** means a written agreement or an acknowledgement of debt in terms of which a Municipality agrees to the payment over a period of time of a debt that is outstanding;
- 5.1.11 **“Authorised agent”** means –
- (a) Any person authorized by the Council to perform any act, function or duty in terms of or to exercise any power under this Policy;
 - (b) Any person to whom the Council has delegated responsibilities, duties or obligations in respect of the provision of revenue collection services; or
 - (c) Any person appointed by the Council, in a written contract, as a service provider for the provision of revenue collection services or a municipal service to customers on its behalf, to the extent authorized by that contract.
- 5.1.12 **“Average consumption”** means the average consumption by a customer of a municipal service during a specific period, which consumption is calculated by dividing the total measured consumption of that service over that period, by the number of periods.
- 5.1.13 **“Back yard dwellers”** the portion of a building site behind a house, structure, where somebody lives or stay as a permanent resident.
- 5.1.14 **“Billing”** refers to the process of charging for services provided by issuing accounts.
- 5.1.15 **“By-law”** means a legislation that is made by a decision taken by the Council of the Municipality binding in the Municipality on the persons to whom it applies and is published in terms of the Municipal Systems Act.
- 5.1.16 **“Child headed household”** means a household where both parents are deceased and where all occupants of property are children of the deceased and are all under the legal age to contract of service and are considered as minors in law by the state;
- 5.1.17 **“Chief Financial Officer (CFO)”** means the official of the Municipality appointed by Council to administer its finances regardless of the designation or title attached to the post. He/she is responsible for the collection of moneys owed to the Municipality and/or any other staff member to whom he/she has delegated specific duties and responsibilities in terms of this Policy.
- 5.1.18 **“Collection costs”** means an amount that the Municipality can charge with regard to the enforcement of a consumer’s monetary obligations.

- 5.1.19 ***“Commercial customer”*** means a customer other than a domestic customer and an indigent customer, including, but not limited to, a business or an industrial, governmental or an institutional customer.
- 5.1.20 ***“Connection”*** means the point at which a customer gains access to municipal services.
- 5.1.21 ***“Consolidated”*** refers to the combining of all debt in order to establish the total obligation the debtor has to the Municipality.
- 5.1.22 ***“Consumer”*** means any occupier of a property to which the Municipality has agreed to supply services or already supplies services to, or when the occupier is not the responsible person, then the owner of the property.
- 5.1.23 ***“Continuous service”*** means the supply for consideration of a municipal service with the intent that so long as the agreement to supply the service remains, the Municipality will make the service continuously available to be used by the consumer.
- 5.1.24 ***“Council”*** means the Council of the Local Municipality of Bitou. A structure or person exercising delegated authority and power or carrying out an instruction in terms of these by-laws or a service provider fulfilling the responsibility under these by-laws.
- 5.1.25 ***“Credit control and debt collection”*** refers to the action/s required to safeguard revenue including disconnections, reconnections, normalizing installations and follow-up procedures and data integrity.
- 5.1.26 ***“Customer”*** means a person with whom the Municipality has concluded or is deemed to have concluded an agreement for the provision of a municipal service.
- 5.1.27 ***“Default administration charges”*** means a charge that may be imposed by the Municipality to recover administration costs incurred as a result of a consumer’s default.
- 5.1.28 ***“Defaulter”*** means a customer who owes money to the Municipality after the due date for payment has expired.
- 5.1.29 ***“Debt collection”*** refers to the debt recovery process and includes sanctions (warning, disconnection, adverse credit rating, legal process and/or eviction, etc.) to be applied in the event of non-payment of accounts.
- 5.1.30 ***“Disconnection”*** means interrupting the supply of water or electricity to a debtor as a consequence of ignoring a notice for payment.
- 5.1.31 ***“Domestic customer”*** means a customer who, primarily for residential purposes, occupies

a dwelling, structure or premises.

- 5.1.32 ***“Due date”*** means the date on which an amount payable in respect of an account becomes due, owing and payable by a customer, which date shall be the last day of the month following the monthly debit raising.
- 5.1.33 ***“Effective disconnection”*** includes, inter alia, the physical removal of connections and/or equipment as a consequence of unauthorised reconnection (tampering and/or by-passing) of the disconnected service.
- 5.1.34 ***“Emergency situation”*** means a situation that would, if allowed to continue, pose a substantial risk, threat, impediment or danger to the present or future financial viability or sustainability of the Municipality or to a specific municipal service.
- 5.1.35 ***“Estimated consumption”*** means the consumption that a customer, whose consumption is not measured during a specific period, is deemed to have consumed and that is estimated by taking into account factors that are considered relevant by the Municipality and which may include the consumption of municipal services by the totality of the users of a service within the area where the service is rendered by the Municipality, at the appropriate level of service, for a specific time.
- 5.1.36 ***“Equipment”*** means a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories.
- 5.1.37 ***“Financial year”*** means the period starting from 1 July of one year and ending 30 June of the next year.
- 5.1.38 ***“Household”*** means all occupants within the jurisdiction of the Council regardless of whether the person rents or owns the property. The family unit is determined by the Municipality to be traditional by taking into account the number of persons in the unit, the relationship between the members of a household, their ages and any other factor that the Municipality considers to be relevant.
- 5.1.39 ***“Illegal connection”*** means a connection to any system through which a municipal service is provided and that is not authorized or approved by the Municipality.
- 5.1.40 ***“Indigent amount”*** refers to the applicable value of the indigent subsidy as determine by the Council of the Municipality from time to time.
- 5.1.41 ***“Indigent household”*** means a household with a total monthly income of not more than R 5 200.00 i.e. (two (2) times the monthly Government old age pension plus 30% rounded off to the next R 100.) excluding social grants.

- 5.1.42 **"Infrastructure"** means the facilities, installations or devices required for the rendering of a municipal service or for the functioning of a community including but not limited to facilities, installation or devices relating to water, power, electricity, transport, sanitation, gas and waste disposal.
- 5.1.43 **"Interest"** means a charge levied on all arrear accounts calculated at a rate of 1% higher than the prime interest rate and will be based on a full month where a part of a month shall also be deemed to be a full month.
- 5.1.44 **"Multiple purposes"** in relation to a property, means the use of a property for more than one purpose, subject to Section 9 of the Municipal Property Rates Act (Act 6 of 2004).
- 5.1.45 **"Municipal consumer debt"** refers to the non-payment or late payment by consumers of property rates and municipal services (water, electricity, sanitation, refuse removal) traffic fines and rental housing payments and includes any amounts considered as irrecoverable.
- 5.1.46 **"Municipal Property Rates Act"** means the Local Government: Municipal Property Rates Act, (Act No 6 of 2004).
- 5.1.47 **"Municipality"** means –
- (a) The Municipality of Bitou, a local Municipality established in terms of paragraph 12 of the Local Government: Municipal Structures Act, (Act No. 117 of 1998) and its successors-in-title; or
 - (b) Subject to the provisions of any other law and only if expressly or impliedly required or permitted by this Policy, the Accounting Officer or his/her delegated, in respect of the performance of any function, or the exercise of any duty, obligation, or right in terms thereof or any other law; or
 - (c) An authorized agent of the Municipality.
- 5.1.48 **"Municipal services"** for purposes of this Policy, means services provided by the Municipality, including refuse removal, water supply, sanitation, electricity services and rates either collectively or singularly.
- 5.1.49 **"Occupier"** means any person who resides on and/or occupies any premises to which municipal services are supplied.
- 5.1.50 **"Office bearer"** in relation to places of worship, means the primary person who officiates at services at that place of worship.
- 5.1.51 **"Official residence"** in relation to places of public worship means –

- (a) A portion of the property used for residential purposes; or
- (b) One residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer.

5.1.52 **"Owner"** refers to the definition as defined in the Property Rates Act.

5.1.53 **"Payment"** refers to any form of settlement acceptable to the Council of Bitou from time to time towards the balance on an account.

5.1.54 **"Person"** means –

- (a) Any natural person; or
- (b) Any legal entity or institution considered by law to have contractual capacity in its name and capacity to sue or be sued in a court of law, and includes but is not limited to –
 - (i) A private or public company established in terms of the Companies Act, 1973 (Act 61 of 1973), as amended from time to time;
 - (ii) A trust in terms of the Trust Property Control Act, 1988 (Act 57 of 1988);
 - (iii) The state or any of its organs as defined in Section 239 of the Constitution of the Republic of South Africa, 1996;
 - (iv) A Co-operative registered in terms of the Co-operatives Act, 2005 (Act 14 of 2005);
 - (v) A community-based organisation or voluntary association or any other non-governmental organisation or voluntary association with legal competence;
 - (vi) Governments of foreign countries and includes their Embassies occupying property within the Municipality's jurisdictional area;
 - (vii) A curator of an insolvent estate appointed in terms of the laws of South Africa;
 - (viii) An administrator of a deceased estate appointed in terms of the laws of South Africa; or

(ix) Such other person or legal entity, as the case may be, recognised by law;

5.1.55 **"Place of public worship"** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium; provided that the property is –

- (a) Registered in the name of the religious community;
- (b) Registered in the name of a trust established for the sole benefit of a religious community; or
- (c) Subject to a land tenure right.

5.1.56 **"Poor households"** means a household (including pensioners) which qualifies for financial assistance as determined by Council in this Policy.

5.1.57 **"Premises"** means 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 (Act No 9 of 1927) or in terms of the Deeds Registries Act, (Act No 47 of 1937);
- (b) A sectional plan registered in terms of the Sectional Titles Act, (Act No 95 of 1986); or
- (c) A register held by a tribal authority or in accordance with a sworn affidavit made by a tribal authority; and, where the text so requires, includes any building, structure or the like erected on such land.

5.1.58 **"Prescribed tariff or charge"** means a charge prescribed by the Municipality.

5.1.59 **"Principle debt"** means a debt that is owed to the Municipality in respect of property rates and services. It may include interest, collection charges, default administration charges, connection charges and any other charges.

5.1.60 **"Private Towns, Developments and/or complexes"** means properties where services such as water, electricity or sewerage networks and/or streets and open spaces has not been taken over by the municipality and a body corporate has been appointed by the individual owners to ensure sufficient levies are raised on the individual owners to cover these expenses.

5.1.61 **"Public Service Infrastructure Property"** refers to an organ of state that owns or controls that public service infrastructure as contemplated in the definition of "publicly controlled",

provided that a person will, for the purposes of the By-law, be regarded by the Municipality as the owner of a property in the following cases –

- (a) A trustee in the case of a property in a trust, excluding state trust land;
- (b) An executor or administrator in the case of a property in a deceased estate;
- (c) A trustee or liquidator in the case of a property in an insolvent estate or a property in liquidation;
- (d) A judicial manager in the case of a property in the estate of a person under judicial management;
- (e) A curator in the case of a property in the estate of a person under curatorship;
- (f) A person in whose name a usufruct or other personal servitude is registered where the property is subject to a usufruct or other personal servitude;
- (g) A lessee in the case of a property that is registered in the name of the Municipality and is leased by it;
- (h) A buyer in the case of a property that was sold by the Municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
- (i) In the case of property occupied by provincial or national government the relevant department of such government; or
- (j) In the case of property occupied by an embassy of a foreign country, then such embassy; or in the case of the Municipality being unable to establish the identity of such person, the person who is entitled to derive benefit from the property or any buildings thereon or his or her legally appointed representative.

5.1.62 **"Public notice"** means publication in the media including one or more of the following –

- (a) Publication of a notice, in at least two of the official languages in general use within the Province or area in question and, where possible, the notice shall be published in a newspaper appearing predominantly in the language utilised in the publication of the notice –
 - (i) In any local newspaper or newspapers circulating in the area of supply of the Municipality;

- (ii) In the newspaper or newspapers circulating in the area of supply of the Municipality determined by the Council as a newspaper of record;
- (iii) On the official website of the Municipality; or
- (iv) By means of radio broadcasts covering the area of supply of the Municipality;
- (a) Displaying a notice in or at any premises, office, library or pay-point of either the Municipality or of its authorized agent and to which the public has reasonable access; and
- (c) Communication with customers through public meetings and ward committee meetings.

5.1.63 **"Public service purposes"** in relation to the use of a property means property owned and used by an organ of state as –

- (a) Hospitals or clinics;
- (b) Schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) National and provincial libraries and archives;
- (d) Police stations;
- (e) Correctional facilities; or
- (f) Courts of law;

but excludes property contemplated in the definition of *"public service infrastructure"*.

5.1.64 **"Residential Property"** means a property included in a valuation roll in terms of Section 48(2)(b) of the Local Government Municipal Property Rates Amendment Act 2014 as residential in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 of the Municipal Property Rates Act (Act 6 of 2004); and which includes the following –

- (a) Used predominantly (60% or more) for residential purposes;
- (b) A unit registered in terms of the Sectional Titles Act, 95 of 1986, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional

Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker's quarters. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes); or

- (c) Owned by a share block company and used predominantly (60% or more) for residential purposes but will be considered as one Residential property as set out in Paragraph 5.1 of the Property Rates Policy;

5.1.65 **"Service"** means a municipal service rendered by the Municipality and includes the supply of electricity, water, sanitation and refuse removal.

5.1.66 **"Subsidised service"** means –

- (a) A municipal service which is provided to a customer at an applicable rate which is less than the cost of actually providing the service and includes services provided to customers at no cost;

5.1.67 **"Sundry debt"** refers to any debt other than for rates, housing, metered services, sanitation and refuse removal;

5.1.68 **"Supply"** means any metered supply of water or electricity;

5.1.69 **"Tariff"** means the levying of fees, rates or taxes for municipal services provided by the Municipality itself and that complies with the Municipal Systems Act, (Act no. 32 of 2000);

5.1.70 **"Tampering"** means the unauthorised interference with a service rendered by the Municipality, or to damage or make unauthorised changes to the equipment or property of the Municipality used in connection with the provision of Municipal services. Reconnection of a supply that has been disconnected for non-payment, the interference with the supply mains or bypassing of the metering equipment to obtain an un-metered service;

5.1.71 **"Tenant"** means any person other than the main family members described as a household, occupying the premises.

5.1.72 **"Total household income or household income"** refers to the total formal and informal gross income of all people living permanently or temporarily on the property on which the account is based.

5.1.73 **"Unauthorised service"** means the receipt, use or consumption of any municipal service which is not in terms of an agreement with or approved by the Municipality.

6. LEGISLATIVE FRAMEWORK

6.1 This Policy is designed and implemented with the framework of the following legislation:

- (a) The Constitution of the RSA, 1996;
- (b) The Municipal Systems Act, 2000 (Act 32 of 2000);
- (c) The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- (d) The Promotion of Administration Justice Act, 2000 (Act 3 of 2000);
- (e) The Promotion of Access to information Act, 2000 (Act 2 of 2000); and
- (f) The Property Rates Act 2000 (Act 6 of 2004).

6.2 The framework also covers the duties and functions of Council, Executive Mayor all councillors, Accounting Officer, municipal staff, communities, rates payers and residents.

7. CUSTOMER CARE

7.1 Objectives

7.1.1 To focus on the client's needs in a responsible and pro-active way, to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received, and the Municipality, and where applicable, any service provider.

7.1.2 In terms of Section 95 of the Local Government Municipal Systems Act 2000, in relation to the levying of property rates and other taxes by a Municipality and the charging of fees for municipal services, a Municipality must, within its financial and administrative capacity provide for the following as discussed in paragraphs 7.2 to 7.19 below.

7.2 Service delivery

7.2.1 Establish a sound Customer Management System that aims to create a positive and reciprocal relationship between persons liable for these payments and the Municipality itself.

7.3 Communication

- 7.3.1 Establish mechanisms for users of services and ratepayers to provide feedback to the Municipality or other service provider regarding the quality of the services and the performance of the service provider.
- 7.3.2 Take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which monies raised from the service are utilised.
- 7.3.3 Within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which may include targets for credit control and debt collection.
- 7.3.4 Make available Council's Customer Care, Indigent, Credit Control, Debt Collection, Indigent and Tampering Policy by general publication, on specific request, and which will also be available for perusal at the Municipality.
- 7.3.5 Endeavour to distribute a regular newsletter, which will give prominence to customer care and debt issues.
- 7.3.6 Require ward councillors to hold regular ward meetings, at which Customer Care and Debt Collection issues will be given prominence.
- 7.3.7 Encourage the press to give prominence to Council's Customer Care, Credit control, Debt Collection Indigent and Tampering Policies.
- 7.4 Personal contact
- 7.4.1 Telephonic contact, agents calling on clients –
- (a) The Municipality will endeavour, within the constraints of affordability and available capacity, to make personal, electronic or telephonic contact with certain arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigent subsidies, other related matters and will provide information on how and where to access such arrangements or subsidies; and
- (b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings may continue in the absence of such contact for whatever reason.

7.5 Metering

- 7.5.1 The Municipality will, endeavour, within practical and financial limits, to provide meters to every paying consumer for all services.
- 7.5.2 Where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems.
- 7.5.3 All meters will be read monthly, if at all possible. If the meter is not read monthly the Council will estimate the consumption in terms of Council's operational procedures.
- 7.5.4 Consumers are entitled to request verification of meter readings and accuracy within reason but may be held liable for the cost thereof.
- 7.5.5 Consumers will be informed of meter replacement.
- 7.5.6 If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the Municipality or its authorised agent, and the consumer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.
- 7.5.7 If an electricity meter cannot be read due to no access for six consecutive months, the meter may be replaced with a pre-paid meter at the cost of the owner.
- 7.5.8 The occupier can give the readings through email but at least every six months a true reading must be obtained by the meter reader.
- 7.5.9 In the case of holiday houses, average consumption will not be levied monthly. A true reading must be obtained by the meter reader at least 4 times a year where there is no smart meter.
- 7.5.10 If no reading on a water or electricity meter can be obtained for more than six consecutive months, the meter may be moved at the cost of the owner/tenant or smart meter to be installed at owner/tenant cost.

7.6 Accounts and billing

- 7.6.1 Consumers on the billing system will receive an understandable and accurate bill from the Municipality, which bill will consolidate all rates and service costs for that property.
- 7.6.2 Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.

- 7.6.3 Accounts will be rendered monthly in cycles of approximately 35 days at the address last recorded with the Municipality or its authorised agent.
- 7.6.4 It is the consumer's responsibility to ensure that the postal address and other contact details are correct.
- 7.6.5 It is the consumer's responsibility to make enquiries and ensure timeous payments in the event of accounts not received.
- 7.6.6 Settlement or due dates will be as indicated on the statement.
- 7.6.7 Where any payment is made to the Municipality or its authorized representative by negotiable instrument and it is later dishonoured by the bank, the Municipality or its authorized agent –
- (a) May recover an admin fee as determined by Council against the account of the consumer relating to dishonoured negotiable instruments or if used an incorrect reference when making EFT payments;
 - (b) Shall regard such an event as a default on payment; and
 - (c) May insist on cash payments for all future accounts.
- 7.6.8 The Municipality or its authorised agent must, if administratively possible, issue a duplicate account or any acceptable alternative to a consumer on request, at a cost determined by Council from time to time.
- 7.6.9 Where the municipality, through its processes discovers that a service has not been charged on a customer's account by error, due to the service not been activated or any other reason, the municipality may bill the service after having informed the customer retrospectively for up to three (3) years.
- 7.7 Payment facilities and methods
- 7.7.1 The Municipality will operate and maintain suitable payment facilities, which facilities will be accessible to all users.
- 7.7.2 The Municipality will, at its discretion allocate a payment between service debts. A consumer who has overdue debt, may not specify that the payment is for a specific portion of the account.
- 7.7.3 The Municipality may in terms of Section 103 of the Systems Act, with the consent of a consumer, approach an employer to secure a debit or stop order arrangement.

- 7.7.4 The consumer will acknowledge, in the consumer agreements that the use of consumer agents in the transmission of payments to the Municipality is at the risk of the consumer – also for the transfer time of the payment.
- 7.7.5 Postal orders must be crossed and be made payable to Bitou Municipality.
- 7.7.6 Payments will always be appropriated to the oldest account (notwithstanding the kind of service), where after it will be appropriated in order of a predetermined priority as approved by the Municipality.
- 7.7.7 Payments can be made:
- (a) At Bitou Municipal Revenue services offices from Mondays to Thursdays from 07h30 to 15h30 and from 07h30 to 13h00 on Fridays (closed on public holidays);
 - (b) At any of the Easy Pay, Pay@ Snap scan, Zapper, Spar and Post Office pay points as approved by Council. Please note that at least 48 hours should be allowed for processing of all third-party payments; However, payments made at a third party will be done at own risk. It also remains the responsibility of the person making the payment, to ensure that the receipt is correct;
 - (c) By direct Bank – and/or electronic payments to the Municipal bank account using Bitou Municipality as beneficiary. The Debtor’s Municipal services account number must at all times be used as the reference number; or
 - (d) By way of an automatic debit order. These forms are available at any of the Municipal Offices.

7.8 Enquiries, appeals and service complaints

- 7.8.1 Within its administration and financial ability, the Municipality will establish –
- (a) A central complaints/feedback office;
 - (b) A centralized complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with consumers;
 - (c) Appropriate training for officials dealing with the public to enhance communications and service delivery;
 - (d) A communication mechanism to give Council feedback on the application of the policies on customer care and management, credit control debt collection and other issues of concern;

- (e) Accessible mechanisms for those persons to query or verify accounts and metered consumptions, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts; and
- (f) Mechanisms to monitor the response time and efficiency in complying with the above points.

7.9 Water leakages – Non-indigent consumers

7.9.1 If the leakage is on the consumer's side of the meter, the consumer will be responsible for the payment of all water supplied to the property. The consumer has the responsibility to control and monitor his/her water consumption.

7.9.2 A consumer may qualify for a reduction in levy as determined by Council on his/her account in the event of a water leakage, if –

- (a) The leakage was underground or under the foundation of the building and not easily detectable;
- (b) The leakage was repaired after detection / notification by the Municipality;
- (c) The consumer submits a sworn affidavit by him/herself;
- (d) The consumer has not applied for discount on water leakages within the previous 12 months; and
- (e) An authentic certificate issued by a registered plumber must be submitted to the Municipality after completion of repairs done with respect to a water leakage and must contain the following –
 - (i) The date of the invoice and repair work as well as the receipt; and
 - (ii) Confirmation that surface leakage was not visible; or
- (f) If repairs were done by the consumer themselves, his/her sworn affidavit must be submitted to the Municipality after completion of repairs done with respect to a water leakage and must contain the following –
 - (i) The date of the invoice and repair work as well as the receipt and/or date stamped photos proving that the leak was underground and repaired by themselves;

(ii) That the reading has normalised; and

(iii) Confirmation that surface leakage was not visible.

7.9.3 Once the Accounting Officer declares that the Roodefontein dam volume has dropped to below 40%, no water charges in respect of water losses because of leakages will be reduced.

7.9.4 Water lost due to the meter being stolen, defective irrigation, broken geyser, leaking toilet or leaking tap cannot be considered for reduction.

7.9.5 Council will only allow a reduction up to the difference between the levied amount of the leakage and the recalculated amount calculated as follows –

- (a) The consumer's daily average consumption for the 1st month after the leakage was repaired will be used to do the recalculations.
- (b) The consumer's daily average billed consumption up to a maximum of six (6) months may be used to determine the correction to the consumer's account.
- (c) The consumer's account will be corrected by charging the usage above the average consumption at the second level tariff.

7.10 Leakages -Indigent consumers

7.10.1 If the leakage is on the indigent or poor household consumer's side of the meter, the consumer will be responsible for the payment of all water supplied to the property. The indigent or poor household consumer has the responsibility to control and monitor his/her water consumption.

7.10.2 An indigent or poor household consumer may qualify for a reduction as determined by Council on his/her account in the event of a water leakage, if –

- (a) The indigent or poor household consumer must log a call to report the leak and must repair and ensure the reading has normalised; and
- (b) The indigent or poor household consumer has not applied for discount on water leakages within the previous 12 months.

7.10.3 Council will only allow a reduction up to the difference between the levied amount of the leakage and the recalculated amount calculated as follows –

- (a) The consumer's daily average consumption for the 1st month after the leakage was repaired will be used to do the recalculations.
- (b) The consumer's daily average billed consumption up to a maximum of six (6) months may be used to determine the correction to the consumer's account.
- (c) The consumer's account will be corrected by charging the usage above the average consumption at the cost price per kilolitre for water.

7.11 Temporary suspension of actions for special reasons

- 7.11.1 The written approval of the Chief Financial Officer (CFO) or his/her delegate to temporary suspend actions must at all times be obtained for special reasons. If the suspension of actions in terms of this Policy exceeds 3 months, it must be reported to Council.

7.12 Restricted water

- 7.12.1 If a person is in arrears and his/her water has been restricted, such person should negotiate a settlement agreement to redeem the debts.
- 7.12.2 The water restriction however cannot be restored until the arrear debt is paid in full (unless payment arrangements are in place);
- 7.12.3 Once the account has been paid in full, the water flow can be restored.

7.13 Process regarding disabled persons or persons who are linked to a respirator or life supporting machine or old age people

- 7.13.1 All collection actions can be suspended where needed with the Chief Financial Officer or his/her delegated officials' consent.
- 7.13.2 A medical certificate to confirm the client's health condition must be obtained at regular intervals to qualify for this support.

7.14 Inheritor of an insolvent estate

- 7.14.1 Where the inheritor of a property, with no/or an insolvent estate, qualifies for an indigent subsidy, the outstanding debt can be written off by Council in order for clearance to be given and the property to be transferred.

7.15 Property Rates rebates

7.15.1 Subject to certain criteria the Municipal Council may grant rate rebates annually to certain categories of ratepayers in accordance with the Municipality's Property Rates Policy and By-law.

7.15.2 The following properties will be excluded from the payment of rates –

- (a) Properties of which the municipality itself is the owner;
- (b) ; (a) subject to paragraph (aA), on the first 30% of the market value of public service infrastructure;’ “(aA) on any property referred to in paragraphs (a), (b), (e), (g) and (h) of the definition of ‘public service infrastructure’
- (c) Rights registered against immovable property in the name of a person –
 - (i) *On property registered in the name of and used primarily as a place of public worship by a religious community, including the official residence registered in the name of that community, which is occupied by the office-bearer of that community who is, officiates at services at that place of worship in terms of Section 17(1)(i) of the Act;*
 - (d) *On the first R 15,000 of the market value of a property assigned in the valuation roll or supplementary valuation roll to a category determined as residential property or multiple used property provided that one or more component is used for residential purposes in terms of Section 17(1)(h);*
 - (e) *An additional R 335,000 of the valuation of domestic/residential property with property value up to R 350 000 (excluding accommodation establishments and vacant land) will be exempted from paying property rates.*
 - (f) Businesses including accommodation establishments 1-8 and accommodation establishments 9+ will be rated at business rates tariff.
 - (g) Properties registered or recognised as private nature reserves in terms of relevant legislation, which are not developed or used for commercial, business, agricultural or residential purposes in terms of Section 17(1)(e) of the Act.

7.15.3 Rebates granted in terms of Section 4 of the Property Rates Policy may be considered for the following categories of properties –

- (a) Market value of residential property below a determined threshold;
- (b) Retention and restoration of conservation worthy buildings; and

(c) Heritage areas

- 7.15.4 Over and above the determinations contemplated in Section 17(1)(h) of the Act owners of property who depend on pensions or social grants for their livelihood may qualify for a rebate as determined by Council's Indigent Policy.

7.16 Arrangements for settlements

- 7.16.1 If required, consumers with arrears must convert to a prepayment meter, and when implemented the cost of the conversion and the arrears total, will be paid off either by –

- (a) Adding the debt to the arrears bill and repaying it over the agreed period; or
- (b) Adding the debt as a surcharge (auxiliary) to the pre-paid electricity cost, and repaying it with each purchase of electricity until the debt is settled; or
- (c) Installation of pre-paid meter is free of charge if a person is indigent.

- 7.16.2 Council reserves the right to increase the deposit requirement of debtors who seek arrangements.

- 7.16.3 If an arrangement is not honoured the arrangement will be cancelled and the total outstanding amount becomes payable in full with any applicable disconnection fees.

- 7.16.4 All arrangements for settlements will be in accordance with the processes and guidelines approved by the Accounting Officer or Chief Financial Officer from time to time in pursuance of the credit control and debt collection targets set by Council.

7.17 Restriction of services

- 7.17.1 If the Accounting Officer, or his/her delegated authority, is of the opinion that the termination of services, in the case of a particular property in respect of which the account is in arrear, is not in the best interests of the community, specifically because of the potential endangerment of the life of any person, whether resident in or outside the property concerned, the Accounting Officer, or his/her delegated authority, may appropriately restrict rather than terminate the services in question.

7.18 Estate Account Collection

- 7.18.1 Estates with legal status –

- (a) The accounts of debtors who are declared insolvent or are under administration or deceased are dealt with according to normal legal practices by collection staff of the Municipality.
- (b) Unsuccessful claims must be submitted to Council for approval to be written off.

7.18.2 Estates without formalised legal status –

- (a) In numerous cases the head of a household has died without leaving a will indicating to whom ownership of the family residence is to be transferred upon the event of his or her death OR the owner of the property has abandoned his or her family to fend for themselves. As these exceptions are not provided for in the normal legal practice, the following process will be followed in such cases:
 - (i) The remaining family must report the situation to the Municipality's revenue services office, who will require the relevant documentation to be obtained by the family, i.e. a death certificate OR an order of the local magistrate allocating right of ownership to a member of the surviving family in the case of a deceased estate OR an order of the local magistrate allocating right of ownership to a member of the abandoned family
 - (ii) In all of these cases, extension for the payment of the arrears () as at the date of notification will be given by the debt collectors of the Finance Department. Disconnected electricity will also be reconnected and the remaining family will be expected to pay all amounts levied on monthly current accounts in excess of the amount of the extension until such time as the matter has been finalised. This will prevent any further service restrictions or collection actions at the residence while the family are legalising ownership of the property.

They will also instruct the appointed responsible person to make an arrangement for the payment of the arrears to prevent credit control and collection action by the Municipality. Alternatively, if the family qualifies to be registered for assistance in terms of the Municipality's Indigent Policy, they must apply for it. After registration, their arrears can be dealt with in terms of the Policy. Child headed families, where the parents are deceased and there are only unemployed minor children living in the dwelling, may qualify for the debt being written off.

In the event of the death of a member of an indigent household, the municipality may exempt the household from the cost of digging and preparation of a grave, provided that the burial takes place in a municipal cemetery. The affected household has to apply for above benefit.

- (iii) Unsuccessful claims must be submitted to Council for approval to be written off.

8. CREDIT CONTROL

8.1 Specific objectives

- 8.1.1 To implement procedures that will restrict the unauthorised use of municipal services, escalation of debt and limit the Municipality's risks.

8.2 Application for Municipal Services

- 8.2.1 All consumers of services will be required to sign an agreement governing the supply and cost of Municipal services.
- 8.2.2 The process must occur at least seven days prior to taking occupation of the premises, so that the Municipality can ensure that a meter reading is taken on the appropriate day and that the 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.
- 8.2.3 Applicants for municipal services may be checked for creditworthiness including banking details and information from credit bureaus, other local authorities, trade creditors and employers. This will require the provision of, an Identity Document, binding lease agreement, title deed and other supporting documents as required by Council from time to time.
- 8.2.4 An applicant must provide all the information and documentation which the Municipality requires.
- 8.2.5 If an applicant for Municipal service is an existing customer of the Municipality in respect of any other municipal service and such customer has an outstanding amount that is due and payable to the Municipality –
 - (a) The arrears must be paid on this property or any other property within the municipal boundaries; or
 - (b) An agreement for payment of arrears must be concluded with the Municipality before an application for services can be approved.
- 8.2.6 If a consumer fails or refuses to sign a new service agreement or pay the deposit, the Municipality may discontinue services until the necessary agreement has been signed and/or deposit been paid.

8.2.7 The Municipality will render the first account after the first meter reading cycle to be billed following the date of signing the service agreement.

8.2.8 Consumers who illegally consume services without this agreement will be subject to punitive action.

8.3 Property Developments

8.3.1 A property developer must inform the Municipality of the nature and extent of the municipal services or services that will be provided as well as the measuring devices that will be used.

8.3.2 A property developer who fails to comply with the provisions of paragraph (a) shall be liable for the payment of all the applicable charges that would have been payable by customers in respect of municipal services that have been used or consumed by such customers.

8.4 Termination of Services

8.4.1 It is the responsibility of the consumer to notify the Municipality when municipal services are no longer required due to the sale of the property or other reasons.

8.4.2 Failure to comply with the provision of paragraph (a) above renders the consumer liable for all service charges and interest thereon accumulated from the date when the premises are vacated to the date when Council becomes aware of such vacation.

8.4.3 A customer shall remain liable for all arrears and applicable charges that are payable for Municipal services rendered prior to the termination of an agreement.

8.4.4 An owner may request for the disconnection of services where the meters are on his name, under the following conditions –

(a) The meter must be removed from the property by our Technical Department;

(b) Availability will be charged; and

(c) Normal new connection fees and procedures will be applicable for reconnection.

8.5 Payment of a Deposit

8.5.1 Every consumer must, on application for the provision of Municipal services pay a deposit to the Municipality, prior to the provision of any Municipal services. A minimum deposit will be payable equal to the amount determined by Council from time to time.

- 8.5.2 The Council may require a consumer to whom services are provided and who was not previously required to pay a deposit, for whatever reason, to pay a deposit on request, within a specified period.
- 8.5.3 The Council may from time to time review the sum of money deposited by a consumer in terms of this Section and, in accordance with such review require that an additional amount be deposited by the consumer. The deposit will also be reviewed where any change in service connection is done. This adjustment will be in line with the amount determined by council for that specific financial year.
- 8.5.4 The Municipality shall give the owner or occupier of the premises, where Municipal services are rendered reasonable notice of any increase of the deposit.
- 8.5.5 An amount deposited with the Municipality in terms of this paragraph shall not be regarded as being in payment or part payment of an account due for services rendered except in the case of a final account where the final amount will first be cleared before the remaining portion of the deposit can be paid back.
- 8.5.6 No interest shall be payable by the Municipality on the amount of a deposit held by it in terms of this paragraph.
- 8.5.7 An agreement for the provision of services may contain a condition that a deposit shall be forfeited to the Municipality or its authorised agent if it has not been claimed within twelve months of the termination of the agreement.
- 8.5.8 Only on the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the consumer or transferred to any other outstanding account of the client.
- 8.5.9 For any changes to a connection type, the deposit will be adjusted in accordance with the approved tariff list.
- 8.5.10 In case of lowering of amps or supply, the deposit will not be adjusted on the municipal account.
- 8.5.11 Any inactive deposit that is correctly recognised in the financial statements as payable and has not been claimed back within a period of three years after the service has been delivered completed or finalised, will be forfeited –
- (a) The only exception to this is when a block booking has been made and the deposit is carried over for the next booking. This is only applicable within a financial year. The deposit must be repaid and revised at the beginning of a new financial year.

- (b) A request for repayment of an inactive deposit after the three-year period can be made after which the CFO will consider each case on its own merit.

8.5.12 Commercial, Business and Industrial –

- (a) Deposits for businesses will be levied according to twice the highest bill during the previous 12 months for similar businesses or the deposit as specified in the tariff list, whichever is the highest.
- (b) New connections at new extensions of businesses will be as specified in the tariff list for the current financial year.

8.5.13 Payment of a deposit is not applicable to properties where the property has been identified as an indigent household.

8.5.14 For any changes requested on the connection type the deposit will be adjusted accordingly and in accordance with the current approved tariff list. All outstanding debt on this premises or any other property of the consumer must be paid in full. The deposit will not be decreased with the lowering of amps or supply.

8.6 Recovery of Additional Costs

8.6.1 The Municipality may, in addition to any charge, tariff, levy or payment of any kind referred to in this Policy, recover from a customer any reasonable costs incurred by it in implementing this Policy, including all legal costs, including attorney and client costs incurred in the recovery of arrears which shall be debited against such customer as arrears in his/her account.

8.7 Payment for Municipal Services Provided

8.7.1 A customer shall be responsible for the payment of all Municipal services accounts rendered to him/her from the commencement date of the agreement until the account has been paid in full and the Municipality shall be entitled to recover all payments due to it from the customer concerned.

8.7.2 Payments will always be appropriated to the oldest account (notwithstanding the kind of service), where after it will be appropriated in order of a priority as determined by the Municipality.

8.7.3 If a customer uses a Municipal service for a use other than that for which it is rendered by the Municipality in terms of an agreement and if he is charged an amount lower than the applicable prescribed charge, the Municipality may alter the amount so charged and recover from him/her the difference between the altered charge and the amount initially

charged to him/her.

- 8.7.4 Discontinuation of services and rendering of a final account will always be between two debit raisings. Thus, any request for discontinuation of services (or if on a weekend or public holiday the first working day thereafter) will only be finalised with the next debit raising of the following month and the basic charges for that period will be payable. The charges will be pro rata divided as per the date of transfer.
- 8.7.5 The basic fee for water and/or electricity will only be levied on accounts with active meters or active tariffs. This is to ensure that the basic fee is not duplicated where one consumer vacates a property and a new consumer moves in. For example, if a final account is requested during a period as mentioned above, the meter will stay active until the following debit raising when the account will be finalised and transferred to the new consumer. Although the new consumer will be liable for the water usage from date of the final reading the basic fee will only be levied from the following debit raising when the meter becomes active on the new account.
- 8.7.6 “Full and final settlement” of an amount: Where an account is not settled in full, any lesser amount tendered to and accepted by the Municipality shall not constitute a full and final settlement of such an account despite the fact that the payment was tendered in full and final settlement unless the Accounting Officer or his/her nominee or the manager of the Municipality's authorized agent expressly accepts such payment in writing as being in full and final settlement of the amount reflected on the relevant account.
- 8.7.7 Responsibility for payment of amounts due and payable –
- (a) Notwithstanding any other provision in this Policy, an owner of premises shall be liable for the payment of any amount that is due and payable to the Municipality by a customer who is a lessee or occupier of such premises to which municipal services have been provided, if the Municipality, after having taken reasonable steps to recover from such customer any amount due and payable by him/her, could not do so.
 - (b) Sub-Paragraph (a) must not be construed as absolving the Municipality from its responsibility to collect outstanding amounts in respect of Municipal services provided to premises from the customer who has benefited from it.
- 8.7.8 Dishonoured payments –
- (a) If the payee or the consumer is an existing consumer of Council, the reversal and penalty fee may be debited to an account of the drawer or beneficiary.
 - (b) If the consumer who received value from the payment is not an existing debtor of

Council, a sundry debtor account is opened and the debit and penalty is raised. Once the account is submitted and the debtor fails to honour the payment including the penalty within 14 days of receipt, a final demand is generated and submitted.

- (c) If the debtor who received value from the payment is an existing debtor of Council, the reversal and penalty fee may be debited to an account of the drawer or beneficiary and a letter of notification must be sent to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor. Council reserves the right to institute legal action which may include criminal charges against the offender.

8.7.9 The Council may, by resolution, approve incentive schemes to encourage prompt payment of charges for services rendered and to reward customers who pay their accounts regularly and on time.

8.7.10 The aforementioned incentive schemes may include the conclusion of a written agreement with the employer of a customer in terms of which such employer undertakes to deduct outstanding rates and service charges or to settle regular monthly accounts, through deductions from the relevant customer's salary or wages,

8.7.11 Pay points and payment methods –

- (a) A customer must pay his account at pay points specified by the Municipality or by an approved agent of the Municipality.
- (b) The Municipality will inform customers of the location of specified pay-points and the identity of approved agents who may receive payments on its behalf in respect of services rendered to customers.
- (c) Subparagraphs (a) and (b) must not be construed as prohibiting a customer from paying amounts due to the Municipality or its authorized agent by means of electronic payment methods provided that the date of receipt of a payment shall be the date such payment appears on or is reflected in the banking account of the Municipality.

8.8 Payment of Interest

8.8.1 Except where expressly provided to the contrary in this Policy, the Municipality will levy interest on all arrear accounts at a rate of prime plus 1%.

8.8.2 Interest on arrear debt shall be calculated for each month for which such payment remains unpaid and part of the month shall be deemed to be a month.

8.8.3 The interest that is payable cannot exceed the capital amount that is owed by the

consumer.

8.9 Accounts and Billing

- 8.9.1 The Municipality shall provide every person liable to pay for Municipal services assessments rates and taxes with an account in respect of every property for which that person is liable and all services rendered in respect of that property at the address last recorded with the Municipality.
- 8.9.2 The municipality will charge all service charges and basic charges in respect of a sectional title development, other development, private town or complex on the body corporate account for the number of units and only property rates will be billed against owners accounts
- 8.9.3 Failure by the Municipality to render an account does not relieve a consumer of the obligation to pay any amount due and payable. The onus shall be on the consumer to obtain a copy of the account before the due date.
- 8.9.4 If no account has been received before the 7th of a month, a copy should be obtained from the Municipality. The account must at all times be produced when payments are done or enquiries are made. The request of copies of monthly accounts for a whole financial year, will be provided through email.
- 8.9.5 An account rendered by the Municipality for services provided to a consumer shall be paid not later than the last date for payment specified in such account which date will not be more than 21 days after the date of the account.
- 8.9.6 Accounts will be rendered on a monthly basis in cycles of about 35 days and shall be payable on the due date as indicated on the account.
- 8.9.7 Payments shall be deemed to be late unless received on or before the due date as determined by the Municipality. Electronic payments and payments made through agents must be received in a Municipal bank account by the close of business on the due date.
- 8.9.8 The Municipality may consolidate any separate accounts for the municipality will –
- (a) Consolidate any separate accounts of a person(s) or entity liable for payments to the municipality.
 - (b) Credit a payment by such a person against any account of that person.
 - (c) Implement any of the debt collection and credit control measures provided for in this Policy in relation to any arrears on any of the accounts of such a person.

- (d) Subsection (a) to (c) above does not apply where there is a dispute between the Municipality and a person referred to in that subsection concerning any specific amount claimed by the municipality from that person.

8.9.8 Accounts must contain at least the following –

- (a) The consumption or estimated consumption of water and electricity;
- (b) Property rates and services; and
- (c) Interest and arrears.

8.9.9 Accounts may be accompanied by a notice stating that –

- (a) Legal action may be instituted against any consumer for the recovery of any arrear amount in terms of the Policy contained herein;
- (b) The defaulting consumer's name may be listed with a credit bureau or any other equivalent body as a defaulter; and
- (c) The account may be handed over to a debt collector for collection.

8.10 Disputes, Queries and Complaints

8.10.1 In this Section “Dispute” refers to when a consumer questions the correctness of any account rendered by the Municipality to such consumer and the consumer lodges an appeal with the Council in accordance with this Section. A consumer may lodge a query or a complaint in respect of any amount that is due and payable by him/her before or on the due date for payment specified in the account concerned or as soon as reasonably possible thereafter.

8.10.2 In order for a dispute to be registered with the Municipality, the following procedures must be followed:

(a) By the Consumer

- (i) The consumer must submit the dispute in writing to the Customer Care Unit of the Municipality before or on the due date for payment specified in the account concerned or as soon as reasonably possible thereafter;

- (ii) It must clearly state that it is a dispute;
- (iii) No dispute will be registered verbally whether in person or over the telephone;
- (iv) The consumer must furnish his full personal particulars including the account number, direct contact telephone number, fax, e-mail addresses and any other relevant information as may be required by the Municipality;
- (v) The full nature of the dispute must be described in the correspondence referred to above;
- (vi) The onus will be on the consumer to ensure that he receives a written acknowledgement of receipt of the dispute from the Municipality; and
- (vii) In the interim the debtor must pay the average normal amount that the debtor paid monthly before the dispute until the matter is resolved.

(b) By the Council

On receipt of the query or dispute, the following actions are to be taken –

- (i) All incoming queries or disputes must be registered on the Collaborator system and a reference number obtained.
- (ii) A written acknowledgement of receipt of the dispute must be provided to the consumer within 7 days.
- (iii) Within 14 days after receipt of a query it must be answered via e-mail, telephonically or by normal mail depending on the contact details available.
- (iv) If the client is not satisfied with the reply or the corrective actions regarding the query and a formal written dispute is received, the authorised official must ensure that the dispute is taken to the Chief Financial Officer for a final decision.
- (v) The Municipality should not institute enforcement proceedings against the consumer for an amount or an account entry that is in dispute until it has resolved the dispute.
- (vi) All investigations regarding disputed amounts must be concluded by Council's Chief Financial Officer or his/her delegate within 21 calendar days from receipt thereof.
- (vii) The consumer shall be advised in writing of the findings.

8.11 Appeals against Findings

8.11.1 A consumer may, in writing, appeal against a finding of the Municipality.

- 8.11.2 An appeal shall be in writing and shall clearly state that it is an appeal, set out the reasons for the appeal and be lodged with the Accounting Officer within 21 days from the date the consumer was advised of the findings of the dispute investigation.
- 8.11.3 An appeal must be decided by the Council of the Municipality at its first ordinary meeting held after the appeal was lodged.
- 8.11.4 The decision of the Council shall be final and the consumer must pay any amounts due and payable in terms of such decision within 14 days from the date of the letter of him/her being advised of the Council's decision.
- 8.11.5 The Council may, in its sole discretion, condone the late lodging of an appeal or other procedural irregularity.
- 8.11.6 If the consumer is not satisfied with the outcome of the appeal, he/she may, under protest, pay the amount in dispute and redress his/her action in a court of law.
- 8.12 Agreement for the Payment of Arrears in Instalments
- 8.12.1 The offer by the consumer to payment arrangements for arrear amounts plus accrued interest thereon shall be embodied in a written agreement signed by the parties. The aforesaid agreement shall include an acknowledgement of debt signed by the consumer and a copy of the agreement shall be made available to the consumer.
- 8.12.2 The Municipality may, on an individual basis, allow a longer period than twenty-four months for the payment of arrears if special circumstances prevail that, in the opinion of the Head: Income, warrants such an extension and which the consumer reasonably could not prevent or avoid. Documentary proof of any special circumstances must be furnished by the consumer on request by the Municipality.
- 8.12.3 In concluding an agreement with a consumer, the arrangement criteria referred to in other sections of this policy shall be applied and, as far as possible, be incorporated into the agreement referred to in this Section.
- 8.12.4 The Municipality may, in exercising its discretion have regard to a consumer's –
- (a) Credit record;
 - (b) Consumption;
 - (c) Level of service;
 - (d) Previous breaches of agreements for the payment of arrears in instalments; and

(e) Any other relevant factors.

8.12.5 Should a consumer fail to comply with an agreement for the payment of arrears in instalments, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, costs incurred in taking relevant action, and penalties, including payment of a higher deposit, will immediately be due and payable, without further notice or correspondence.

8.12.6 A consumer may, in the sole discretion of the Manager: Income, be allowed to enter into a new agreement for the payment of arrears in instalments where that consumer has failed to honour a previous agreement for the payment of arrears in instalments, entered into after the receipt of a discontinuation notice. In the event of such further agreement been permitted, then the arrangements mentioned in 9.4(f) below shall be applied to such consumer on the basis of primary arrangements.

8.12.7 Where a body corporate is responsible for the payment of any arrear amount to the Municipality in respect of a sectional title development, other development, private town or complex the liability of the body corporate shall be extended to the members thereof, jointly and severally and the agreement shall reflect this status accordingly.

8.12.8 A copy of the agreement will, on request, be made available to the consumer.

8.12.9 If water is already restricted, the restriction cannot be restored until the arrear debt is paid or a payment arrangement is entered into in terms of this Policy.

8.13 Unauthorised Reconnection of Water/Electricity Supply Tampering

8.13.1 The unauthorised reconnection of or tampering with a service supply is prohibited and shall constitute a criminal offence that will result in legal action being taken against the person responsible for such unauthorised reconnection or tampering. Where this happens, the service reconnected without authorisation or tampered with will be effectively disconnected.

8.13.2 The full amount of arrears plus any unauthorised consumption, and any applicable reconnection tariffs, interest and increased deposit will be payable prior to reconnection. Should exceptional circumstances exist, adequate payment arrangements may be permitted at the discretion of the Accounting Officer in consultation with the Chief Financial Officer.

8.13.3 Tampering at indigent/subsidy household will be handled the same as with normal households.

8.14 Unoccupied Premises

- 8.14.1 When a consumer terminates a services agreement and no new service agreement is entered into with the Municipality, the property shall be deemed to be unoccupied.
- 8.14.2 Whenever water and/or electricity consumption is recorded at a property that is deemed to be unoccupied, an account will be raised and forwarded to the owner of the property for payment. A written notice in this regard will also be mailed to the owner.

8.15 Installation of Prepaid Meter

- 8.15.1 If required consumers with arrears must convert to a pre-payment meter, and the arrears total, will be paid off either by –
- (a) Adding the debt to the arrears bill and repaying it over the agreed period; or
 - (b) Adding the debt as a surcharge (auxiliary) to the pre-paid electricity cost and repaying it with each purchase of electricity until the debt is liquidated.
- 8.15.2 The first installation of pre-paid meter is free of charge for indigent and subsidised households; however, this is not applicable for more than one meter per property.
- 8.15.3 The cost of the conversion must first be paid before the actual conversion can be done.
- 8.15.4 Cancellation of prepaid electricity tokens with a value of R500 or more, must first be inspected before cancellation of the token.

8.16 Allocation of Prepaid Purchases to Arrears

- 8.16.1 The Municipality will use its pre-payment system to –
- (a) Link the provision of electricity by the Municipality to a "prepayment" system comprising, first prepaid kWh electricity;
 - (b) Raise and recover payments in respect of arrear municipal taxes and other municipal levies, tariffs and duties in respect of services such as water, refuse removal and sanitation via a percentage as determined by Council, of the value of units purchased for electricity allocated to any arrears at the following ratio: 50/50; and
 - (c) To enforce satisfactory arrangements with consumers in arrears by blocking the prepaid meter in order to prevent purchasing of electricity and also enforce the consumer to enter into a service agreement with council and pay the necessary fees as per the Policy.

8.16.2 Pre-paid electricity tokens must be inserted into the meter within three months after the purchase date as the tokens can expire after three months and no refund or replacement of the tokens are allowed.

8.17 Right of Access

8.17.1 An authorised representative of the Municipality must, at all reasonable hours, be given unrestricted access to the consumer's premises in order to read, inspect, install or repair any meter, service or service connection for reticulation, or to disconnect, reconnect, stop or restrict the provision of any service.

8.17.2 The owner will be responsible for all the cost associated with the relocation of a meter if satisfactory access is not possible.

8.18 Employer Deductions

8.18.1 The Council may, enter into a written agreement with any employer within the Council's area of jurisdiction to deduct outstanding rates and service charges or to settle regular monthly accounts through deductions from salaries or wages of its employees.

8.19 Property Rates

8.19.1 Property rates (and other annual levies)

- (a) Where rates, sanitation and availability fees (on vacant erven) are paid on a monthly basis or annually, such payment must be made by the due date for payment. Failing this, interest at the standard rate of prime plus 1%, will be levied on the outstanding amount.
- (b) If an account is not paid by the due date as displayed on the account, a notice shall be issued showing the total amount owed to Council.
- (c) If an account is not settled or there is no response from the consumer to make acceptable arrangements to repay the debt, summons may be issued and the legal process followed.
- (d) At any stage while the debt is outstanding, all reasonable steps shall be taken to ensure that the ultimate sanction of a sale-in-execution is avoided or taken only as a last resort. The Council, however, has total commitment to a sale-in execution should the consumer fail to make use of the alternatives provided for by the Council from time to time.

- (e) All rate payers will be placed on the monthly rates payment arrangement, but on application can be changed to an annual rates payment.

8.19.2 Monthly Rates

- (a) Interest will be charged on all overdue accounts at an interest rate of Prime plus 1%;
- (b) The monthly amount payable for current annual rates will be calculated to allow the total balance of such amount to be paid in equal instalments by the end of that financial year.

8.19.3 Rates Clearance Certificate

- (a) With the sale of a property within the municipal jurisdiction the council shall withhold rates clearance certificate until all rates, services and sundry costs attached to the property is paid and an amount equal to four months' rates and service charges will be collected in advance as part of the rates clearance process. The rates clearance remains valid for 60 days from the date of issuing.

8.19.4 Persons and Businesses Who Tender to the Municipality

- (a) The Procurement Policy and Tender Conditions of the Municipality will include the following –
 - (i) Reject any bid from a bidder 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, unless a suitable arrangement has been made between the supplier and the Bitou municipality that the total amount in arrears be recovered directly from the suppliers Invoice during the contract period.

9. **DEBT COLLECTION**

9.1 Objective

- 9.1.1 To provide procedures and mechanisms to collect all the monies due and payable to Council arising out of the supply of services and any levies, in order to ensure financial sustainability and delivery of Municipal services in the interest of the community.

9.2 Disconnection / Restriction of Services

- 9.2.1 Consumers who are in arrears with their Municipal account and who have not made

arrangements with the Council will have their supply of electricity and water, and other Municipal services, suspended, restricted or disconnected.

- 9.2.2 Council reserves the right to deny or restrict the sale of electricity to consumers who are in arrears with their rates or other Municipal charges.

9.3 Restoration of Services

- 9.3.1 Upon the liquidation of arrears, or the conclusion of an acceptable arrangements for term payment, the service will be reconnected as soon as conveniently possible.

9.4 Discretion: Negotiable Amounts

- 9.4.1 Discretion in terms of the agreement amounts as per this Policy is delegated to the Chief Financial Officer with the right to sub-delegate.

- 9.4.2 Officials with delegated powers may use discretion as a final tool by which decisions can be made in accordance with this Policy.

- 9.4.3 At all times, and at all levels, discretion will only be used so as to apply the principles embodied in the Policy and to ensure that some form of payment acceptable to Council is forthcoming from negotiations with the consumer.

9.5 Arrangements

9.5.1 Principles for Residential Debtors

- (a) Notwithstanding that all debts should be treated the same, certain categories of debt may be subject to category specific repayment parameters.
- (b) Current charges must be paid in full and cannot be negotiated.
- (c) The consumer may be required to prove levels of income and must agree to a monthly payment towards arrears based on his ability to pay or based on his total liquidity if Council so requires.
- (d) All negotiations with the consumer should strive to result in an agreement that is sustainable and is most beneficial to Council.
- (e) Debtors, excluding housing debtors, who default on two occasions in respect of arrangements made, will be denied the privilege of making further arrangements and the full amount becomes due and payable.

- (f) All arrangements should be subject to periodic review.
- (g) All services may be disconnected or restricted and legal action will be taken against consumers as provided for in this Policy and/or such debt may be referred to third party debt collectors, for recovery.

9.5.2 Arrangement Criteria for Residential Debtors

- a) All consumers who are in arrears and apply to make arrangements to reschedule their debt will, be obliged to make the following minimum payment requirements at the time of entering into such arrangement –
 - (i) Current account plus the cost of credit control actions;
 - (ii) A monthly instalment which will liquidate the arrear amount plus accrued interest thereon within a period of 36 months at the discretion of the Manager Income. The below table to be used as guide:

Household income	Debt R 2 001 – R 5 000	Debt R 5 001 – R 10 000	Debt above R 10 000
Up to R 10 000	12 months	24 months	36 months
More than R 10 000	8 months	18 months	24 months

9.5.3 Arrangement Criteria for Indigent Debtors

- a) Indigent debtors who are in arrears of R500 and above may enter into an arrangement for a maximum period of 6 months.
- b) Debt less than R500.00 will be loaded on Auxiliaries on electricity prepayment system on a 50:50 arrears collection ratio.

9.5.4 Arrangement Criteria for Non-Residential Debtors

- (a) Non-residential debtors may make arrangements to liquidate their arrears where it would be financially beneficial to the Council for them to do so.
- (b) The final decision to make these arrangements will rest with the Chief Financial Officer with the authority to sub-delegate.

9.6 Listing of Debtor with Credit Bureau

- 9.6.1 Where an account rendered to a consumer remains outstanding for more than 60 days –
- (a) The defaulting consumer's name may, at the option of the Municipality, be listed with a credit bureau or any other equivalent body as a defaulter; and
 - (b) May be handed over to a debt collector or an attorney for collection.

9.7 Termination, Limitation and Discontinuation of Services

- 9.7.1 A consumer may terminate an agreement for the provision of services by giving to the Municipality not less than seven days' notice in writing of the consumer's intention to do so.
- 9.7.2 The Municipality may, after having given notice, terminate an agreement for services if a consumer has vacated the premises to which such agreement relates.
- 9.7.3 The Municipality may, subject to the conditions contained in this Policy, limit or discontinue services provided in terms of this Policy –
- (a) On failure by the consumer to pay the prescribed tariffs or charges on the date specified and after the final demand referred to in this Policy has been issued and there has been no response from the consumer.
 - (b) On the failure of the consumer to comply with the provisions of any agreement entered into with the Municipality in terms of this Policy.
 - (c) On failure by the consumer to comply with any other provisions of this Policy and after due notice has been given to the consumer.
 - (d) If the agreement for the provision of services has been terminated and the Municipality has not received an application for subsequent services to the premises after a period of 30 days of such termination, transfer the services to the account of the owner. After 3 months, a deposit will be levied on the owner's account.
 - (e) If the building on the premises to which services were provided has been demolished.
 - (f) If the consumer has interfered with a limited or discontinued service; or
 - (g) Obstructs the efficient supply of electricity, water or any other municipal services to another customer.

- (h) Supplies such municipal service to a consumer who is not entitled thereto or permits such service to continue.
- (i) Causes a situation, which in the opinion of the Municipality is dangerous, or a contravention of relevant legislation.

9.7.4 The deposit of any defaulter may be adjusted and brought into line with relevant policies of Council.

9.7.5 The cost of the restriction or disconnection and the reconnection, will be payable as per the tariffs approved by Council.

9.7.6 The Municipality will not be liable for any damages or claims that may arise from the limitation or discontinuation of services provided in terms of this Section.

9.8 Services Not Reconnected or Reinstated

9.8.1 If services have been terminated or restricted in the case of a property in respect of which the account is in arrear, and the accountholder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the Accounting Officer for the payment of the arrear account, including the interest raised on such account, within a period of 28 (twenty eight) calendar days after the date of termination or restriction of the service(s) concerned, the Accounting Officer or the Municipality's Debt Collection Agent can forthwith proceed with legal collection actions and such further action as is deemed necessary.

9.8.2 Such further action shall include, if necessary, the sale in execution of such property to recover arrear property rates and service charges (if the accountholder is also the owner of the property). All legal expenses incurred by the Municipality shall be for the account of the defaulting accountholder.

9.9 Notices and Documentation

9.9.1 An order, notice or other document issued by the Municipality in terms of this Policy shall be deemed to be duly authorised by the Council of the Municipality if signed by the Accounting Officer or by a duly authorised employee of the Council.

9.9.2 Any notice or other document served on a person by the Municipality in terms of any other legislation is regarded as having been served by –

- (a) Delivering the notice to him/her personally or to his duly authorised agent; or
- (b) Delivering the notice at his residence or place of employment to a person apparently

not less than sixteen years of age and apparently residing or employed there.

- (c) If he has nominated an address for legal purposes, by delivering the notice to such an address; or
- (d) If he has not nominated an address for legal purposes, delivering it to the address given by him/her in his application for the provision of water services, for the reception of an account for the provision of water services.
- (e) Sending it by pre-paid registered or certified post addressed to his last known address.
- (f) In the case of a body corporate, by delivering it to the registered office or the business premises of such a body corporate.
- (g) If service cannot be effected in terms of the aforesaid subsections by affixing it to the principal door of entry to the premises or displaying it on a conspicuous place.

9.9.3 In the case where compliance with a notice is required within a specified number of working days, such period shall be deemed to commence on the date of delivery or sending of such notice.

9.9.4 Delivery of a copy of the document shall be deemed to be delivery of the original.

9.10 Legal Processes / Use of Attorneys / Use of Credit Bureaus

9.10.1 The Accounting Officer may, when a debtor is in arrears for a period of more than 60 days, commence legal process against that debtor, which process could involve final demands, disconnections, restrictions, summonses, judgements, execution of loose assets, garnishee orders and as a last resort, sales in execution of property.

9.10.2 The Accounting Officer will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from outside parties, be they attorneys or any other collection agents appointed by Council.

9.10.3 Council will establish procedures and codes of conduct where external service providers have been appointed to collect outstanding debtors.

9.10.4 Emolument Attachment order, in the case of employed debtors, are preferred to sales in execution, but both are part of Council's system of debt collection procedures.

9.10.5 All steps in the consumer care and credit control procedure will be recorded for Council's records and for the information of the debtor.

- 9.10.6 Individual debtor accounts are protected and are not the subject of public information. However, Council may release debtor information to credit bureaus.
- 9.10.7 Council may consider the cost effectiveness of the legal process and will receive reports on relevant matters.
- 9.10.8 Council may consider the use of agents as service providers and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers; and will be closely monitored by Council.

10. INDIGENT, SENIOR CITIZENS AND PEOPLE WITH DISABILITY

10.1 Objectives of this Policy

10.1.1 The objective of this Policy is to –

- (a) Determine the criteria for qualification of indigent and poor households;
- (b) Ensure that the criteria are applied correctly and fairly to all applicants;
- (c) Allow the Municipality or its authorised agent to conduct in local visits to the premises of applicants to verify the actual status of the household;
- (d) Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies;
- (e) Ensure the provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council; and
- (f) Ensure the provision of procedures and guidelines for the subsidisation of basic service charges to indigent households.

10.2 Principles of this Policy

- 10.2.1 The administrative integrity of the Municipality must be maintained at all costs. The democratically elected Councillors are responsible for making the Policy, while it is the responsibility of the Accounting Officer to ensure the execution of this Policy.
- 10.2.2 All applicants qualifying for an indigent subsidy, must complete an official application form,

which is to be submitted together with the supporting documents as specified in this Policy.

10.3 Criteria for Indigent or Poor Households

10.3.1 Indigent Income Households

- (a) To qualify as an Indigent Income Household, a household must comply with the following criteria –
 - (i) For an Indigent subsidy the verified gross household monthly income, may not exceed the sum of two times the amount of Government old age pensions plus 30% rounded up to the next R 100 or lesser amount as may be determined in the Council approved tariff structure from time to time.
 - (ii) The registered indigent must be the full-time occupant of the property concerned.

Owners may only qualify for one property/household. Should the indigent household's owner/s of a property have another property registered in his/her name/s; the owner will not qualify for indigent subsidy on the property not occupied by the owner. The occupants of the second property may, subject to the provisions of paragraph 10.6.7 qualify for the full indigent subsidy or alternatively receive only 50 kWh units of free electricity and 6 kl of free water per month if they meet the criteria of being registered as an indigent household. 10.3.1 Tenants application on property owned by Municipal or Government Employee or any Organ of State

10.4 Application for Indigent Income Households

10.4.1 The applicant must apply in person at the Municipal Finance Offices on the prescribed application form. The following items must accompany the application –

- (a) The latest municipal account of the household;
- (b) Certified copy of the applicants' identity document and all other occupants;
- (c) Proof of income (SASSA Affidavit, Salary Slip, Bank Statement etc.) of the total household income; and
- (d) Sworn affidavit if unemployed.
- (e) Consent for income verification (ADDENDUM)
- (f) Any other documentation required to assist with the application

10.4.2 The indigent status for a household will be valid as follows:

10.4.2.1 The indigent status of a customer will remain valid and will be determined

continuously throughout the year as determined by the municipality either by physical audit checks or by external verification checks (accredited service providers) but will be verified at least annually. Should the requirements for qualification as indigent not be met, the subsidy for the consumer will be cancelled..

10.4.2.2 The application period for indigents will be continues throughout the financial year

10.5 Consequence of a false sworn affidavit

10.5.1 If a sworn affidavit is false, the following will happen –

- (a) The indigent benefit will be cancelled and the applicant will not be eligible to apply for indigent support for a period of 2 years;
- (b) All previous discounts for the current financial book year will be reversed; and
- (c) Local Audit (Verification) of Indigent Household Income.

10.5.2 The Municipality reserves the right to send officials and/or representatives of the Municipality to the property/household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s).

10.5.3 The Municipality also reserves the right to contact employers in Bitou to verify whether a person applying for subsidy is employed by them.

10.6 Subsidy

10.6.1 Indigent subsidies will be funded from the equitable share contribution made from the national government's fiscal policy and as provided for in the municipal budget.

10.6.2 Subsidised services may include water, electricity, sanitation, refuse removal and assessment rates or any other sundry levies.

10.6.3 If a consumer's consumption or use of the municipal service is less than the subsidised service, the unused portion will not be accrued by the consumer and will not entitle the consumer to cash or a rebate in respect of the unused portion.

10.6.4 All consumers who qualify for a subsidy must agree to the installation of a prepaid electricity meter and a smart water meter/water management device and will, if in arrears, be placed on restricted service levels in order to limit further escalation of debt. Installation

of these meters is free of charge for indigent and subsidised households.

- 10.6.5 Approved applicants will qualify for a debt write-off on arrears for the property applied for.
- 10.6.6 Where a qualifying consumer's account is paid in full at the date of application, or regularly maintains a paid-up account after receiving the subsidy, the restriction on service levels will be waived. If the account is cleared due to the arrear debts being written off, the restriction on service levels can only be waived after usages normalised and during which the account was paid in full every month.
- 10.6.7 Where the household qualifies for the subsidy but is not the owner or account holder of the property, the tenant can be subsidised for the services received as per on the owners account.
- 10.6.8 Properties owned by municipal or government employees will not be eligible for indigent subsidy regardless of whether the owner or a tenant occupies the property.
- 10.6.9 A subsidised consumer must immediately request deregistration by the Municipality or its authorized agent if his/her circumstances have changed to the extent that he/she no longer meet the criteria.
- 10.6.10 A subsidised consumer may at any time request deregistration.
- 10.6.11 A list of subsidised consumers will be maintained and audited on a regular basis and the info may be supplied to the general public.

10.7 Rates and Services Subsidies per Category

10.7.1 Indigent Households

- (a) 6 kl free Water and the basic charge per month;
- (b) 50 kWh Electricity and no basic charge per month.
- (c) Refuse removal – no basic charge per month;
- (d) Sewerage – no basic charge per month and 1 free sewer removals (septic tank) per month;
- (e) Property Rates – property rates up to a maximum municipal valuation of R 350,000;
- (f) Other Indigent Household Subsidies –
 - (i) Water leakages where water leakages occur at indigent or pensioner's households, such leakages must be reported in accordance with the water leakage policy, after which the remaining debt may be written off and recovered from the equitable share grant.
 - (ii) Fire Fighting Fees –

- (aa) All firefighting fees that was levied on indigent income households and pensioner's households may be written off.
- (bb) In cases where the client is an indigent valuation household or pensioner household, an audit must be performed to determine whether the client would have qualified as an indigent income household or pensioner household, before the debt will be presented to Council for write off.
- (g) Blocked Drains and Sewerage –
 - (i) All fees relating to blocked drains and sewerage may be written off that was levied on indigent income households and pensioner households.
 - (ii) In cases where the client is an indigent valuation household or pensioner household, an audit must be done to determine whether the client would have qualified as an indigent income household or pensioner household, before the debt will be presented to Council for write off.

10.7.2 Additional financial assistance categories

- (a) Additional financial assistance will be given to households in the following income groupings above the indigent household's threshold –
 - (i) Category A: R 5,201 – R 6,710 = 40%;
 - (ii) Category B: R 6,711 – R 8,723 = 30%;
 - (iii) Category C: R 8,724 – R 11,340 = 20%;
 - (iv) Category D: R 11,341 – R 14,743 = 10%
- (b) The financial assistance through the percentages quoted in sub-paragraph (a) above to be provided through the equitable share allocation will apply to all basic service charges (water, sanitation, refuse and electricity) levied as per the income groups quoted above.
- (c) The financial assistance through the percentages quoted in sub-paragraph (a) above to be provided through the equitable share allocation will apply to property rates levied up to a maximum municipal valuation of R 350 000 as per the income groups quoted above.

10.7.3 Indigent household in Body Corporate and Retirement Centres

- (a) Indigent consumers living in Body Corporate or retirement centres shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:
 - (i) The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect of indigent related charges.
 - (ii) The onus will be on the unit owner to inform the Representative of the Body Corporate or Retirement Centre in respect which monthly indigent credits are allowed under Indigent support, must ensure that such credits are off set against the monthly levies of the relevant individuals' unit.

11. IRRECOVERABLE DEBT

11.1 Irrecoverable debt will be written-off in terms of Council's Writing-Off of Irrecoverable Debt Policy.

11.2 Debt Will Be Regarded as Irrecoverable If

11.2.1 The Accounting Officer has ensured that all avenues were utilized to collect the arrear debt.

11.2.2 Circumstances whereby a Council may validate the termination of debt collection procedures as contemplated in Section 109(2) of the Municipal Systems Act:

- (a) All reasonable notifications and cost-effective measures to recover a specific outstanding amount have been exhausted; or
- (b) If the amount to be recovered is too small to warrant further endeavours to collect it; or
- (c) The cost to recover the debt does not warrant further action, i.e. to summons in another country; or
- (d) Inactive accounts where all the necessary steps have been taken with no success and/or the debtor has no assets; or
- (e) The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate, sequestration, liquidation; or
- (f) A deceased estate has no liquid assets to cover the outstanding amount; or
- (g) Poor household with no liquid assets (*nulla bona*) to cover the outstanding debt; or

- (h) It has been proven that the debt has prescribed; or
- (i) The consumer is untraceable or cannot be identified so as to proceed with further action; or
- (j) It is impossible to prove the debt outstanding; or
- (k) The outstanding amount is due to an administrative error by Council; or
- (l) If the debtor qualifies as an indigent or poor household and are receiving a subsidy; or
- (m) Clients in correctional care or clients who are imprisoned and there is no way of recovering the debt; or
- (n) Water leakages resulting in high water levies at registered indigent or poor households; or
- (o) Firefighting fees at registered indigent or poor households; or
- (p) Blocked drains and sewerage at registered indigent or poor households.

11.3 Criteria for the Determination of the Recoverability or Non-Recoverability of Debt

11.3.1 All cases with the following classification “summons, judgment or execution” should be tested prior to the taking of action, with regard to the following –

- (a) Asset’s Survey. To undertake a home visit to make a survey of the type of house, its contents and other assets like vehicles registered in the name of the account holder; and
- (b) As well as the combined income of the household. The result of this survey will determine whether further action is to be taken.

11.3.2 If the survey however reveals that the debt is still not recoverable after all necessary steps has been taken, it should be tabled for consideration by Council to write off the debts.

12. **OFFENCES AND PENALTIES**

12.1 The Council acknowledges that, in terms of Section 119 of the Local Government: Municipal Systems Act of 2000 it is an offence for any person who –

- (a) Fails to give the access required by a duly authorised representative of the

Municipality in terms of this Policy as refers to in clause 8.17 above;

- (b) Obstructs or hinders a duly authorised representative of the Municipality in the exercise of his or her powers or performance of functions or duties in terms of this Policy;
- (c) Unlawfully uses or interference with municipal equipment or the consumption of services supplied to any customer;
- (d) Tamper with or breaks any seal on a meter or on any equipment belonging to the Municipality, or causes a meter not to register properly for the service used;
- (e) Fails, or refuses, to give a duly authorised representative of the Municipality such information as he or she may reasonably require for the purpose of exercising or performing his or her powers or functions in terms of this Policy, or gives such representative false or misleading information, knowing it to be false or misleading; or
- (f) Contravenes, or fails to comply with, a provision of this Policy, shall be guilty of an offence.

12.2 When any of the above-mentioned offences is detected, a tamper fee will be payable. Services will only be reconnected once this fee and outstanding debt is paid.

12.3 Council may decide on further prosecution through the court, where the court will determine further penalties or imprisonment.

13. TAMPERING POLICY

13.1 Objective

13.1.1 Section 97(1) (h) of the Act stipulates that a Municipality's Credit Control and Debt Collection Policy must provide for matters relating to unauthorised consumption of services, theft and damages.

13.1.2 The objective of this Policy is to provide in this Policy an extension of Credit Control and Debt Collection Policy for the matters referred to in that section.

13.2 Implementing Authority

13.2.1 The Accounting Officer must implement and enforce this Policy and any By-laws enacted to give effect to this Policy.

13.3 Unauthorised use of property of the Council

13.3.1 No one may tamper with any municipal equipment or property.

13.3.2 An authorised officer must inspect the equipment and property of the Municipality when he or she suspects tampering –

(a) That any illegal connections were attached to such equipment or property; or

(b) That any unauthorised consumption or use of services is taking place; or

(c) Any theft of such equipment or property; or

(d) Any damage to such equipment or property.

13.4 Municipality's right of access to premises

13.4.1 In terms of Section 101 of the Act the occupier of premises in a Municipality must give an authorised officer access at all reasonable hours to the premises in order to read, inspect, repair; any meter or service connection for reticulation, or to stop or restrict the provision of any service.

13.5 Power to restrict or terminate supply of services

13.5.1 Where the Municipality has suffered any loss or damage as a result of any act contemplated in paragraph 13.3 a penalty equal to the amount of damages or loss may be imposed on the occupier of the premises concerned.

13.5.2 The occupier must be notified of the amount of damage or loss by means of a notice which is hand delivered, or sent per mail, to the latest recorded address of the occupier, and such notice must also stipulate the date on or before which such amount must be paid to the Municipality.

13.5.3 The Council may in addition to the steps contemplated in paragraph (2) limit or discontinue the supply of water and electricity in terms of the prescribed disconnection procedures or discontinue any other service to any premises.

13.5.4 The Council may notify the consumer to the latest recorded address of the consumer a discontinuation notice informing such consumer –

(a) That the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice; and

(b) Of the steps which can be taken to have the service reconnected.

13.5.5 The Council shall reconnect or restore full levels of supply of any of the restricted or discontinued Municipal services only after the full amount of the penalty, including the costs of such disconnection and reconnection, if any, have been paid in full, or any other relevant condition or conditions of the Council's Credit Control Policy as it may deem fit have been complied with.

13.5.6 The right of the Council or any duly appointed agent to limit or discontinue water to any premises or customer, shall be subject to the provisions of Sections 3 and 4 of the Water Service Act, (Act No. 108 of 1997).

13.6 Illegal reconnections and/or tampering

13.6.1 The Accounting Officer shall, as soon as it comes to his/her attention that any terminated or restricted service has been irregularly reconnected or reinstated, institute one, some or all of the following enforcement actions –

(a) Not reinstate such service(s) until the arrear account, including the interest raised on such amount, the charges for the notice sent and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit and penalty have been paid in full for normal meters and prepaid electricity meters;

(b) Laying criminal charges with the police;

(c) Cancel the contract; or

(d) In the event of a second tampering of an electricity installation or where the meter has been damaged with the tampering, the meter will be removed, and only be replaced with a prepaid split meter, after the cost of the meter as well as the fine has been paid.

13.6.2 All indigent households shall be visited by a person or firm delegated by Council on a regular basis to investigate tampering and illegal connection cases and or to inspect the status of meter's connections and restrictions and/or flow limiters.

14. **COMMENCEMENT**

14.1 In the event of an inconsistency between the English, Afrikaans or Xhosa text, the English text shall prevail.

14.2 This Policy will come into effect on 1 July 2024.

14.3 This Policy will be reviewed each year as part of the budget approval process.

13.



BITOU MUNICIPALITY

PREFERENTIAL PROCUREMENT POLICY 2025/2026

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

THIS PREFERENTIAL PROCUREMENT POLICY is adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and Section 217 (2) of the Republic of South Africa Constitution

PREAMBLE

WHEREAS the Bitou Municipality aims to improve the quality of life of the local community and to free the potential of each person within a framework of facilitating service delivery, through effective governance and the Council considers the need for transparent procedures that give the effect to the principle of preferential procurement.

AND WHEREAS local economic development plays a crucial role in creating a prosperous, equitable, stable, and democratic society and the overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills, and access to opportunities.

NOW THEREFORE the Council of the Bitou Municipality resolves in terms of Section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000, that the Bitou Preferential Procurement Policy is herewith adopted to form the basis of its procurement activities.

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

VERSION CONTROL					
POLICY OWNER:			Bitou Municipality Supply Chain Management Unit		
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Version	Date	Revision	Section	Page	Reason for change
1	05 June 2017		All	All	Amended Draft
2	12 July 2017		All	All	New Draft Policy
3	December 2022		All	All	New Draft Policy

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE#
1.	DEFINITIONS	6-7
2.	LEGISLATIVE FRAMEWORK	8
3.	APPLICATION, OBJECTIVES & GENERAL REQUIREMENTS	9-10
4.	APPLICABLE PREFERENCE POINT SYSTEM	10
5.	80/20 PREFERENCE POINT SYSTEM FOR ACQUISITION OF GOODS OR SERVICES FOR Rands VALUE EQUAL TO OR ABOVE R2 000 AND UP TO R50 MILLION	10-11
6.	90/10 PREFERENCE POINT SYSTEM FOR ACQUISITION OF GOODS OR SERVICES FOR Rands WITH VALUE ABOVE R50 MILLION	11-12
7.	80/20 PREFERENCE POINT SYSTEM FOR TENDERS TO GENERATE INCOME OR TO DISPOSE OF OR LEASE ASSETS UP TO UP TO A Rands VALUE UP TO R50 MILLION	13
8.	90/10 PREFERENCE POINT SYSTEM FOR TENDERS TO GENERATE INCOME OR TO DISPOSE OF OR LEASE ASSETS UP TO UP TO A Rands VALUE ABOVE R50 MILLION	13
9.	CRITERIA OF BREAKING DEADLOCK IN SCORING	14
10.	AWARD OF CONTRACTS OF BIDS NOT SCORING THE HIGHEST NUMBER OF POINTS	14
11.	CANCELLATION AND RE-INVITATION OF BIDS	14
12.	REMEDIES	14-15
13.	MECHANISMS TO SUPPORT PREFERENTIAL PROCUREMENT	15-18
14.	ALIGNMENT WITH THE PROCUREMENT PROCESS	18
15.	DEVIATIONS AND EXEMPTIONS	18
16.	COMPLAINTS, ENQUIRIES, DISPUTES, OR APPEALS	18
17.	ACCESS TO INFORMATION AND TRAINING	18
18.	ADMINISTRATION OF POLICY	19
19.	MAINTENANCE	19
20.	IMPLEMENTATION	20
21.	SHORT TITLE	20

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

1. Definitions

1.1. In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

#	Term	Definition
1.1.	"Act"	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) – PPPFA.
1.2.	"B-BBEE"	means Broad-Based Black Economic Empowerment as defined in Section 1 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).
1.3.	"Broad-based black economic empowerment act" (B-BBEEA)	means the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003) – BBEEA.
1.4.	"B-BBEE status level of contributor"	means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the BBEEA.
1.5	"Bid"	
1.6	"Black designated groups"	has the meaning assigned to it in the codes of good practice issued in terms of section 9 (1) of the BBEEA.
1.7	"Black people"	has the meaning assigned to it in section 1 of the BBEEA.
1.8	"Consortium or joint venture"	means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill, and knowledge in an activity for the execution of a contract.
1.9	"Contract"	means the agreement that results from the acceptance of a bid by the Bitou Municipality.
1.10	"Comparative price"	means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.
1.11	"Co-operative"	means a co-operative registered in terms of Section 7 of the Cooperatives Act, 2005 (Act No. 14 of 2005).
1.12	"Designated group"	means: 1) black designated groups 2) black people 3) women 4) people with disabilities; or 5) small enterprises which are enterprises, owned, managed, and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid.
1.13	"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.
1.14	"Disability"	means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.
1.15	"District municipality"	means the Garden Route District Municipality, a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155 (1) of the RSA Constitution as a category C municipality.
1.16	"Fronting practice"	means a transaction, arrangement or other act or conduct that directly or indirectly undermines or frustrates the achievement of the

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

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**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

#	Term	Definition
		<p>objectives of this Act or the implementation of any of the provisions of this Act, including but not limited to practices in connection with a B-BBEE initiative-</p> <p>(a) in terms of which black persons who are appointed to an enterprise are discouraged or inhibited from substantially participating in the core activities of that enterprise.</p> <p>(b) in terms of which the economic benefits received because of the broad-based black economic empowerment status of an enterprise do not flow to black people in the ratio specified in the relevant legal documentation.</p> <p>(c) involving the conclusion of a legal relationship with a black person for the purpose of that enterprise achieving a certain level of broad-based black economic empowerment compliance without granting that black person the economic benefits that would reasonably be expected to be associated with the status or position held by that black person.</p> <p>(d) involving the conclusion of an agreement with another enterprise to achieve or enhance broad-based black economic empowerment status in circumstances in which-</p> <p>(i) there are significant limitations, whether implicit or explicit, on the identity of suppliers, service providers, clients, or customers.</p> <p>(ii) the maintenance of business operations is reasonably considered to be improbable, having regard to the resources available.</p> <p>(iii) the terms and conditions were not negotiated at arm's length and on a fair and reasonable basis.</p>
1.17	<i>"Functionality"</i>	means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
1.18	<i>"Historically disadvantaged individual (HDI)"</i>	<p>means a South African citizen –</p> <p>(1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983); and / or</p> <p>(2) who is a female; and / or</p> <p>(3) who has a disability:</p> <p>Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI.</p>
1.19	<i>LED</i>	"Local economic development"
1.20	<i>"Locality"</i>	means the local suppliers and/or service providers that reside within the Bitou Municipality area and within the Region or Garden Route District Municipality.
1.21	<i>"Military veteran"</i>	has the meaning assigned to it section 1 of the Military Veteran's Act, 2011 (Act no. 18 of 2011).
1.22	<i>"National treasury"</i>	has the meaning assigned to it in section 1 of the Public Finance Management Act 1999 (Act No. 1 of 1999).
1.23	<i>"People with disabilities"</i>	has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998).
1.24	<i>"Price"</i>	Includes all applicable taxes less all unconditional discounts.
1.25	<i>"Proof of B-BBEE status level of contributor"</i>	<p>Means the B-BBEE status level certificate issued by an authorised body or person.</p> <p>1) a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or</p>

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

#	Term	Definition
		any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act
1.26	<i>“Rand value”</i>	means the total estimated value of a contract in Rand, calculated at the time of bid invitation.
1.27	<i>“Region”</i>	2) means the district and/or Garden Route District Municipality
1.28	<i>“Rural area”</i>	means- 1) a separately populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; or an area including a large settlement which depends on migratory labour and remittances and government social grants for survival and may have a traditional land tenure system.
1.29	<i>“Stipulated minimum threshold”</i>	means that portion of local production and content as determined by the Department of Trade and Industry.
1.30	<i>“Township”</i>	2) means urban living area that any time from the late 19 th century until 27 April 1994, was reserved for black people, including areas developed for historically disadvantaged individuals post 27 April 1994.
1.31	<i>“Treasury”</i>	has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).
1.32	<i>“Youth”</i>	has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

2. Legislative Framework

Constitution, 1996 (Act 108 of 1996)

- 2.1. Sections 152(1)(c) and 152(2) of the Constitution provides that local government must promote social and economic development and that the municipality must strive within its financial and administrative capacity, to achieve the objects set out in subsection 152(1).
- 2.2. Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive, and cost effective. Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation.

Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) – [MFMA] and related SCM Treasury Regulations, 2005 [SCM TR]

- 2.3. The MFMA aims to regulate financial management and Supply Chain Management [SCM] of local government to ensure that all revenue, expenditure, assets, and liabilities are managed efficiently and effectively.
- 2.4. Sections 110 – 119 of the MFMA deals with SCM requirements and must be read together with the SCM TR's 1 – 52 issued in terms of section 168 of the MFMA through GG 27636 effective from 30 May 2005. Both these sets of prescripts support the application of the PPPFA.

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) – [PPPFA]

- 2.5. The PPPFA, 2000 took effect on 3 February 2000. The main thrust of the PPPFA, 2000 is that an organ of state must determine its preferential procurement policy and implement such within the preferential procurement framework, the latter which is commonly called the '80/20 or 90/10 principle'.
- 2.6. As per the recent Constitutional judgement of 17 February 2022 that the PPPFA Regulations of 2017 are unconstitutional and invalid in totality concluding that: *"Since each organ of state is empowered to determine its own preferential procurement policy, it cannot also lie with the Minister to make regulations that cover the same field."* According to the judgement organs of state are therefore required to determine its own preferential procurement policy.
- 2.7. The other relevant legislation and prescripts are discussed in the Municipal SCM Policy and can be obtained from the Office of the CFO.

3. Application, Objectives & General Requirements

- 3.1. This Policy complies with the framework as prescribed by section 2 of the PPPFA and as contemplated by section 217(2) of the Constitution of the Republic of South Africa.
- 3.2. This Policy applies to the Bitou Municipality.
- 3.3. This Policy will apply to all active industry sectors in the Municipal Area. It is accepted that through the population of reliable data, trends will be evident which will continuously require a review of the Policy to ensure its relevance of all active industry sectors.
- 3.4. This Policy must be read and applied jointly with the Bitou Municipality's SCM Policy and the PPPFA prescripts amended from time-to-time.
- 3.5. The principles of this policy, where possible, must apply to deviations, sharing of contracts with other organs of state and transversal contracts.
- 3.6. The objectives of the Policy are to:
 - 3.6.1. Promote Bitou Municipality's Local Economic Development Strategy and endeavour to ensure the attainment of the award of at least 40% of all procurement within the boundaries of the Bitou Municipality.
 - 3.6.2. Implement best procurement practises through effective planning, strategic purchasing, and contract management.
 - 3.6.3. Standardise levels of skill and knowledge of employees/workers.
 - 3.6.4. Promote B-BBEE - enterprises providing services and goods within the Bitou Municipal Area.
 - 3.6.5. Introduce a systematic approach to the appointment of service providers and to promote consistency in respect of supply chain management.
 - 3.6.6. Promote SMME's, Joint Ventures, Consortiums, Co-ops, and partnerships, especially within the Bitou Municipal Area.
 - 3.6.7. Create new jobs or intensify labour absorption within the local area.
 - 3.6.8. Promote enterprises located within the Bitou Municipal Area for work to be done or services to be rendered.
 - 3.6.9. Promote enterprises located in rural areas in and around the Bitou Municipal Area.
 - 3.6.10. Empower the work force by standardising the level of skill and knowledge of workers.
 - 3.6.11. Develop human resources, inclusive of assistance with tertiary and other advanced training programs, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills.
 - 3.6.12. Uplift local communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organisations.
 - 3.6.13. Ensure that specific goals are measurable and quantifiable, and the municipal officials must monitor the execution of the contract for compliance with such goals.

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

3.6.14. Provide clarity on the municipality's approach to procurement, particularly with regards to requirements of preferential procurement.

3.7. The Policy specific requirements are that:

3.7.1. Any specific goal required for consideration in the bidding process must be clearly determined by the Bid Specification Committee and be defined in the bid documentation, considering the prescripts of the Construction Industry Development Board [CIDB] in respect of construction related contracts.

3.7.2. Outputs required will be quantified and will form part of the contractual arrangement upon awarding of the contract.

4. Applicable preference points system

4.1. The Municipality must determine and stipulate in the tender documents-

4.1.1. The 80/20 or 90/10 preference point system applicable to the tender as envisaged in this Policy; and/or

4.1.2. If it is unclear which preference point system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

5. The 80/20 preference point system for acquisition of goods, works and / or services up to a Rand value of R50 million

5.1. The following formula must be used to calculate the points for price in respect of competitive bids / price quotations with a Rand value equal to, or above R 2 000 and up to a Rand value of R50 000 000 (all applicable taxes included):

$$Ps = 80 \left(1 - \frac{(Pt - Pmin)}{Pmin} \right)$$

Where:

Ps = Points scored for comparative price of tender under consideration

Pt = Comparative price of tender under consideration

Pmin = Comparative price of lowest acceptable tender

5.2. A maximum of 20 points may be awarded to a tenderer in relation to its achieving any of the specified goals.

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

Specific Goal	Policy targets for 2022/2023	Points to be allocated
Improving opportunities for black people via the BBBEE scorecard, inclusive of: (i) Ownership (ii) Management control (iii) Skills development (iv) Enterprise and supplier development		10
Locality		
(a) Bitou Area	10	
(b) Garden Route	6	
(c) Western Cape Province	3	
(d) South Africa	1	10
TOTAL		20 points
The 10 points in respect of the B-BBEE scorecard will be allocated as follows:		
B-BBEE Status Level of Contributor	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)
1	10	5
2	8	4
3	6	3
4	4	2
5	2	1
6	2	1
7	2	1
8	2	1
Non-compliant contributor	0	0

- 5.3. A tenderer must submit proof of its BBBEE status level contributor [scorecard].
- 5.4. A tenderer failing to submit proof of BBBEE status level of contributor -
- 5.4.1. may only score in terms of the 80-point formula for price; and
- 5.4.2. Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

- 5.5. A tenderer failing to submit proof of required evidence to claim preferences for other specified goals, excluding the BBBEE scorecard -
- 5.5.1. may only score in terms of the 80-point formula for price; and
- 5.5.2. scores 0 points out of the relevant preference points where the supplier or service provider did not provide proof thereof.
- 5.6. The preference points scored by a tenderer must be added to the points scored for price.
- 5.7. The points scored must be rounded off to the nearest two decimal places.
- 5.8. Subject to clause 11 below, the contract must be awarded to the tenderer scoring the highest procurement points.

6. The 90/10 preference point system for acquisition of goods, works and / or services with a Rand value above R50 million

- 6.1. The following formula must be used to calculate the points for price in respect of competitive bids / price quotations with a Rand value above R50 000 000 (all applicable taxes included):

$$P_s = 90 \left(1 - \frac{(P_t - P_{min})}{P_{min}} \right)$$

Where:

P_s = Points scored for comparative price of tender under consideration

P_t = Comparative price of tender under consideration and

P_{min} = Comparative price of lowest acceptable tender

- 6.2. A maximum of 10 points may be awarded to a tenderer in relation to any of the specified goals.

Specific Goal	Policy targets for 2022/2023	Points to be allocated
Improving opportunities for black people via the BBBEE scorecard, inclusive of: (v) Ownership (vi) Management control (vii) Skills development (viii) Enterprise and supplier development		5
Locality		
(e) Bitou Area	5	
(f) Garden Route	3	
(g) Western Cape Province	2	
(h) South Africa	1	5
TOTAL		10 points
The 5 points in respect of the B-BBEE scorecard will be allocated as follows:		
B-BBEE Status Level of Contributor	Number of Points	Number of Points for

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

Specific Goal	Policy targets for 2022/2023	Points to be allocated
	Preference (80/20)	Preference (90/10)
1	10	5
2	8	4
3	6	3
4	4	2
5	2	1
6	2	1
7	2	1
8	2	1
Non-compliant contributor	0	0

- 6.3. A tenderer must submit proof of its BBBEE status level contributor [scorecard].
- 6.4. A tenderer failing to submit proof of BBBEE status level of contributor -
- 6.4.1. may only score in terms of the 90-point formula for price; and
- 6.4.2. Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 6.5. A tenderer failing to submit proof of required evidence to claim preferences for other specified goals, excluding the BBBEE scorecard -
- 6.5.1. may only score in terms of the 90-point formula for price; and
- 6.5.2. scores 0 points out of the relevant preference points where the supplier or service provider did not provide proof thereof.
- 6.6. The preference points scored by a tenderer must be added to the points scored for price.
- 6.7. The points scored must be rounded off to the nearest two decimal places.
- 6.8. Subject to clause 11 below, the contract must be awarded to the tenderer scoring the highest procurement points.

7. The 80/20 preference point system for tenders to generate income or to dispose of or lease assets up to a Rand value up to R50 million

- 7.1. Tenders that generate income or to dispose of or lease assets with a rand value above R2 000 and up to Rand value of R50 million, the following formula must be used to calculate the points for price:

$$Ps = 80 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where:

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

Ps = Points scored for comparative price of tender under consideration

Pt = Comparative price of tender under consideration and

Pmin = Comparative price of highest acceptable tender

- 7.2. A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in this Policy.
- 7.3. The points scored must be rounded off to the nearest 2 decimal places.
- 7.4. Subject to clause 11 below, the contract must be awarded to the tenderer scoring the highest procurement points.
- 7.5. Specific goals for the tender and points claimed are indicated per the table below.

Table 1: Number of points for contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.

B-BBEE Status Level of Contributor	Number of Points for Preference (80/20)
1	10
2	8
3	6
4	4
5	2
6	2
7	2
8	2
Non-compliant contributor	0

Table 2: Number of points for promotion of enterprises located in the local area.

Specific Goal	Policy targets
Improving opportunities for black people via the BBEE scorecard, inclusive of: <div style="margin-left: 40px;"> Ownership Management control Skills development Enterprise and supplier development </div>	10
Locality	
Bitou Area	10
Garden Route	6

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

Specific Goal	Policy targets
Western Cape Province	3
South Africa	1
TOTAL	20 points

8. The 90/10 preference point system for tenders to generate income or to dispose of or lease assets up to a Rand value above R50 million

- 8.1. Tenders that generate income or to dispose of or lease assets with a rand value above R 50 million, will be awarded to the bidder with the highest bid on offer.
- 8.2. Tenders that generate income or to dispose of or lease assets with a rand value above R2 000 and up to Rand value of R50 million, the following formula must be used to calculate the points for price:

$$Ps = 90 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where:

Ps = Points scored for comparative price of tender under consideration

Pt = Comparative price of tender under consideration and

Pmin = Comparative price of highest acceptable tender

- 8.3. A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in this Policy.
- 8.4. The points scored must be rounded off to the nearest 2 decimal places.
- 8.5. Subject to clause 11 below, the contract must be awarded to the tenderer scoring the highest procurement points.
- 8.6. Specific goals for the tender and points claimed are indicated per the table below.

Table 1: Number of points for contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

B-BBEE Status Level of Contributor	Number of Points for Preference (90/10)
1	5
2	4
3	3
4	2
5	1
6	1
7	1
8	1
Non-compliant contributor	0

Table 2: Number of points for promotion of enterprises located in the local area.

Specific Goal	Policy targets
Improving opportunities for black people via the BBBEE scorecard, inclusive of: Ownership Management control Skills development Enterprise and supplier development	5
Locality	
Bitou Area	5
Garden Route	3
Western Cape Province	1
South Africa	1
TOTAL	10 points

9. Criteria for breaking deadlock in scoring

- 9.1. If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for preferences.

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

- 9.2. If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points for B-BBEE, the contract must be awarded to the tenderer that scored the highest points for functionality.
- 9.3. If two or more tenderers score equal total points in all respects, the award must be decided by drawing of lots.

10. Award of contracts to bids not scoring the highest number of points

- 10.1. A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.
- 10.2. If the municipality intends to apply objective criteria in terms of section 2(1)(f) of the Act, and it is feasible to do so, the municipality must stipulate the objective criteria in the tender documents.

11. Cancellation and re-invitation of bids

- 11.1. In the event that, in the application of the 80/20 preference point system as stipulated in the tender documents:
- i. all tenders received exceed the estimated Rand value of R50 million the tender invitation must be cancelled.
 - ii. If one or more of the acceptable tenders received are within the prescribed threshold of R50 million, all tenders received must be evaluated on the 80/20 preference point system.
- 11.2. In the event that, in the application of the 90/10 preference point system as stipulated in the tender documents,
- 11.2.1. all tenders received are equal to, or below R50 million the tender must be cancelled.
 - 11.2.2. If one or more of the acceptable tenders received are above the prescribed threshold of R50 million all tenders received must be evaluated on the 90/10 preference point system.
- 11.3. The Municipality may, prior to the award of a tender, cancel a tender if:
- 11.3.1. no acceptable tenders were received, or
 - 11.3.2. due to changed circumstances, there is no longer a need for the services, works or goods requested, or
 - 11.3.3. funds are no longer available to cover the total envisaged expenditure, or
 - 11.3.4. no acceptable tenders are received, or
 - 11.3.5. a material irregularity in the tender process has been identified, or
 - 11.3.6. the validity period has expired, due to unforeseen and unavoidable circumstances.

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

11.4. The decision to cancel a tender in terms of clause 11.1 above must be published in the media in which the original tender invitation was advertised.

12. Remedies

12.1. Upon detecting that a tenderer submitted false information regarding its BBBEE status level of contributor, or any other matter which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any sub-contracting arrangements, the Municipality must-

12.2. Inform the tenderer accordingly.

12.3. Give the tenderer an opportunity to make representations within 7 days as to why-

12.3.1.1. the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part; and

12.3.1.2. the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state.

12.3.2. After considering the representations referred to above, resolves that-

12.3.2.1. Such false information was submitted by the tenderer-

12.3.2.1.1. Disqualify the tenderer or terminate the contract in whole or in part.

12.3.2.1.2. If applicable, claim damages from the tenderer.

12.3.2.1.3. Apply any other approved consequence management action as deemed necessary.

12.4. Where the successful tenderer sub-contracted a portion of the tender to another person without disclosing, penalise the tenderer up to 10% of the value of the contract.

12.5. The Municipality must-

12.5.1. Inform the National Treasury, in writing, of any actions taken as above.

12.5.2. Provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state.

12.5.3. Submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.

13. Mechanisms to support preferential procurement.

13.1. Uniformity and simplification:

13.1.1. Tender documents will be rationalised and simplified.

13.1.2. Tender documents will include all certificates, declarations, and preference requirements.

13.1.3. Where possible standardised contract templates will form part of tender documents.

13.1.4. Contracts will include payment cycles linked to delivery and performance reporting cycles.

13.2. Database, panels, roster and/or rotation application:

13.2.1. A supplier database or various supplier databases, dependent on the commodity, will be maintained.

13.2.2. The supplier's database(s) will be updated on an annual basis and used on a roster or rotation mechanism basis.

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

13.3. Unbundling:

- 13.3.1. Tenders must, where practical, be unbundled into cost components and specific strategies be determined for each, e.g., for the semi- and unskilled labour portion, only locally based unemployed youth must be targeted.
- 13.3.2. Unbundling strategies can be afforded to the full spectrum of businesses, from those operating as labour only contractors to those operating as prime contractors. Some of these strategies can be summarised as follows:
- 13.3.2.1. Providing third-party management support to enterprises which are not capable of operating as prime contractors.
- 13.3.2.2. Providing training to new entrants.
- 13.3.2.3. Promoting learner-ships, internships, pupil-ships, etc.
- 13.3.2.4. Obliging main contractors or service providers to engage targeted enterprises in the performance of their contracts incorporating resource specifications.
- 13.3.2.5. Foster joint ventures that are formed between large businesses and targeted enterprises (termed as Structured Joint Ventures).
- 13.3.2.6. Encourage and involve funding institutions to assist small businesses with access to finance and negotiate for credit lines.
- 13.3.2.7. Encourage local manufacturing and procurement from small businesses within the Bitou municipal area.
- 13.3.2.8. Unbundling of big projects and identifying opportunities and areas/scope of works that can be carried out by emerging contractors bar those from the main assignment shall be pursued vigorously.
- 13.3.2.9. Unbundling strategies do not include the breaking down of projects into smaller portions to remain below certain threshold values or more than one contract.

13.4. Payment cycles:

- 13.4.1. The payment of invoices is dependent on timely invoicing, approval of invoices and on the payment administration. Responsible officials must process approved invoices within 30 days of receiving the invoice, unless otherwise provided for in the contract.
- 13.4.2. Reasons for not approving an invoice must be communicated to the tenderer prior to the lapsing of the said 30 days.
- 13.4.3. Officials must endeavour to, where feasible, process invoices of SMME's within 5-7 days to promote their cash flow position. Invoices must be submitted before 10:00 on a Wednesday, to facilitate timely payment.
- 13.4.4. Depending on the commodity and the procurement process adopted, deposits, establishment fees, upfront payments, front-loaded payments, etc may be allowed if provided for in the tender specifications and contract provisions. Appropriate control mechanisms and guarantees must support such payments.

13.5. Performance guarantees:

- 13.5.1. The following level of sureties or guarantees will be introduced as a minimum, based on the risk exposure and type of contract, where relevant, inclusive of CIDB tenders:

TYPE	DEFINITION	LEVEL OF SURETY
Major	➤ Onerous requirements ➤ High contract value ➤ Large scale development	➤ 10% above R 10m contract value
Minor	➤ Risks are judged to be acceptable.	➤ 5% above R 5m contract value

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

TYPE	DEFINITION	LEVEL OF SURETY
	<ul style="list-style-type: none"> ➤ Low value ➤ Straight-forward work 	
Micro	<ul style="list-style-type: none"> ➤ Risks are judged to be limited or non-existent. ➤ Low value ➤ Limited documentation flow ➤ Short term project 	➤ 2.5% below R 5m contract value

13.6. Skills transfer:

13.6.1. Skills transfer is promoted, and Bitou Municipality will endeavour to support SMME's and BBBEE enterprises skills transfer through:

13.6.1.1. Proper contract management.

13.6.1.2. Provision of adequate information of why tenders were not successful.

13.6.1.3. Develop and provide a training programme and related sessions for small suppliers as part of the Municipal Local Economic Development [LED] programme.

13.6.1.4. Promoting access to uniform and standardised bid documents with proper instructions for completion.

13.6.2. The following skills transfer principles will be introduced as a minimum, based on the risk exposure and type of contract, where relevant, inclusive of CIDB tenders:

TYPE	DEFINITION	LEVEL OF SKILLS TRANSFER
Major	<ul style="list-style-type: none"> ➤ Onerous requirements ➤ High contract value ➤ Large scale development ➤ Above R 5m ➤ Long-term contracts 	Formal training, inclusive of accredited training; Certificates/ Diplomas/ Degrees; Interns; Learner ships; Pupil-ships and Bursaries
Minor	<ul style="list-style-type: none"> ➤ Risks are judged to be acceptable. ➤ Low value ➤ Straight-forward work ➤ Above R 3 m ➤ Contracts for more than 1-year 	Informal training inclusive of Interns; Learner ships; Pupil-ships and Bursaries
Micro	<ul style="list-style-type: none"> ➤ Risks are judged to be limited or non-existent. ➤ Low value ➤ Limited documentation flow ➤ Short term projects 	Basic training and certificate of jobs performed

13.7. CSI – Corporate Social Investment:

13.7.1. Corporate social investment (CSI) is defined as contributions (either employee time and/or resources) which bring benefits over and above those directly associated with the Municipal core business activities.

13.7.2. Depending on the principles of fairness and cost-effectiveness, the relevant commodity required and the profile of the supply industry, the Municipality may require that specific CSI contributions be made in line with the Municipal Grant-in-Aid Policy.

13.7.3. The suppliers shall be expected to indicate or provide an outline of socio-economic projects to be implemented through its Corporate Social Responsibility in the Bitou Municipal area. Proposed projects must be measurable with specific focus on vulnerable groups. Bidders can suggest or explore the following socio-economic project practices for consideration:

13.7.3.1. On the job training and development of staff (learnerships), particularly for the unemployed or young people including the recruitment of long-term job seekers and handicapped people.

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

- 13.7.3.2. Young women / mother's upliftment / leadership programme.
- 13.7.3.3. Skills development initiatives (technical and soft skills) must be accredited with recognised institutions.
- 13.7.3.4. Youth leadership and empowerment projects.
- 13.7.3.5. Early childhood development.
- 13.7.3.6. Projects can be in collaboration with local CBO's, NGOs, and relevant institutions.
- 13.7.3.7. Business skills and enterprise support including mentoring of local enterprises.
- 13.7.3.8. Development of Parks and open spaces.
- 13.7.4. It is specifically recorded that NO CSI financial contributions will be required or accepted.
- 13.7.5. The Municipality will adopt a uniform standard in acknowledging, monitoring, and reporting on CSI contributions.

13.8. Contract conditions:

- 13.8.1. Contract conditions for each strategy needs to consider the following elements:
 - 13.8.1.1. Is an additional contract necessary and if so, what will the terms be?
 - 13.8.1.2. What is the contract monitoring and reporting mechanism?
 - 13.8.1.3. Consider whether Employment contracts to be in place and how will it be monitored (to ensure minimum wages are paid and UIF, etc in place)
 - 13.8.1.4. Is LED support required?
 - 13.8.1.5. Identified contract manager and contract administrator.

13.9. Performance management:

- 13.9.1. The effectiveness and efficiency of this Policy will be reviewed as per the Bitou Municipality's SCM Policy and related performance management provisions.
- 13.9.2. Constructive and active contract management and administration will result in an increase in the capacity of suppliers and service providers as well as continuous performance improvements.

13.10. Enterprise development:

- 13.10.1. Co-ordinate the appropriate Supplier and Contractor Development Programmes for the active promotion of the following development outcomes:
 - 13.10.1.1. Improve the grading status of suppliers, service providers and contractors in targeted categories and grades.
 - 13.10.1.2. Increase the number of black women, disabled, and youth-owned companies in targeted categories.
 - 13.10.1.3. Create sustainable contracting enterprises by enabling continuous work through a competitive process.
 - 13.10.1.4. Improve the performance of suppliers, service providers and contractors in terms of quality, employment practices, skills development, safety, health, and the environment.
 - 13.10.1.5. Improve the business management and technical skills of these suppliers, service providers and contractors.

14. Alignment with the procurement process

- 14.1. The Municipal SCM Policy will guide the relevant SCM activities required.
- 14.2. The 'tender format/strategy' as identified in the policy statements and the targets above will be considered and where feasible included in any tender specifications as 'special conditions to tender'.

15. Deviations and exemptions

- 15.1. Any exemption from compliance to this Policy shall be permitted only within the delegatory powers permitted by Council and as prescribed in terms of the MFMA and the PPPFA.

16. Complaints, enquiries, disputes, or appeals.

- 16.1. The Bitou Municipality SCM Policy, provides for a mechanism to deal with SCM related complaints, enquiries or disputes which will apply when bidders wish to record any complaint, enquiry, or dispute regarding this Policy.

17. Access to information and training

- 17.1. Unsuccessful bidders will be informed of the reasons for their bid not being successful, if so, requested in writing. To ease the administrative burden a checklist will be used.
- 17.2. Bidders should be supported to obtain tender information.
- 17.3. Any prospective bidder will be entitled to receive information and/or training regarding the following:
 - 17.3.1. Financial support.
 - 17.3.2. SCM related training.
 - 17.3.3. Assistance with tendering process.
 - 17.3.4. Bidding process.
 - 17.3.5. Preferential procurement.
 - 17.3.6. Completion of Bid documentation.
 - 17.3.7. Project and contract management.
- 17.4. Formal requests for access to information must be dealt with within the PAIA Policy of the Bitou Municipality.

17.5. Requests for access to training must be directed to the LED Manager.

18. Administration of policy

18.1. Responsibility

- 18.1.1. Responsibility for the implementation and administration of the Policy is delegated to the Accounting Officer, who will use the support from the LED Manager.
- 18.1.2. The Accounting Officer must ensure that each budget holder assumes responsibility for the implementation of the Policy within his/her area of responsibility and that such responsibility is included in his/her Performance Indicators, if so required.

18.2. LED

- 18.2.1. The Accounting Officer must ensure that the organisational design of the LED Office is appropriately structured, resourced, and capacitated.
- 18.2.2. The data captured by the SCM Unit will be analysed and report on by the Manager: LED.

18.3. SCMU

- 18.3.1. The SCMU must maintain a database of requests and transactions to develop a trend-analysis and through such a process identify areas for efficiency and cost-effective improvements, e.g., minimising smaller purchases and maximising term contracts as well as determining strategies for universal commodities.
- 18.3.2. The data relevant to this Policy will be maintained by the SCM Unit as part of its contract register.

18.4. Oversight by Council

- 18.4.1. The Accounting Officer must align its reporting requirements to the Council as per SCM TR 6 to also report on progress with the implementation of the Policy.

19. Maintenance

- 19.1. Given the changing nature of the regulatory, control and operational environment of the Municipality, this Policy will be regularly reviewed and updated on an ongoing basis.
- 19.2. For clarification of any matter contained in this Policy, please address queries to the LED Manager.

20. Implementation

- 20.1. This Policy is effective from January 2023.
- 20.2. This Policy will be implemented in phases as follows:

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

**BITOU MUNICIPALITY
PREFERENTIAL PROCUREMENT POLICY**

20.2.1. For the 2022/2023 financial year this Policy will apply to all tenders more than R 200 000 and long-term contracts for which formal tenders are invited.

20.2.2. In the interim, all tenders invited in terms of the PPPFA Regulations of 2023 at the time this Policy is adopted must be evaluated and adjudicated *mutatis mutandis*, within the provisions of this Policy.

21. SHORT TITLE

This policy is called the Bitou Municipality Preferential Procurement Policy and takes effect upon Council approval.

As approved by Council at the Council meeting which was held on

Signed at Plettenberg Bay on the day of/20.....

.....

Municipal Manager

Policy Title: Preferential Procurement Policy

Financial year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

14.



BITOU LOCAL MUNICIPALITY

INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT POLICY

VERSION CONTROL					
POLICY OWNER:		Bitou Municipality Supply Chain Management Division			
POLICY EFFECTIVE DATE:		01 JULY 2020			
Version	Date	Revision	Section	Page	Reason for change
1.	06 February 2017		All	All	New Draft Policy
2.	31 May 2017				New Policy Approved
3.	31 March 2020	Minor grammatical and formatting amendments	All	All	Revised Draft Policy Submitted
3.1.		Control Frameworks	4&5	10,14&16	Moved the Schedules, referred to, adjacent to the appropriate Section
		Reference to Head of Department amended to Director as per Organizational Structure	All	All	Continuous review and improvement
		Awards to persons in the service of the state	6.1.5.	23	Added the phrase "Prohibition of" to clarify understanding
3.2.		Include requirements for the submission of bids by bidders with municipal accounts in BLM	6.2.2.2	24	Align the Policy with the requirements of Section 8.7 of the Credit Control and Debt Collection Policy relating to Businesses submitting tenders to the Municipality

TABLE OF CONTENTS		
SECTION	DESCRIPTION	PAGE #
1.	SCOPE	5
2.	TERMS, DEFINITION & ABBREVIATIONS	6
2.1	DEFINITIONS	6
2.2	ABBREVIATIONS	7

3.	GENERAL REQUIREMENTS	7
3.1	DELEGATIONS	7
3.2	IMPLEMENTATION OF THE STANDARD FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT	8
3.3	SUPERVISION OF THE INFRASTRUCTURE DELIVERY MANAGEMENT UNIT	8
3.4	OBJECTIONS AND COMPLAINTS	8
3.5	RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES	8
4.	CONTROL FRAMEWORK FOR INFRASTRUCTURE DELIVERY MANAGEMENT	9
4.1	ASSIGNMENT OF RESPONSIBILITIES FOR APPROVING OR ACCEPTING END OF STAGE DELIVERABLES	9
4.2	GENERAL	9
4.3	GATEWAY REVIEWS	10
5.	CONTROL FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT	13
6.	INFRASTRUCTURE DELIVERY MANAGEMENT REQUIREMENTS	13
6.1	INSTITUTIONAL ARRANGEMENTS	13
6.1.1	COMMITTEE SYSTEM FOR PROCUREMENT	13
6.1.1.1	GENERAL	13
6.1.1.2	BID SPECIFICATION COMMITTEE	14
6.1.1.3	BID EVALUATION COMMITTEE	16
6.1.1.4	BID ADJUDICATION COMMITTEE	17
6.1.2	ACTIONS OF AN AUTHORISED PERSON RELATING TO THE AWARD OF A CONTRACT OR AN ORDER	18

TABLE OF CONTENTS		
SECTION	DESCRIPTION	PAGE #
6.1.2.1	AWARD OF A CONTRACT	18
6.1.2.2	ISSUING OF AN ORDER	18

6.1.3	CONDUCT OF THOSE ENGAGED IN INFRASTRUCTURE DELIVERY	19
6.1.3.1	GENERAL REQUIREMENTS	19
6.1.3.2	CONFLICTS OF INTEREST	19
6.1.3.3	EVALUATION OF SUBMISSIONS RECEIVED FROM RESPONDENTS AND TENDERERS	20
6.1.3.4	NON-DISCLOSURE AGREEMENTS	20
6.1.3.5	GRATIFICATIONS, HOSPITALITY AND GIFTS	20
6.1.3.6	REPORTING OF BREACHES	21
6.1.4	MEASURES TO PREVENT ABUSE OF THE INFRASTRUCTURE DELIVERY SYSTEM	21
6.1.5	AWARDS TO PERSONS IN THE SERVICE OF THE STATE	21
6.1.6	COLLUSIVE TENDERING	22
6.1.7	PLACING OF CONTRACTORS UNDER RESTRICTIONS	22
6.1.8	COMPLAINTS	23
6.2	ACQUISITION MANAGEMENT	23
6.2.1	UNSOLICITED PROPOSAL	23
6.2.2	TAX AND RATES COMPLIANCE	24
6.2.2.1	SARS TAX CLEARANCE	24
6.2.2.2	MUNICIPAL RATES AND TAXES	24
6.2.3	DECLARATIONS OF INTEREST	24
6.2.4	INVITATIONS TO SUBMIT EXPRESSIONS OF INTEREST OR TENDER OFFERS	24
6.2.5	PUBLICATION OF SUBMISSIONS RECEIVED AND THE AWARD OF CONTRACTS	25

6.2.6	DISPOSAL COMMITTEE	25
-------	--------------------	----

TABLE OF CONTENTS		
SECTION	DESCRIPTION	PAGE #
6.2.7	REPORTING OF INFRASTRUCTURE DELIVERY MANAGEMENT INFORMATION	26
7.	INFRASTRUCTURE PROCUREMENT	26
7.1	PROCUREMENT DOCUMENTS	26
7.2	DEVELOPMENTAL PROCUREMENT	27
7.3	PAYMENT OF CONTRACTORS	27
7.4	APPROVAL TO UTILISE SPECIFIC PROCUREMENT PROCEDURES	27
7.5	RECEIPT AND SAFEGUARDING OF SUBMISSIONS	27
7.6	OPENING OF SUBMISSIONS	28
7.7	USE OF ANOTHER ORGAN OF STATE'S FRAMEWORK AGREEMENT	28
7.8	INSURANCES	28
7.9	WRITTEN REASONS FOR ACTIONS TAKEN	29
7.10	REQUEST FOR ACCESS TO INFORMATION	30
8.	SHORT TITLE	30

INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT POLICY

1. SCOPE

- 1.1.** This is the *Bitou Local Municipality* Policy for Infrastructure Procurement and Delivery Management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management.

Policy Title: Bitou Municipality Infrastructure Procurement Delivery Management Policy

Financial Year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

- 1.2. The scope includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:
- a) the storage of goods and equipment following their delivery to *the Bitou Municipality* which are stored and issued to contractors or to employees;
 - b) the disposal or letting of land;
 - c) the conclusion of any form of land availability agreement;
 - d) the leasing or rental of moveable assets; and
 - e) public private partnerships.
 - f) Provision of municipal services by external mechanism referred to in s8 of MSA.
- 1.3. This Policy applies to construction-related works for the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, projected to cost in excess of R30 000.

2. TERMS, DEFINITIONS AND ABBREVIATIONS

- 2.1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act, no 56 of 2003, or the Standard, where applicable, has the same meaning as in the Act, and the following apply–

2.1.1. “Authorised Person”	the municipal manager or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order
“Accounting Officer”	in relation to a Municipality means the Municipal Manager as described in Section 60 of the Local Government: Municipal Finance Management Act, no 56 of 2003 as well as Section 82 of the Municipal Structures Act, no 117 of 1998.
2.1.3. “Conflict of Interest”	any situation in which: <ul style="list-style-type: none"> 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
2.1.4. “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
2.1.5. “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

2.1.6. “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
2.1.7. “Gate”	a control point at the end of a process where a decision is required before proceeding to the next process or activity
2.1.8. “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
2.1.9. “Gratification”	an inducement to perform an improper act
2.1.10. “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
2.1.11. “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
2.1.12. “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
2.1.13. “Operation”	combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use
2.1.14. “Order”	an instruction to provide goods, services or any combination thereof under a framework agreement
2.1.15. “Organ of State”	an organ of state as defined in Section 239 of the Constitution of the Republic of South Africa
2.1.16. “Procurement Document”	documentation used to initiate or conclude (or both) a contract or the issuing of an order
2.1.17. “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)
2.1.18. “Standard”	the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury
2.1.19. “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:

IPDM	Infrastructure Procurement Delivery Management
SARS	South African Revenue Services
SCM	Supply Chain Management
CIDB	Construction Industry Development Board

3. GENERAL REQUIREMENTS 3.1. Delegations

3.1.1. The Bitou Municipality Council hereby delegates all powers and duties to the Municipal Manager which are necessary to enable the Municipal Manager to:

- a) discharge the supply chain management responsibilities conferred on Accounting Officers in terms of Chapter 8 of the Local Government Municipal Finance Management Act of 2003 and this document;
- 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, unfair and irregular practices in the implementation of this Policy; 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.

3.1.2. No departure shall be made from the provisions of this Policy without the approval of the Municipal Manager of the Bitou Municipality.

3.1.3. The Municipal Manager shall for oversight purposes:

- a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy, of the Bitou Municipality Council;
- b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the Council;
- c) within 10 days of the end of each quarter, submit a report on the implementation of the Policy to the Executive Mayor; and
- d) make the reports public in accordance with Section 21A of the Municipal Systems Act of 2000.

3.2. Implementation of the Standard for Infrastructure Procurement and Delivery Management

3.2.1. Infrastructure procurement and delivery management shall be undertaken in accordance with all the applicable legislation and the relevant requirements of the latest edition of the National Treasury

Standard for Infrastructure Procurement and Delivery Management, unless this Policy prescribes otherwise.

3.3. Supervision of the infrastructure delivery management unit

3.3.1. The Infrastructure Delivery Management Unit shall be directly supervised by the Chief Financial Officer as delegated in terms of Section 82 of the MFMA.

3.4. Objections and complaints

3.4.1. Persons aggrieved by decisions or actions taken in the implementation of this Policy, may lodge within 21 days of the decision or action, a written objection or complaint against the decision or action.

3.5. Resolution of disputes, objections, complaints and queries

3.5.1. The Accounting Officer shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes to assist in the resolution of disputes between the Bitou Municipality and other persons regarding:

- a) any decisions or actions taken in the implementation of the supply chain management system;
- b) any matter arising from a contract awarded within the Bitou Municipality's infrastructure delivery management system; or
- c) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

3.5.2. The designated person shall assist the person appointed in terms of 3.5.1 to perform his or her functions effectively.

3.5.3. The person appointed in terms of 3.5.1 shall:

- a) strive to resolve promptly all disputes, objections, complaints or queries received; and
- b) submit monthly reports to the Municipal Manager on all disputes, objections, complaints or queries received, attended to or resolved.

3.5.4. A dispute, objection, complaint or query may be referred to the Provincial Treasury if:

- a) the dispute, objection, complaint or query is not resolved within 60 days; or
- b) no response is forthcoming within 60 days.

3.5.5. 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.

4. CONTROL FRAMEWORK FOR INFRASTRUCTURE DELIVERY MANAGEMENT

4.1. Assignment of responsibilities for approving or accepting end of stage deliverables

4.1.1. The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

Table 1: Stages, end-of-stage deliverables and responsibilities for approving or accepting end-ofstage deliverables in the control framework for the management of infrastructure delivery.

No	Name of Stage	End-of-Stage Deliverable (Output)	Key Person to Review and Accept Deliverable	Key Person to Approve Deliverable	Project Value
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Policy Title: Bitou Municipality Infrastructure Procurement Delivery Management Policy

Financial Year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

31

0	Project initiation	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	Relevant Project Manager	The relevant Director	All
1	Infrastructure planning	Infrastructure Plan which identifies and prioritises projects and packages against a forecasted budget over a period of at least five years	Relevant Project Manager	The relevant Director	All
2	Strategic resourcing	Procurement Strategy 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	Relevant Project Manager	The relevant Director	
3	Pre-feasibility	Pre-feasibility Report which determines whether or not it is worthwhile to proceed to the feasibility stage	Relevant Project Manager	The relevant Director	>R20m
	Preparation and briefing	Service Level Agreement 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	Relevant Project Manager	The relevant Director	All

No	Name of Stage	End-of-Stage Deliverable (Output)	Key Person to Review and Accept Deliverable	Key Person to Approve Deliverable	Project Value
		report for one or more packages			

4	Feasibility	Feasibility Report which presents sufficient information to determine whether or not the project should be implemented	Relevant Project Manager	The relevant Director	>R2m
	Concept and viability	Inception Report 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	Relevant Project Manager	The relevant Director	>R2m
5	Design development	Design Report A design development report which develops in detail the approved concept to finalise the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages	Relevant Project Manager	The relevant Director	
6	Design documentation	Tender Document 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	Relevant Project Manager	Bid Specification Committee	All
		Working Drawings Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a package which enables	Relevant Project Manager	N/A	All

No	Name of Stage	End-of-Stage Deliverable (Output)	Key Person to Review and Accept Deliverable	Key Person to Approve Deliverable	Project Value
		manufacture, fabrication or construction to take place			
7	Works	Practical Completion Certificate Completed works which are capable of being occupied or used	Relevant Project Manager (when using external service providers)	Relevant Project Manager (when using internal process)	All
8	Handover	Completion Certificate and Record Drawings Works which have been taken over by the user or owner complete with record information	Relevant Project Manager	The relevant Director	All
9	Package completion	Final Approval Certificate, Final Payment Certificate and Close-out Report Works with notified defects corrected, final account settled and the close out report issued	Relevant Project Manager	The relevant Director	All

4.2. General

4.2.1. Prefeasibility and feasibility reports shall be required as end-of-stage deliverables for stages 3 and 4, respectively, where a major capital project is required for where the total project capital expenditure exceeds R1,0 billion (including VAT), or where the expenditure per year for a minimum of three years exceeds R250 million per annum (including VAT).

4.2.2. Stages 3 and 4 may be omitted for the following:

- a) a building project with or without related site works; or
- b) a process-based, somewhat repetitive or relatively standardised project where the risk of failing to achieve time, cost and quality objectives is relatively low.

4.2.3. Stages 3 to 9 may be omitted where the required work does not involve the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure.

4.2.4. Stages 5 and 6 may be omitted if sufficient information to proceed to stage 7 is contained in the stage 4 deliverable.

4.2.5. The infrastructure plan (stage 1), which is informed by demand management requirements as set out in 6.2, initiation reports (stage 0), decisions made during stages 3 and 4 and work in progress in stages 5 to 9, and the procurement strategy (stage 2) shall be reviewed and updated at least once a year.

- 4.2.6. The approval of the infrastructure plan and the securing of the necessary budget shall be obtained prior to advancing to stage 3. All subsequent stages shall only be proceeded with if the necessary budget is in place.
- 4.2.7. A stage shall only be complete when the deliverable has been approved or accepted by the person or persons designated in the institutional arrangements to do so.
- 4.2.8. Activities associated with stages 5 to 9 may be undertaken in parallel or series, provided that each stage is completed in sequence.
- 4.2.9. The level of detail contained in a deliverable associated with the end of each stage shall be sufficient to enable informed decisions to be made to proceed to the next stage. In the case of stages 3 to 6, such detail shall, in addition, be sufficient to form the basis of the scope of work for taking the package forward in terms of the selected contracting strategy.
- 4.2.10. The approvals or acceptances at each gate shall be retained for record purposes for a period of not less than five years of such acceptance or approval in a secured environment, unless otherwise determined in terms of the National Archives and Record Services of South African Act.

4.3. Gateway reviews

- 4.3.1. Gateway reviews for major capital projects above the threshold of R 50 million.
- 4.3.1.1. The Municipal Manager shall appoint a gateway review team for major capital projects.
- 4.3.1.2. 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.
- 4.3.1.3. 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 Professions Act, a professional quantity surveyor in terms of the Quantity Surveying Professions Act or a professional architect in terms of the Architectural Professions Act.
- 4.3.1.4. The members of the team shall, as relevant, have expertise in key technical areas, cost estimating, scheduling and implementation of similar projects.
- 4.3.1.5. The Provincial Treasury shall be notified of a proposed gateway review for a major capital project, three weeks prior to the conducting of such a review.
- 4.3.1.6. 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.
- 4.3.1.7. The Provincial Treasury may nominate additional persons to serve on the review team.
- 4.3.1.8. The gateway review team shall base its findings primarily on:
- 4.3.1.8.1. the information contained in the end-of-stage deliverables;
- 4.3.1.8.2. supplementary documentation, if any, provided by key staff obtained during an interview process; and
- 4.3.1.8.3. interviews with key staff members and stakeholders.
- 4.3.2. 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, within 30 days of receiving such an instruction.

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 of R300 000 shall be as stated in Table 2.

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.	Project 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	Project Manager
3	Solicit tender offers	3.2 PG3	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Bid Specification Committee
		3.3 PG4	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	Bid Specification Committee
4	Evaluate tender offers	4.2 PG5	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Bid Evaluation Committee
		4.7 PG6	Confirm recommendations contained in the tender evaluation report	Review recommendations of the Bid Evaluation Committee and refer back to Bid Evaluation Committee for reconsideration or make recommendation for award	Bid Adjudication Committee
5	Award contract	5.3 PG7	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Bid Adjudication Committee or Municipal Manager

		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	SCM
		6.4 PG8A	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	<i>The Relevant Director</i>
	Activity		Sub-Activity (see Table 3 of the standard)	Key action	Person assigned responsibility to perform key action
		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	<i>Municipal Manager</i>
6	Administer contracts and confirm compliance requirements	6.6 PG8C	Obtain approval to increase the total of prices, including 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 ²¹	Approve amount of time and cost overruns up to the threshold	<i>The Relevant Director</i>
		6.7 PG8D	Obtain approval to exceed the total of prices, including contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by up to or exceeding a specified percentage	Approve amount of time and cost overruns above the threshold	<i>Municipal Manager Council to note for value exceeding 20%</i>
		6.8 PG8E	Obtain approval to cancel or terminate a contract	Approve amount	<i>The Relevant Director</i>
		6.9 PG8F	Obtain approval to amend a contract	Approve proposed amendment to contract	<i>Municipal Manager</i>

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, of R300 000, shall be as follows:

- The Bid Specification Committee or the Manager: SCM 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;
- The delegated Director may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

31

- 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.

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	[designated person]
3 FG2	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	[designated person]
4 FG3	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	[designated person e.g. programme manager or financial director]
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	[authorised person]

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 projected to cost in excess of R300 000.
- 6.1.1.1.2. The Accounting Officer may consider applying the requirements of the committee system to a lower threshold.
- 6.1.1.1.3. 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.
- 6.1.1.1.4. The persons appointed in writing as technical advisors and subject matter experts may attend any committee meeting.
- 6.1.1.1.5. No person who is a political officer bearer, a public office bearer including any Councillor of a municipality, a political advisor or a person appointed in terms of Section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a Bid Specification, Bid Evaluation or Bid Adjudication Committee.

6.1.1.1.6. 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.

6.1.1.1.7. 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 Municipal Manager shall appoint in writing:

- (a) the persons to review the procurement documents and to develop a procurement documentation review report; and
- (b) the members of the Bid Specification Committee.

6.1.1.2.2. The approval of procurement documents at Procurement Gate 3 or Framework Agreement Gate 2 shall be based on the contents of a procurement documentation review report, if possible.

6.1.1.2.3. Where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, such a report shall be prepared by one or more persons who participated in the review and who are registered as far as possible, as a:

- (a) professional architect or professional senior architectural technologist in terms of the Architectural Profession Act or a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
- (b) a professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or
- (c) a professional quantity surveyor in terms of the Quantity Surveying Professions Act.

6.1.1.2.4. The Bid Specification Committee shall comprise two or more persons.

6.1.1.2.5. The chairperson shall be an employee of the Bitou Municipality with requisite skills.

6.1.1.2.6. Other members shall, where relevant, include a representative of the end user or the department requiring infrastructure delivery.

6.1.1.2.7. No member of, or technical adviser or subject matter expert who participates in the work of any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

6.1.1.3. **Bid Evaluation Committee**

6.1.1.3.1. The Municipal Manager shall appoint in writing:

- a) the members of the Bid Evaluation Committee to prepare the procurement evaluation and, where applicable, the quality evaluations.

6.1.1.3.2. The Bid Evaluation Committee shall comprise not less than three people. The chairperson shall be an employee of the Bitou 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 evaluation report shall be prepared by one or more persons who are conversant with the nature and subject matter of the procurement documents or the framework contract, and who are as far as possible, registered as:
- a) a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act;
 - b) a professional engineer or professional engineering technologist in terms of the Engineering Profession Act;
 - c) a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
 - d) a professional project manager or a professional construction manager in terms of the Project and Construction Management Professions Act; or a professional quantity surveyor in terms of the Quantity Surveying Profession Act.
- 6.1.1.3.4. The Bid Evaluation Committee shall review the evaluation reports 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;
 - c) 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.
- 6.1.1.3.5. No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the Bid Specification Committee or a family member or associate of such a member, may be considered by the Bid Evaluation Committee.
- 6.1.1.3.6. The chairperson of the Bid Evaluation Committee shall promptly notify the Municipal Manager 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 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; and
 - b) at least one senior supply chain management practitioner who is an official of the municipality; and
 - c) a technical expert in the relevant field who is an official, if such an expert exists.
- 6.1.1.4.2. The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- 6.1.1.4.3. No member of the Bid Evaluation Committee may serve on the Bid Adjudication Committee. A member of a Bid Evaluation Committee may, however, participate in the deliberations of a Bid Adjudication Committee as a technical advisor or a subject matter expert.
- 6.1.1.4.4. The Bid Adjudication Committee shall:
- a) consider the report and recommendations of the Bid Evaluation Committee and:
 - 1) verify that the procurement process which was followed complies with the provisions of this document;

- 2) confirm that the report is complete and addresses all considerations necessary to make 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
- 5) refer the report back to the Bid Evaluation Committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation;
- 6) or alternatively make a recommendation to the Municipal Manager to award if the value exceeds R10 million.

- 6.1.1.4.5. The Bid Adjudication Committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action, which should be taken.
- 6.1.1.4.6. The Bid Adjudication Committee shall consider the merits of an unsolicited offer and make a recommendation to the Municipal Manager.
- 6.1.1.4.7. The Bid Adjudication Committee shall report to the Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the Bid Evaluation Committee, giving reasons for making such a recommendation.
- 6.1.1.4.8. 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.
- 6.1.1.4.9. 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 Provincial Treasury shall be informed where such tenderers are disregarded.

6.1.2. Actions of an authorised person relating to the award of a contract or an order 6.1.2.1.

Award of a contract

- 6.1.2.1.1. The Municipal Manager shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the Bid Adjudication Committee 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.
- 6.1.2.1.2. The Municipal Manager shall immediately notify the Bid Adjudication Committee if a tender other than the recommended tender is awarded, save where the recommendation is changed to rectify an irregularity.
- 6.1.2.1.3. The Municipal Manager shall, within 10 working days, notify the Auditor-General, the National Treasury and the Provincial Treasury, and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation, in writing.

6.1.2.2. Issuing of an order

6.1.2.2.1. The Director shall, if the value of an order issued in terms of a framework contract, is within his or her delegation, consider the recommendation of the Bid Evaluation Committee as relevant, and either:

- a) authorise the issuing of an order; or
- b) decide not to proceed or to start afresh with the process.

6.1.2.2.2. The person responsible for authorising an order shall, prior to authorising the issuing of an order:

- a) confirm that the required goods or services, or any combination thereof, are within the scope of work associated with the relevant framework contract; and
- b) consider the recommendations of the evaluation report where competition amongst framework contracts takes place or a significant proportion of the total of the prices is negotiated, based on the financial parameter contained in the framework contract, and either

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 the Bitou 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 Bitou 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) 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 the Bitou 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 keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

6.1.3.1.3. 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 the Bitou 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 Bitou 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 the Bitou Municipality proprietary information.

6.1.3.2.2. The employees and agents of the Bitou 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 the Bitou Municipality's interest to do so, submit a tender for work associated with such documents provided that:

- a) the Bitou 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 Bid Specification 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 the Bitou 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 the Bitou Municipality and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

6.1.3.3.3. the Bitou 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

6.1.3.4.1. Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect the Bitou Municipality's confidential information and interests.

6.1.3.5. Gratifications, hospitality and gifts

- 6.1.3.5.1. The employees and agents of the Bitou 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 the Bitou Municipality as well as their family members of 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 the Bitou 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 the Bitou Municipality may for the purpose of fostering interpersonal 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, paperknives, 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.
- 6.1.3.5.5. Gifts listed in a) to d) or gifts in kind which have an intrinsic value greater than R350 may not be accepted.
- 6.1.3.5.6. 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.
- 6.1.3.5.7. Employees and agents of the Bitou Municipality shall without delay report to the Municipal Manager 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

- 6.1.3.6.1. Employees and agents of the Bitou Municipality shall promptly report to the Municipal Manager 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.

- 6.1.4.1. The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this Policy against an employee or an agent, a contractor or other role player and, where justified:
- a) take steps against an employee or role player and inform the National Treasury and the Provincial Treasury of those steps;

- b) report to the South African Police Service any conduct that may constitute a criminal offence;
- c) lodge complaints with the Construction Industry Development Board or any other relevant statutory Council where a breach of such Council's code of conduct or rules of conduct are considered to have been breached; 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. Prohibition of 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 board of directors of any municipal entity;
- c) an official of any municipality or municipal entity;
- d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- e) an executive 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 [municipality / municipal entity] shall disclose particulars of an award of more than R 2000 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

6.1.6.1. 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 the Bitou Municipality; or
- f) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of the Bitou Municipality that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,

6.1.7.2. The Manager SCM shall prepare a report on the matter and make a recommendation to the Municipal Manager for placing the contractor or any of its principals under restrictions from doing business with the Bitou Municipality.

6.1.7.3. The Municipal Manager 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.

6.1.7.4. The Manager SCM shall:

- 6.1.7.4.1. record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of the Bitou Municipality who are engaged in procurement processes; and
- 6.1.7.4.2. notify the National Treasury and the 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 Bitou Municipality's Infrastructure Delivery Management System shall be addressed to the Municipal Manager. Such complaints shall be in writing.
- 6.1.8.2. The Chief Financial Officer shall investigate all complaints regarding the Infrastructure Procurement and Delivery Management System and report on actions taken to the Municipal Manager who will decide on what action to take.

6.2. Acquisition management 6.2.1. Unsolicited proposal

6.2.1.1. The Bitou Municipality is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:

- a) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;
- b) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;
- c) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for the Bitou 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 Municipal Manager finds the reasons for not going through a normal tender process to be sound.

6.2.1.2. The Municipal Manager may only accept an unsolicited offer and enter into a contract after considering the recommendations of the Bid Adjudication Committee if:

- a) the intention to consider an unsolicited proposal has been made known in accordance with Section 21A of the Municipal Systems Act of 2000 together with the reasons why such a proposal should not be open to other competitors, an explanation of the potential

benefits for the [municipality or municipal entity] and an invitation to the public or other potential suppliers and providers to submit their comments within 30 days after the notice;

- b) the Bitou Municipality' has obtained comments and recommendations on the offer from the National Treasury and the Provincial Treasury;
- c) the Bid Adjudication Committee meeting which makes recommendations to accept an unsolicited proposal was open to the public and took into account any public comments that were received, and any comments and recommendations received from the National Treasury and the Provincial Treasury; and
- d) the provisions of 6.2.1.3 are complied with.

6.2.1.3. The Municipal Manager shall, within 7 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 Provincial 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 R30 000, unless a tenderer or contractor is in possession of an original valid Tax Clearance Certificate issued by SARS provided that the tenderer is not domiciled in the Republic of South Africa and the SARS has confirmed that such a tenderer is not required to prove their tax compliance status.

6.2.2.1.2. In the case of a partnership, each partner shall comply with the requirements of 6.2.2.1.1.

6.2.2.1.3. No payment shall be made to a contractor who does not satisfy the requirements of 6.2.2.1.2. An employee of the Bitou Municipality shall upon detecting that a tenderer or contractor is not tax compliant, immediately notify such person of such status.

6.2.2.1.4. Notwithstanding the requirements of 6.2.2.1.1 and 6.2.2.1.3 the following shall apply, unless a person who is not tax compliant indicates to [designated person] that it intends challenging its tax compliance status with SARS,

- b) 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;
- c) 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;
- d) no payments may be released for any amounts due in terms of the contract due to a noncompliant 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.

6.2.2.2. Municipal rates and taxes

6.2.2.2.1. No contract may be awarded to a tenderer who, of 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.

6.2.2.2.2. No award may be considered to a tenderer who, of the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are outstanding for more than 30 days, if the value of the award will exceed R 10 million.

6.2.2.2.3. When bids are called for the provisioning of services or goods, potential bidders, who are also customers of the Bitou Local Municipality, can submit tenders subject to a condition that the consideration and evaluation thereof shall require of the tenderer to obtain a certificate from the

municipality that confirms that all applicable municipal accounts of the tenderer or his/her directors, owners or partners, are paid in full or that appropriate arrangements (which includes the right of settlement in the case of non-performance) are made for the payment of any amounts due;

6.2.2.2.3.1. No tender shall be awarded to a person unless an appropriate arrangement has been made for the payment of amounts due.

6.2.2.2.3.2. No further debt may accrue during the contract period; and

6.2.2.2.3.3. Tender conditions include a condition that allows the municipality to, in terms of a reasonable arrangement with the consumer; subtract amounts due to the municipality from cash payments.

6.2.3. **Declarations of interest**

6.2.3.1. Tenderers 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 Bitou 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 R300 000 including VAT, except where a confined tender process is followed, and expressions of interest shall be advertised on the Bitou Municipality's website and on the National Treasury e-Tender Publication Portal.

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 also be advertised, on the CIDB i-Tender website.

6.2.4.3. Where deemed appropriate by the Chairperson of the Bid Specification Committee or the Manager: SCM, 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.

6.2.4.4. Such advertisements shall be advertised for a period of at least 14 days before closure, except in urgent cases when the advertisement period may be shortened as determined by the Municipal Manager.

6.2.4.5. The Manager SCM shall place all Advertisements.

6.2.4.6. 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 Manager: SCM 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 R300 000 (including VAT) on the municipality's website.

6.2.5.2. The following information must be published:

31

- 6.2.5.2.1. the names of all tenderers that made submissions to that advertisement, and
- 6.2.5.2.2. if practical or applicable, the total of the prices and the preferences claimed.
- 6.2.5.3. Such information shall remain on the website for at least 30 days.
- 6.2.5.4. The Manager SCM shall publish within 7 working days of the award of a contract the following on the Bitou 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.
- 6.2.5.5. The Manager SCM shall submit within 7 working days of the award of a contract the information required by National Treasury on the National Treasury e-Tender Publication Portal regarding the successful and unsuccessful tenders.
- 6.2.5.6. The Manager SCM shall, within 7 working days of the award, submit details pertaining to 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, in addition to the requirements of 6.2.5.3, place a notification on the CIDB website.

6.2.6. Disposal committee

- 6.2.6.1. The Municipal Manager shall appoint in writing the members of the disposal committee to decide on how best to undertake disposals.
- 6.2.6.2. The disposal panel shall comprise not less than three people.
- 6.2.6.3. The chairperson shall be an employee of the Bitou Municipality.
- 6.2.6.4. The disposal committee shall make recommendations to the Municipal Manager who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration, decide not to proceed or to start afresh with the process.
 - 6.2.6.4.1. A disposal committee shall decide how best to undertake disposals relating to the demolition or dismantling of infrastructure or parts thereof, and the disposal of unwanted, redundant or surplus materials, plant and equipment.
 - 6.2.6.4.2. Disposals shall be proceeded with only after the feasibility and desirability of using one or more of the following alternative disposal strategies have been considered:
 - a) transfer to another organ of state, business unit or a charitable organisation at market related value or free of charge;
 - c) recycling or re-use of component materials; or
 - d) disposal by means of dumping at an authorised dump site, burning or demolition.
 - 6.2.6.4.3. The reasons for adopting a disposal strategy shall be recorded prior to proceeding with such disposal.

6.2.7. Reporting of infrastructure delivery management information

- 6.2.7.1. The Manager: SCM shall submit any reports required in terms of the standard to the National Treasury or the Provincial Treasury.

7. Infrastructure procurement 7.1. Procurement documents

- 7.1.1. The forms of contract that may be used are as follows:

Policy Title: Bitou Municipality Infrastructure Procurement Delivery Management Policy

Financial Year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

Form of Contract	Code	Intended Usage
CIDB Standard Professional Service Contract	SPSC	Professional Services
SAICE General Conditions of Contract for Construction Works	GCC	Engineering and construction, including any level of design responsibility
JBCC Principal Building Agreement	PBA	Buildings and related site works designed by the employer
JBCC Minor Works Agreement	MWA	Buildings and related site work of simple content designed by the employer.

7.1.2. The Bitou Municipality's pre-approved 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.

7.1.3. All modifications to the standard templates shall be approved by the Project Manager prior to being issued for tender purposes.

7.1.4. Disputes arising from the performance of a contract shall be finally settled in a South African court of law.

7.1.5. [state additional requirements, if any e.g. use of standard access specifications, health and safety specifications etc.]

7.1.6. 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.

7.2. Developmental Procurement

7.2.1. The primary beneficiaries will be included in the Preferential Procurement Policy and will include at least the following:

7.2.1.1. Local emerging contractors / service providers and suppliers from previously disadvantaged individuals/communities who will be assisted with targeted contract opportunities to propel them to new heights.

7.2.1.2. Contractors must be registered with the CIDB to qualify for participation.

7.2.2. The Bitou Municipality undertakes to support the development of emerging contractors in the construction industry through the use of the Potentially Emerging (PE) policy instrument developed by the CIDB.

7.2.3. The Bitou Municipality undertakes to establish and resource a Contractor Development Programme in line with the CIDB Guidelines for Establishing Contractor Development Programmes.

7.2.4. The Bitou Local Municipality undertakes to allocate projects to the Contractor Development Programme, within which the PE status can be applied.

7.3. Payment of contractors

7.3.1. The Bitou Municipality shall settle all undisputed 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:

Policy Title: Bitou Municipality Infrastructure Procurement Delivery Management Policy

Financial Year: 2025/2026

Status: Final review, submitted to Council on 30/05/2025

- (a) The Municipal Manager shall authorise the use of the negotiated procedure above the thresholds provided in the standard.
- (b) The Municipal Manager 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 Bid Specification Committee or Manager: SCM shall authorise 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 Director.

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.

7.5.2. The tender box shall be fitted with two locks and the keys kept separately by two SCM Practitioners.

7.5.3. Such personnel shall be present when the box is opened on the stipulated closing date for submissions.

7.6. Opening of submissions

7.6.1. Submissions shall be opened by an opening panel comprising two people nominated by the Manager: SCM 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;
- e) 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.
- f) record in the register submissions that were returned unopened;
- g) 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;
- h) record in the register the name of any submissions that is returned with the reasons for doing so;
- i) record the names of the tenderer's representatives that attend the public opening;
- j) sign the entries into the register; and
- k) 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

7.7.1. The Bitou 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.

7.7.2. The Municipal Manager 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 Municipal Manager.

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, 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 R10 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 R5 million
Professional indemnity insurance	Geotechnical and structural engineering: R5 million Civil, electrical and mechanical engineering: R3 million Architectural: R3 million other R3 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 [designated person].

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 in relation to the nature of the service that they provide.

31

7.8.7. the Bitou 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.

7.8.8. Where payment is to be made in multiple currencies, either the contractor or the Bitou 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 a Project 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, as to why a tenderer was not considered for the award of a contract or not awarded a contract shall be framed around the clauses in:

- 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;

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 Bitou Municipality’s Information Manual which establishes the procedures to be followed and the criteria that have to be met for the “requester” to request access to records in the possession or under the control of the Bitou 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.

7.10.3. Access to a bill of quantities and rates should be provided in terms of the Act.

8. SHORT TITLE

8.1. This policy is called the INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT POLICY of the Bitou Local Municipality.

15.



ASSET MANAGEMENT POLICY

2025/2026



TABLE OF CONTENTS

	Page
1 PREAMBLE	4
2 DEFINITIONS	5
3 OBJECTIVE	8
4 POLICY FRAMEWORK.....	10
5 ASSET RECOGNITION.....	11
5.1 CLASSIFICATION OF CAPITAL ASSETS	11
5.2 IDENTIFICATION OF ASSETS.....	12
5.3 ASSET REGISTER	13
5.4 RECOGNITION OF CAPITAL ASSETS: INITIAL MEASUREMENT.....	14
5.5 SUBSEQUENT MEASUREMENT OF CAPITAL ASSETS	18
5.6 RECOGNITION OF INVENTORY ITEMS (NON CAPITAL ITEMS)	18
6 ASSET TYPES	20
6.1 PROPERTY, PLANT AND EQUIPMENT: LAND AND BUILDINGS	20
6.2 PROPERTY, PLANT AND EQUIPMENT: INFRASTRUCTURE ASSETS.....	21
6.3 PROPERTY, PLANT AND EQUIPMENT: COMMUNITY ASSETS	22
6.4 PROPERTY, PLANT AND EQUIPMENT: OTHER ASSETS.....	22
6.5 HERITAGE ASSETS	23
6.6 INTANGIBLE ASSETS	24
6.7 INVESTMENT PROPERTY	24
6.8 BIOLOGICAL ASSETS.....	25
6.9 DISCONTINUED OPERATIONS (GRAP 100).....	25
6.10 INVENTORY PROPERTY (GRAP 12).....	26
6.11 MINOR ASSETS (CAPITAL ASSETS BELOW APPROVED THRESHOLD).....	26
7 ASSET ACQUISITION.....	28
7.1 ACQUISITION OF ASSETS.....	28
7.2 CREATION OF NEW INFRASTRUCTURE ASSETS.....	29
7.3 SELF-CONSTRUCTED ASSETS.....	29
7.4 DONATED ASSETS	30
8 ASSET MAINTENANCE.....	31
8.1 USEFUL LIFE OF ASSETS.....	31
8.2 RESIDUAL VALUE OF ASSETS	31
8.3 DEPRECIATION OF ASSETS.....	32
8.4 IMPAIRMENT LOSSES	33
8.5 MAINTENANCE OF ASSETS AND THE ASSET REGISTER.....	34
8.6 RENEWAL OF ASSETS	35
8.7 REPLACEMENT OF ASSETS	36
9 ASSET DISPOSAL.....	37
9.1 TRANSFER OF ASSETS.....	37
9.2 EXCHANGE OF ASSETS	37
9.3 ALIENATION / DISPOSAL OF ASSETS	38
9.4 SELLING OF ASSETS	40
9.5 WRITING-OFF OF ASSETS.....	41
10 ASSET PHYSICAL CONTROL (MOVEABLE ASSETS).....	42

10.1	PHYSICAL CONTROL / VERIFICATION.....	42
10.2	INSURANCE OF ASSETS.....	43
10.3	SAFEKEEPING OF ASSETS.....	43
11	ASSET FINANCIAL CONTROL.....	45
11.1	CAPITAL REPLACEMENT RESERVE (CRR)	45
11.2	FUNDING SOURCES	45
11.3	DISASTER	46
12	MANAGEMENT OF IMMOVABLE ASSETS	47
12.1	LEGAL FRAMEWORK	47
12.2	RATIONALE FOR MANAGEMENT OF ASSETS.....	47
12.3	PRINCIPLES OF ASSET MANAGEMENT	48
12.4	POLICY OBJECTIVE.....	48
12.5	POLICY PRINCIPLES.....	48
	ANNEXURE A ABBREVIATIONS.....	52

1 PREAMBLE

Whereas section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003) determines that a municipal council may not dispose of assets required to provide minimum services, and whereas the Municipal Asset Transfer Regulations (Government Gazette 31346 dated 22 August 2008) has been issued.

And whereas the municipal council of Bitou Municipality wishes to adopt a policy to guide the municipal manager in the management of the municipality's assets.

And whereas the municipal manager as custodian of municipal funds and assets is responsible for the implementation of the asset management policy which regulate the acquisition, safeguarding and maintenance of all assets.

And whereas these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes.

Now therefore the municipal council of the Bitou Municipality adopts the following asset management policy:

2 DEFINITIONS

Accounting Officer means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act 2000 (Act no. 32 of 2000).

Agricultural Produce is the harvested product of the municipality's biological assets.

Biological Assets are defined as living animals or plants.

Capital Assets (assets) are items of Biological Assets, Intangible Assets, Investment Property or Property, Plant or Equipment defined in this Policy.

Carrying Amount is the amount at which an asset is included in the statement of financial position after deducting any accumulated depreciation (or amortisation) and accumulated impairment losses thereon.

Chief Financial Officer (CFO) means an officer of a municipality designated by the Municipal Manager to be administratively in charge of the budgetary and treasury functions.

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 recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciable Amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair Value is the amount for which an asset could be exchanged or a liability between knowledgeable, willing parties in an arm's length transaction.

GAAP are standards of Generally Accepted Accounting Practice.

GRAP are standards of Generally Recognised Accounting Practice.

Heritage Assets are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

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, car parks and electricity supply.

Intangible Assets are defined as identifiable non-monetary assets without physical substance.

Investment Properties are defined as properties (land or buildings) that are acquired for economic and capital gains. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.

Land and Buildings are defined as a class of PPE when the land and buildings are held for purposes such as administration and provision of services. Land and Buildings therefore exclude Investment properties and Land Inventories.

MFMA refers to the Local Government: Municipal Finance Management Act (Act no. 56 of 2003).

Other Assets are defined as assets utilised in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

Property, Plant and Equipment (PPE) are tangible assets that:-

- (a) Are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) Are expected to be used during more than one period.

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 cost to sell and its value in use.

Residual Value is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Useful Life is:-

- (c) The period of time over which an asset is expected to be used by the municipality;
or
- (d) The number of production or similar units expected to be obtained from the asset by the municipality's accounting officer.

3 OBJECTIVE

The MFMA was introduced with the objective of improving accounting in the municipalities sector in keeping with global trends. Good asset management is critical to any business environment whether in the private or public sector. In the past municipalities used a cash-based system to account for assets, whilst the trend has been to move to an accrual system.

With the cash system, assets were written off in the year of disposal or, in cases where infrastructure assets were financed from advances or loans, they were written off when the loans were fully redeemed. No costs were attached to subsequent periods in which these assets would be used.

With an accrual system the assets are incorporated into the books of accounts and systematically written off over their anticipated lives. This necessitates that a record is kept of the cost of the assets, the assets are verified periodically, and the assets can be traced to their suppliers via invoices or other such related delivery documents. This ensures good financial discipline, and allows decision makers greater control over the management of assets. An Asset Management Policy should promote efficient and effective monitoring and control of assets.

According to the MFMA, the Accounting Officer in the Municipality should ensure:

- (e) that the municipality has and maintains an effective and efficient and transparent system of financial and risk management and internal control;
- (f) the effective, efficient and economical use of the resources of the municipality;
- (g) the management (including safeguarding and maintenance) of the assets of the municipality;
- (h) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- (i) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and
- (j) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

The objective of this Asset Management Policy is to ensure that the municipality:

- (k) has consistent application of asset management principles;
- (l) implements accrual accounting;

- (m) complies with PFMA, MFMA, Treasury Regulation, GAAP, GRAP and other related legislation;
- (n) safeguards and controls the assets of the municipality; and
- (o) optimises asset usage.

4 POLICY FRAMEWORK

The main challenges associated with managing fixed assets can be characterised as follows:

- (p) Moveable assets – controlling acquisition, location, use, and disposal (over a relatively short term lifespan)
- (q) Immovable assets – life-cycle management (over a relatively long-term lifespan).

The policy approach has been to firstly focus on the financial treatment of assets, which needs to be consistent across both the movable and immovable assets, and secondly to focus on the management of immovable assets as a fundamental departure point for service delivery. This arrangement is summarised in Figure 1.



Figure 1: Proposed policy and strategic framework

5 ASSET RECOGNITION

5.1 CLASSIFICATION OF CAPITAL ASSETS

General

When accounting for Capital Assets, the municipality should follow the various standards of GRAP relating to the capital assets. An item is recognised in the statement of financial position as a Capital Asset if it satisfies the definition and the criteria for recognition of assets. The first step in the recognition process is to establish whether the item meets the definition of an asset. Secondly, the nature of the asset should be determined, and thereafter the recognition criterion is applied. Capital Assets are classified into the following categories for financial reporting purposes:

1. Property, Plant and Equipment (GRAP 17)
 - Land and Buildings (land and buildings not held as investment)
 - Infrastructure Assets (immovable assets that are used to provide basic services)
 - Community Assets (resources contributing to the general well-being of the community)
 - Other Assets (ordinary operational resources)
2. Intangible Assets (GRAP 31)
 - Intangible Assets (assets without physical substance held for ordinary operational resources)
3. Investment Property (GRAP 16)
 - Investment Assets (resources held for capital or operational gain)
4. Heritage Assets (GRAP 103)
 - Heritage Assets (culturally significant resources)
5. Biological Assets (GRAP 27)
 - Biological Assets (livestock and plants held)
6. Discontinued Operations (GRAP 100)
 - Discontinued Operations (Component of an entity that has been disposed of)
7. Land Inventories (GRAP 12)
 - Land Inventories (land or buildings owned or acquired with the intention of selling such property in the ordinary course of business)

Further asset classification has been defined in GRAP. The classifications used for infrastructure are limited and do not represent all asset types. However, these classifications are used for financial reporting consistency and should be used.

To facilitate the practical management of infrastructure assets and asset register data, infrastructure assets have been further classified. The recommended classifications are provided in ***the Immoveable Asset Update Strategy, which is periodically reviewed and approved by the Chief Financial Officer in conjunction with Heads of Departments.***

Policy

The asset classification specified by GRAP shall be adhered to as a minimum standard. The extended asset classification specified in ***the Immoveable Asset Update Strategy*** shall be adopted.

Procedures and Rules

- The CFO shall ensure that the classifications specified by National Treasury, GRAP, and those adopted by the municipality are adhered to.
- The CFO shall inform the Heads of Departments of the classification requirements.
- Every Head of Department shall ensure that all fixed assets under their control are classified correctly.

5.2 IDENTIFICATION OF ASSETS

General

An asset identification system is a means to uniquely identify each asset in the municipality in order to ensure that each asset can be accounted for on an individual basis. Movable assets are usually identified using a barcode system by attaching a barcode to each item. Immoveable assets are usually identified by means an accurate description of their physical location.

Policy

An asset identification system shall be operated and applied in conjunction with an asset register. As far as practicable, every individual asset shall have a unique identification number.

Procedures and Rules

- The CFO shall develop and implement an asset identification system, while acting in consultation with the Heads of Departments.
- The Heads of Departments shall ensure that all the assets under their control are correctly identified.
- As far as practicable, all movable assets must be bar-coded or uniquely marked.
- Immoveable assets must be identified using naming and numbering conventions that enable easy location of the assets in the field.

5.3 ASSET REGISTER

General

An asset register is a database of information related to all the assets under the control of the municipality. The asset register consists of an inventory of all the assets, with each asset having a unique identifying number. Data related to each asset should be able to be stored in the asset register. The data requirements for the asset register are as follows:

Data type	Land	Movable	Infrastructure/ Buildings
Identification			
• Unique identification number or asset mark	✓	✓	✓
• Unique name	✓	✓	✓
• GRAP Classification	✓	✓	✓
• Internal Classification	✓	✓	✓
• Descriptive data (make, model, etc.)	✓	✓	✓
• Erf/Registration	✓	✓	✓
• Title deed reference	✓		
Accountability			
• Department	✓	✓	✓
• Insurance reference		✓	✓
Performance			
• Age		✓	✓
• Condition		✓	✓
• Remaining Useful life		✓	✓
• Expected Useful Life		✓	✓
Accounting			
• Historic cost	✓	✓	✓
• Take on value	✓	✓	✓
• Take on date	✓	✓	✓
• Depreciation charge for the current financial year	✓	✓	✓
• Impairment losses in the current year	✓	✓	✓
• Accumulated depreciation	✓	✓	✓
• Carrying value	✓	✓	✓
• Residual value	✓	✓	✓
• Source of financing	✓	✓	✓

Assets remain in the asset register for as long as they are in physical existence or until being written off. The fact that an asset has been fully depreciated is not in itself a reason for writing-off such an asset.

The asset register does not include assets that belong to other third parties, unless it is classed as a finance lease or comply with conditions set out in other relevant standards and legislation.

Policy

An asset register shall be maintained for all assets. In some cases, such as Investment Properties and Intangible Assets, separate asset registers will have to be maintained. The format of the register shall include the data needed to comply with the applicable accounting standards and data needed for the technical management of the assets. The asset register should be continuously updated and asset records should be reconciled to the general ledger on a quarterly basis.

Procedures and Rules

- The CFO must define the format of the asset register in consultation with the Heads of Departments and must ensure that the asset register format complies with legislative requirements.
- The CFO must ensure that a defined process and forms exist to update and maintain the asset register.
- The Heads of Departments must provide the CFO with the information required to compile and maintain the asset register.

5.4 RECOGNITION OF CAPITAL ASSETS: INITIAL MEASUREMENT

General

A Capital Asset should be recognised as an asset in the financial and asset records when:

- It is probable that future economic benefits or potential service delivery associated with the item will flow to the municipality;
- The cost or fair value of the item to the municipality can be measured reliably;
- The cost is above any municipal capitalisation threshold (if any); and
- The item is expected to be used during more than one financial year.

Spare parts and servicing equipment are usually carried as inventory in terms of the Standard of GRAP on *Inventories* and recognised in surplus or deficit as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Further guidance for the recognition of assets is provided below:

Capitalisation Threshold

The capitalisation threshold is a policy decision of the municipality and is the value above which assets are capitalised and reported in the financial statements as tangible or intangible capital assets as opposed to being expensed in the year of acquisition. As a result, the threshold has a significant impact on the size of the asset register and the complexity of asset management. However, the capitalisation threshold is regarded as a deviation from GRAP standards and should be determined annually against materiality and must be determined at a level that will ensure that the municipality do not deviate materially from the requirements of GRAP 17.

The capitalisation threshold should not be applied to the components of an asset, but should be applied to the value of the capital asset as a whole. If the threshold is applied at component level, the asset register would be incomplete in the sense that an asset recorded as such would not be a complete asset.

The municipality should take the following into account when considering a capitalisation threshold:

- The impact of the threshold on the financial statements and the decisions/assessments the users of the financial statement may or may not make;
- The cost of maintaining financial and management information on assets when the threshold is very low;
- The impact on comparability and benchmarking cost of services may be difficult if different capitalisation thresholds are applied;
- The size of the municipality or the size of its service areas when setting capitalisation thresholds levels. Municipalities vary greatly in size, so what is relevant to one may be immaterial to another.
- The nature of the asset

Every Head of Department shall, however, ensure that any movable asset item with a value lower than the capitalisation threshold and with an estimated useful life of more than one year, shall be recorded on a *Minor Assets inventory listing*. Every Head of Department shall moreover ensure that the existence of items recorded on such inventory stock lists are physically verified from time to time, and at least once in every financial year, and any amendments which are made to such inventory stock lists pursuant to such stock verifications shall be retained for audit purposes.

Calculation of initial cost price

Only costs that comprise the purchase price and any directly attributable costs necessary for bringing the asset to its working condition should be capitalised. The purchase price exclusive of VAT should be capitalised, unless the municipality is not allowed to claim input VAT paid on purchase of such assets. In such an instance, the municipality should capitalise the cost of the asset together with VAT. Any trade discounts and rebates are deducted in arriving at the purchase price. Listed hereunder is a list, which list is not exhaustive, of directly attributable costs:

- Costs of employee benefits (as defined in the applicable standard on Employee Benefits) arising directly from the construction or acquisition of the item of the Capital Asset
- The cost of site preparation;
- Initial delivery and handling costs;
- Installation costs;
- Professional fees such as for architects and engineers; and
- The estimated cost of dismantling and removing the asset and restoring the site.

When payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as an interest expense over the period of credit.

Component approach

The component approach is a GRAP-supported approach where complex assets are split into separate depreciable parts for recording. The key considerations in determining what should become a separately depreciable part (component) are:

- Significant cost; and
- Considerable difference in useful life

If the value of a part of the asset is significant (i.e. material) compared to the value of the asset as a whole and/or has a useful life that is considerably different to the useful life of the asset as a whole, it should be recognised as a separately depreciable part (component).

Subsequent Expenses

The municipality should not recognise the costs of day-to-day servicing of the item in the carrying amount of an item of capital asset. These costs are recognised as expenditure as and when incurred. Day-to-day costs are primarily the costs of labour and consumables and may include the costs of small parts. The purpose of these expenditures is usually for the 'repair and maintenance' of the capital asset.

Parts of some capital assets may require replacement at regular intervals. For example, a road may need resurfacing every few years. It may be necessary to make less-frequently recurring replacement of parts, such as replacing the interior walls of a building, or to make a non-recurring replacement. Under the recognition principle, an entity recognises in the carrying amount of the capital asset the cost of replacing the part of such an item when that cost is incurred if the recognition criteria are met. At the same time the part to be replaced should be derecognised.

Rehabilitation/Enhancements/Renewals of capital assets

Expenditure to rehabilitate, enhance or renew an existing capital asset (including separately depreciable parts) can be recognised as capital if:

- The expenditure satisfies the recognition criteria;
- that expenditure is enhancing the service provision of that capital asset beyond its original expectation and either that expenditure:

- increases the useful life of that capital asset (beyond its original useful life);
- increases the capital asset capacity (beyond its original capacity);
- increases the performance of the capital asset (beyond the original performance);
- increases the functionality of that capital asset;
- reduces the future ownership costs of that capital asset significantly; or
- increases the size of the asset or changes its shape.

The expenditure to restore the functionality of the capital asset to its original level is a maintenance/refurbishment expense and will not be capitalised to the carrying value of the capital asset.

The rehabilitated or renewed separately depreciable part will be derecognised and the replacement will be recognised. Where the separately identifiable asset is rehabilitated or renewed, the amount incurred will be added to the carrying value of the asset.

Leased Assets

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are categorised into finance and operating leases:

- A Finance Lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may or may not eventually be transferred. Where the risks and rewards of ownership of an asset are substantially transferred, the lease is regarded as a finance lease and is recognised as a Capital asset.
- Where there is no substantial transfer of risks and rewards of ownership, the lease is considered an Operating Lease and payments are expensed in the income statement on a systematic basis.

Policy

All capital assets shall be correctly recognised as assets and capitalised at the correct value in its significant components. The capitalisation threshold will be determined annually by the municipality. All assets with values less than the capitalization threshold shall be recorded in a minor assets inventory

Procedures and Rules

- Every Head of Department shall ensure that all assets under their control are correctly accounted for and recognised as assets in its significant depreciable components.
- Every Head of Department shall identify major spare parts held by its department and ensure that these spare parts are correctly classified as either PPE or Inventory.
- Every Head of Department shall identify all subsequent expenditure or expenditure incurred on rehabilitation/enhancements/renewals to evaluate whether these costs should be included in the carrying values of capital assets or expensed when the costs is incurred.
- The Council shall specify which kinds of leases the municipality may enter into.

- The CFO must keep a lease register with all the information that is necessary for reporting purposes, for example, opening balance, acquisitions, disposals, transfers, , capital redemption, etc.

5.5 SUBSEQUENT MEASUREMENT OF CAPITAL ASSETS

General

After initial recognition of Property, plant and Equipment, the municipality values its assets using the cost model, unless a specific decision have been taken to revalue a certain class of assets and in such instance the PPE will be valued using the revaluation model.

When an item of PPE is revalued, the entire class of property to which that asset belongs, should be revalued.

When an asset's carrying amount is increased as a result of the revaluation, the increase should be credited to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

When an asset's carrying amount is decreased as a result of devaluation, the decrease should be recognised as an expense in the annual financial statements. However, the decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Procedures and Rules

- The CFO shall ensure that all Property, Plant and Equipment are correctly recorded in the asset register and revaluated (if applicable) in terms of the municipality's policies.

5.6 RECOGNITION OF INVENTORY ITEMS (NON CAPITAL ITEMS)

General

Inventories encompass finished goods purchased or produced, or work in progress being produced by the municipality. They also include materials and supplies awaiting use in the production process and goods purchased or produced by the municipality, which are for distribution to other parties for no charge or for a nominal charge. GRAP 12.7 defines Inventories as assets:

- In the form of materials or supplies to be consumed in the production process;
- In the form of materials or supplies to be consumed or distributed in the rendering of services;
- Held for sale or distribution in the ordinary course of operations; or
- In the process of production for sale or distribution.

Examples of Inventories may include the following:

- Ammunition;
- Consumable stores;
- Maintenance materials;
- Spare parts for plant and equipment other than those dealt with under PPE;
- Strategic stockpiles (Energy reserves, Water reserves);
- Work in progress; and
- Land / Property held for sale.

Cost of inventories shall comprise of all costs of purchase (i.e. purchase price, import duties, other taxes and transport, handling and other costs attributable to the acquisition of finished goods, materials and supplies), costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates and other similarities are deducted. Taxes recoverable by the entity from the SARS may not be included.

Costs of development for housing or similar developments which are acquired or developed for resale will include costs directly related to the development – e.g. purchase price of land acquired for such developments, surveying, conveyance costs and the provision of certain infrastructure. Infrastructure costs relating to extending the capacity of existing infrastructure are excluded. The costs of inventories of a service provider consisting of direct labour and other costs of personnel directly engaged in providing the service and other attributable overheads are included.

Policy

Assets acquired or owned by the municipality for the purpose of selling or developing such assets with the intention to sell it or utilising the asset in the production process or in the rendering of services, shall be accounted for in the municipality's financial statements as inventory items and not as property, plant and equipment.

Procedures and Rules

- The CFO must record inventories in a dedicated section of the Inventory Register and maintain it for this purpose. The amount of cost of inventories is to be recognised and carried forward until related revenues are recognised.
- Inventories shall be measured at the lower of cost and current replacement cost where they are held for:
 - Distribution at no charge or for nominal charge, or
 - Consumption in the production process of goods to be distributed at no charge or for a nominal charge.
- In cases where the above does not apply, inventories shall be measured at lower of cost and net realisable value.

6 ASSET TYPES

6.1 PROPERTY, PLANT AND EQUIPMENT: LAND AND BUILDINGS

General

Land and Buildings comprise any land and buildings held (by the owner or by the lessee under a finance lease) by the municipality to be used in the production or supply of goods or for administrative purposes. Land held for a currently undetermined future use, should not be included in PPE: Land and Buildings, but should be included in Investment Properties. For this class of Land and Buildings there is no intention of developing or selling the property in the normal course of business. This land and buildings include infrastructure reserves.

The municipality shall apply Interpretation Standard, IGRAP18, relating to the initial recognition and de-recognition of land. This interpretation also considers joint control of land by more than one entity.

When the municipality concludes that it controls the land after applying the principles in this Interpretation, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories (GRAP 12), Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets (GRAP 103), as this Interpretation does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined.

An entity also applies the applicable Standards of GRAP to the de-recognition of land when it concludes that it does not control the land after applying the principles in this Interpretation.

The municipality shall choose either the **cost model** or the **revaluation model** as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.

If the municipality chooses the cost model for its Land and Buildings, then after recognition as an asset, Land and Buildings shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

If the municipality chooses the revaluation model for its Land and Buildings, then after recognition as an asset, Land and Buildings whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Policy

Subsequent to initial recognition, the Municipality choose the cost model as the accounting policy for its Land and Buildings. Land is not depreciated as it is deemed to have an indefinite useful life.

Procedures and Rules

- The CFO shall ensure that all land and buildings are correctly recorded in the asset register and revaluated (if applicable) in terms of the municipality's policies.
- The CFO shall ensure the recognition and measurement of *Land and Buildings* in terms of GRAP 17.

6.2 PROPERTY, PLANT AND EQUIPMENT: INFRASTRUCTURE ASSETS

6.2.1 General

Infrastructure Assets comprise assets used for the delivery of infrastructure-based services. These assets typically include electricity, sanitation, solid waste, storm water, transport, and water assets. Many infrastructure assets form part of a greater facility e.g. a pump in a pump station.

Level of detail of componentisation

For the technical management of infrastructure, the most effective level of management is at the maintenance item level. This data is useful for maintenance analysis to improve infrastructure management decision making. However, the collection of data at this level of detail can be very costly when dealing with assets that are very numerous in nature e.g. water meters, street signs, household connections, etc. It is therefore prudent to balance the value of the information with the cost of collecting the data. The different levels of detail can be viewed in the Immoveable Asset Update Strategy.

The compilation of a detailed infrastructure asset register in one financial term is a costly and onerous exercise. To ensure the practicality of implementing asset registers (and asset management planning as a whole), the International Infrastructure Management Manual (IIMM) recommends the adoption of a continuous improvement process as a practical implementation approach. This approach recognises the value of limited data above no data and enables the municipalities to slowly, but steadily, increase their knowledge in the assets they own.

Policy

The infrastructure asset register shall ensure complete representation of all infrastructure asset types. The level of detail of componentisation shall be defined to a level that balances the cost of collecting and maintaining the data with the benefits of minimising the risks of the municipality. Infrastructure assets should be valued at cost less accumulated depreciation and accumulated impairment. If cost can however not be established, then infrastructure assets will be valued at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market. Depreciation shall be charged against such assets over their expected useful lives. The remaining useful life and residual value of, and the depreciation methods

applied to Infrastructure assets should be reviewed regularly, but the cost related to such reviews should be measured against benefits derived to ensure value for money.

Procedures and Rules

- The CFO shall define the level of detail of the infrastructure asset register in consultation with the Heads of Department.
- The CFO shall prepare an improvement process that defines the target level of detail for each infrastructure asset type with the target year of implementation in consultation with the Heads of Department.
- The CFO shall ensure the recognition and measurement of *Infrastructure Assets* in terms of GRAP 17.

6.3 PROPERTY, PLANT AND EQUIPMENT: COMMUNITY ASSETS

General

Community Assets include a variety of assets used to provide services to the community. These assets include building assets such as aquariums, cemeteries, clinics, hospitals, game reserves, museums, parks, etc. Community assets also include recreational assets such as tennis courts, swimming pools, golf courses, outdoor sports facilities, etc.

Policy

Community assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives.

The different levels of detail can be viewed within the Immoveable Asset Update Strategy

Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all community assets are appropriately recorded and valued in terms of the municipality's policies.

6.4 PROPERTY, PLANT AND EQUIPMENT: OTHER ASSETS

General

Other Assets include a variety of assets that are of indirect benefit to the communities they serve. These assets include office equipment, furniture and fittings, bins and containers, emergency equipment, motor vehicles, plant and equipment.

Policy

Other assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives. Other assets are not revalued.

Other Assets shall be recorded under the following main categories;

- Aircraft;
- Bins and Containers;
- Emergency Equipment;
- Furniture and Fittings;
- Motor Vehicles;
- Office Equipment;
- Plant and Equipment;
- Specialised Vehicles;
- Watercraft; and
- Other Assets as indicated in the Municipality's accounting policy.

Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all other assets are appropriately recorded in terms of the municipality's policies.

6.5 HERITAGE ASSETS

General

A *Heritage Asset* is an asset that has historical, cultural or national importance and needs to be preserved. The following is a list of some typical heritage assets encountered in the municipal environment:

- Archaeological sites;
- Conservation areas;
- Historical buildings or other historical structures (such as war memorials);
- Historical sites (for example, an Iron Age kiln, historical battle site or site of a historical settlement);
- Museum exhibits;
- Public statues; and
- Works of art (which will include paintings and sculptures).

Policy

Heritage assets are valued at cost less accumulated depreciation and accumulated impairment losses. No depreciation shall be charged against such assets. If the cost price of heritage assets are not known, then the heritage asset will be valued at fair value.

Procedures and Rules

- For reporting purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note in the asset register.
- The CFO, in consultation with the Heads of Department, shall ensure that all heritage assets are appropriately recorded and valued in terms of the municipality's policies.

6.6 INTANGIBLE ASSETS

General

Intangible Assets can be purchased, or can be internally developed, by the municipality and includes, but are not limited to, computer software, website development cost, servitudes and mining rights.

Policy

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such assets are amortised over the best estimate of the useful life of the intangible asset. If an intangible asset is generated internally by the municipality, then a distinction should be made between research and development costs. Research costs should be expensed and development costs may be capitalised if all the criteria set out in GRAP 31 has been met.

Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all intangible assets are appropriately recorded in terms of the municipality's policies.

6.7 INVESTMENT PROPERTY

General

Investment Property comprise of land or buildings (or parts of buildings) or both, held by the municipality as owner, or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both. Investment property does not include property used in the production or supply of service or for administration. It also does not include property that will be sold in the normal course of business. Typical investment properties include:

- Office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties);
- Shopping centres (developed along similar lines);
- Housing developments (developments financed and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit).

Policy

Investment Properties shall be accounted for in terms of GRAP 16 and shall not be classified as PPE for purposes of preparing the municipality's Statement of Financial Position. Investment Property shall initially be measured at its cost. Transaction costs shall be included in this initial measurement. Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

If the Council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as PPE until it is ready for its intended use, where after it shall be reclassified as an investment asset.

After initial recognition, all investment property shall be measured in terms of the municipality's Accounting Policy.

Procedures and Rules

- The CFO shall ensure that investment assets are recorded in an Investment Property register.
- The CFO shall ensure the recognition and measurement of *Investment Property* in terms of GRAP 16.

6.8 BIOLOGICAL ASSETS

General

Biological Assets are living plants and animals such as trees in a plantation or orchard, cultivated plants, sheep and cattle. **Managed agricultural activity** such as raising livestock, forestry, annual or perennial cropping, fish farming that are in the process of growing, degenerating, regenerating and / or procreating which are expected to eventually result in agricultural produce. Such agricultural produce is recognised at the point of harvest. Future economic benefits must flow to the municipality from its ownership or control of the asset.

Point-of-sale costs include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties. Point-of-sale costs exclude transport and other costs necessary to get assets to the market.

Where the municipality is unable to measure the fair value of biological assets reliably, a biological asset should be measured at cost less any accumulated depreciation and accumulated impairment losses.

Policy

Biological assets, such as livestock and crops, shall be valued annually at fair value less estimated point-of-sales costs.

Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all biological assets obtained from a managed agricultural activity, such as livestock and crops, are valued at 30 June each year by a recognised valuator in the line of the biological assets concerned.
- The CFO shall ensure the recognition and measurement of *Biological Assets* in terms of GRAP 27.

6.9 DISCONTINUED OPERATIONS (GRAP 100)

General

A Discontinued Operation is a component of an entity that has been disposed of and:

- represents a distinguishable activity, group of activities or geographical area of operations;

- is part of a single co-ordinated plan to dispose of a distinguishable activity, group of activities or geographical area of operations; or
- is a controlled entity acquired exclusively with a view to resale

Policy

Discontinued operations shall be presented and disclosed in accordance with GRAP 100 and other related standards and legislation.

Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that discontinued operations are appropriately recorded in terms of the municipality's policies as well as the relevant GRAP Standards.

6.10 INVENTORY PROPERTY (GRAP 12)

General

Inventory Property comprises 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.

Policy

Inventory land and buildings shall be accounted for as inventory, and not included in either PPE or Investment Property in the municipality's Statement of Financial Position. Inventory property shall be valued annually at reporting date at the lower of its carrying value or net realisable value, except where they are held for:

- (a) distribution at no charge or for a nominal charge, or
- (b) consumption in the production process of goods to be distributed at no charge or for a nominal charge, then they shall be measured at the lower of cost and current replacement cost.

Procedures and Rules

- The CFO shall ensure that inventory properties are recorded in the Inventory register.
- The CFO shall ensure the recognition and measurement of *Inventory Property* in terms of GRAP 12, read in conjunction with the provisions of iGRAP18.

6.11 MINOR ASSETS (CAPITAL ASSETS BELOW APPROVED THRESHOLD)

General

Minor Assets comprise movable assets not capitalised in terms of the threshold policy of the municipality. However, these assets must still be controlled, safeguarded and verified

by the municipality. They are not capitalised for the number of assets compared to their value does not warrant the complex procedures applicable to asset management, rendering a manageable asset register by concentrating on what is material and significant to the municipality's operation.

Policy

Minor assets shall be expensed in the Statement of Financial Performance and not be capitalised. However, these assets shall be recorded at cost in the Minor Asset Inventory Listing. These assets shall not be depreciated or tested for impairment and shall not generate any further transactions, except in the cases where losses are recovered by means of insurance claims or recoveries from disciplinary actions.

Procedures and Rules

- The CFO shall ensure that minor assets are recorded in the asset register in the same manner as other assets, but a separate section of the asset register shall be maintained for this purpose.

7 ASSET ACQUISITION

7.1 ACQUISITION OF ASSETS

General

Acquisition of assets refers to the purchase of assets by buying, building (construction), or leasing.

Policy

Should the municipality decide to acquire a Capital asset, the following fundamental principles should be carefully considered prior to acquisition of such an asset:

- The purpose for which the asset is required is in keeping with the objectives of the municipality and will provide significant, direct and tangible benefit to it;
- The asset fit the definition of a Capital Asset (as defined by the relevant GRAP Standards)
- The asset has been budgeted for;
- The future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- The purchase is absolutely necessary as there is no alternative municipal asset that could be economically upgraded or adapted;
- The asset is appropriate to the task or requirement and is cost-effective over the life of the asset.
- The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources;
- Space and other necessary facilities to accommodate the asset are in place; and
- The most suitable and appropriate type, brand, model, etc. has been selected.

Procedures and Rules

- The CFO shall ensure that the Supply Chain Management Policy makes provision for these principles.
- The CFO shall ensure that all acquired assets are appropriately insured.
- The CFO, in conjunction with the Heads of Departments shall ensure that all planned moveable asset acquisitions (including delivery), as approved within the original budget, are done by 31 January each year.
- The CFO, in conjunction with the Heads of Departments shall ensure that all planned moveable asset acquisitions (including delivery), as approved within an adjustment budget are done by 31 March each year.
- The CFO, in conjunction with the Heads of Departments shall ensure that in addition to the existing Supply Chain Management documentation, all moveable asset acquisitions are accompanied with the relevant Asset Procurement

documentation, required by Asset Register custodians, prior to the approval of these orders.

7.2 CREATION OF NEW INFRASTRUCTURE ASSETS

General

Creation of new infrastructure assets refers to the purchase and / or construction of totally new assets that has not been in the control or ownership of the municipality in the past.

Policy

The cost of all new infrastructure facilities (not additions to or maintenance of existing infrastructure assets) shall be allocated to the separate assets making up such a facility and values may be used as a basis for splitting up construction costs of new infrastructure into the component parts, each of which have an appropriate useful life.

Work in progress shall be flagged as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for to operate in the manner intended by management.

Each part of an item of Infrastructure with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Procedures and Rules

- The Heads of Department shall ensure that a form is completed and submitted to the Asset Register Custodian that includes the details of the work in progress relating to the work in progress.
- The Heads of Department shall notify the Asset Register Custodian when the works have been completed and the assets can be recognised.
- The Heads of Department shall guide the service provider to submit invoices of work in progress as per the components and classification of assets as in the asset register.

7.3 SELF-CONSTRUCTED ASSETS

General

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality.

Policy

All assets that can be classified as assets and that are constructed by the municipality should be recorded in the asset register and depreciated over its estimated useful life for that category of asset. Work in progress shall be flagged as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction

of the asset is finalised and the asset is in the condition necessary for to operate in the manner intended by management.

Procedures and Rules

- Heads of Department shall ensure that proper records of staff time, transport and material costs are kept such that all costs associated with the construction of these assets are completely and accurately accounted for.
- Heads of Department shall open a job card for each infrastructure project constructed by the municipality.
- On completion of the infrastructure project, the Heads of Department shall ensure that all costs (both direct and indirect) associated with the construction of the assets be summed and be capitalised to the assets that make up the project.

7.4 DONATED ASSETS

General

A donated asset is an item that has been given to the municipality by a third party in government or outside government without paying or actual or implied exchange.

Policy

Donated assets should be valued at fair value, reflected in the asset register, and depreciated as normal assets.

Procedures and Rules

- All donated assets must be approved by the Municipal Manager and ratified by Council prior to acceptance.
- Management of the municipality must evaluate the future operational costs of donated assets and the effect it might have on future tariffs and taxes, before a donated asset is accepted by the municipality.
- The conditions associated with the donation must be agreed upon and signed by the Municipal Manager.
- The Asset Register custodian must be informed in writing of all donated assets approved and accepted by the Municipal Manager.

8 ASSET MAINTENANCE

8.1 USEFUL LIFE OF ASSETS

General

Useful Life of assets is defined in paragraph 2 of the Policy and is basically the period or number of production units for which an asset can be used economically by the municipality.

National Treasury (NT) published its Local Government Asset Management Guideline in August 2008 that includes directives for useful lives of assets, but municipalities must use their own judgement based on operational experience and in consultation with specialists where necessary in determining the useful lives for the particular classes of assets. The calculation of useful life is based on a particular level of planned maintenance.

Policy

The remaining useful life of assets shall be reviewed annually. Changes emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

Procedures and Rules

- Every Head of Department must determine the reasonable remaining useful lives of the assets under their control. Changes in remaining useful lives must be approved by the CFO or Senior Manager: Budget and Treasury Office
- The CFO shall ensure that remaining useful lives, and changes thereof, are properly recorded and accounted for in the asset register and the general ledger.
- The CFO shall ensure that the *Remaining Useful Life* of an asset shall be reviewed at each reporting date.

8.2 RESIDUAL VALUE OF ASSETS

General

The *Residual Value* of an asset is the estimated amount that the municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Policy

Residual values should be determined upon the initial recognition (capture) of assets. However, this will only be applicable to assets that are normally disposed of by selling them once the municipality does not have a need for such assets anymore, e.g. motor vehicles. In practise, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount.

The residual value of assets shall be reviewed annually at reporting date. Changes in depreciation charges emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

Procedures and Rules

- Every Head of Department must determine the reasonable residual values of the assets under their control.
- The CFO shall ensure that residual values, and changes thereof, are properly recorded and accounted for in the asset register and the general ledger.
- The CFO shall ensure that the *residual value* of an asset shall be reviewed at each reporting date.

8.3 DEPRECIATION OF ASSETS

General

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciation therefore recognises the gradual exhaustion of the asset's service capacity. The depreciable amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

The depreciation method used **must** reflect the pattern in which economic benefits or service potential of a Capital Asset is consumed by the municipality. The following are the allowed alternative depreciation methods that can be applied by the municipality:

8. Straight-line;
9. Diminishing Balance; and
10. Sum of the Units.

Policy

All assets, except land and heritage assets, shall be depreciated over their reasonable useful lives. The *residual value* and the *useful life* of an asset shall be reviewed at each reporting date. The depreciation method applied must be reviewed at each reporting date. Reasonable budgetary provisions shall be made annually for the depreciation of all applicable assets controlled or used by the municipality, or expected to be so controlled or used during the ensuing financial year.

Depreciation shall take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed. Depreciation of an asset should begin when the asset is ready to be used, i.e. the asset is in the location and condition necessary for it to be able to operate in the manner it is intended by management. Depreciation of an asset ceases when the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated. However, under certain methods of depreciation the depreciation charge can be zero while there is no production.

In the case of intangible assets being included as assets, 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 assets.

Procedures and Rules

- Every Head of Department must determine the reasonable useful life of the asset classifications under their control. Deviations from the standards of useful life must be motivated in writing to the Municipal Manager and provided to the CFO.
- In the case of an asset which is not listed in the asset classification list, the Head of Department shall determine a useful operating life, in consultation with the CFO, and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed.
- Alternative depreciation methods may be used in exceptional cases, if motivated by the Head of Department controlling the asset to the Municipal Manager and in consultation with the CFO. The Head of Department must then provide the CFO with sufficient statistical information to make estimates of depreciation expenses for each financial year.
- The CFO shall ensure that depreciation shall be up to date on a monthly basis and be reconciled between the asset register and the general ledger.
- The CFO shall ensure that the *residual value*, *useful life* and *depreciation method* of an asset shall be reviewed at each reporting date.

8.4 IMPAIRMENT LOSSES

General

Impairment is the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. The following serve as examples of impairment indicators:

- Significant decline in market value;
- Carrying amount of an asset far exceeds the recoverable amount or market value;
- There is evidence of obsolescence (or physical damage);
- The deterioration of economic performance of the asset concerned; and
- The loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (such as through inadequate maintenance).

The impairment amount is calculated as the difference between the *carrying value* and the *recoverable service value*. The recoverable service value is the higher of the asset's value in use or its net selling price. Where the recoverable service amount is less than the carrying amount, the carrying amount should be reduced to the recoverable service amount by way of an impairment loss. The impairment loss should be recognised as an expense when incurred unless the asset is carried at revalued amount.

If the asset is carried at a revalued amount (in the case of investment property, infrastructure and community assets) the impairment should be recorded as a decrease in the revaluation reserve. Where immovable property, plant and equipment surveys are conducted, the recoverable service value is determined using the depreciated replacement costs method by assessing the remaining useful life.

Policy

Assets shall be reviewed annually for all assets with impairment indicators. Impairment of assets shall be recognised as an expense, unless it reverses a previous revaluation in which case it should be charged to the *Revaluation Surplus*. The reversal of previous impairment losses recognised as an expense, is recognised as an income.

Procedures and Rules

- The CFO, in consultation with the Heads of Department must ensure that regular impairment testing and surveys are performed.
- The CFO shall ensure that impairment losses, or reversals thereof, are properly recorded and accounted for in the asset register and the general ledger.

8.5 MAINTENANCE OF ASSETS AND THE ASSET REGISTER

General

Maintenance refers to all actions necessary for retaining an asset as near as practicable to its original condition in order for it to achieve its expected useful life, but excluding rehabilitation or renewal. This includes all types of maintenance – corrective and preventative maintenance.

For linear infrastructure assets, such as pipes and roads, the following test is applied to differentiate between maintenance and renewal when partial sections of linear assets are renewed:

- If a future renewal of the entire pipe will include the renewal of the partial section that is now renewed, then the renewal of the partial section is treated as maintenance.
- If a future renewal of the entire pipe will retain the partial section that is now renewed, then the renewal of the partial section is treated as renewal and the pipe is split into two separate assets.

The splitting of linear infrastructure has a data management implication, but it is the easiest method that maintains the data integrity over time.

Maintenance analysis is an essential function of infrastructure management to ensure cost-effective and sustainable service delivery. In order to analyse maintenance data, maintenance actions undertaken against individual infrastructure assets should be recorded against such assets.

Policy

Maintenance actions performed on infrastructure assets shall be recorded against the individual assets that are individually identified in the asset register.

Procedures and Rules

- All Heads of Department responsible for the control and utilisation of infrastructure assets shall monitor maintenance actions and budget for the operation and maintenance needs of each asset or class of assets under their control. Operating expenses must include all labour and material costs for the repair and maintenance of the assets. This includes both contracted services and services performed by employees.
- Heads of Department shall ensure that the operating expenses are expended against the operating budget and not the capital budget.
- The Heads of Department shall report to the Council annually of the extent to which the approved maintenance plan has been complied with and the extent of deferred maintenance.
- The Heads of Department shall report to the Council annually on the likely effects that maintenance budgetary constraints may have on the useful operating life of the infrastructure asset classes;
- The Heads of Department shall ensure that maintenance plans make provision for the additional maintenance burden of future infrastructure to be acquired.

8.6 RENEWAL OF ASSETS

General

Asset Renewal is restoration of the service potential of the asset. Asset renewal is required to sustain service provision from infrastructure beyond the initial or original life of the asset. If the service provided by the asset is still required at the end of its useful life, the asset must be renewed. However if the service is no longer required, the asset should not be renewed. Asset renewal projections are generally based on forecast renewal by replacement, refurbishment, rehabilitation or reconstruction of assets to maintain desired service levels.

Policy

Assets renewal shall be accounted for against the specific asset. The renewal value shall be capitalised against the asset and the expected life of the asset adjusted to reflect the new asset life.

Procedures and Rules

- The CFO, in consultation with Heads of Department, must ensure that processes are in place to capture renewals data against specific assets and to capitalise it correctly.
- Heads of Department shall ensure that renewals expenditure are correctly budgeted for in the capital budget and expensed against this budget.
- Heads of Department must ensure that renewals expenditure data are correctly captured against the assets and the expected lives adjusted.

8.7 REPLACEMENT OF ASSETS

General

This paragraph deals with the complete replacement of an asset that has reached the end of its useful life so as to provide a similar or agreed alternative level of service.

Policy

Assets that are replaced shall be written off at their carrying value. The replacement asset shall be accounted for as a separate new asset. All costs incurred to replace the asset shall be capitalised against the new asset.

Procedures and Rules

- The CFO, in consultation with Heads of Department, must ensure that processes are in place to capture replacement data against specific assets and to capitalise it correctly.
- Heads of Department shall ensure that replacement expenditure are correctly budgeted for in the capital budget and expensed against this budget.

9 ASSET DISPOSAL

9.1 TRANSFER OF ASSETS

General

The processes and rules for the transfer of a capital asset to another municipality, municipal entity or national/provincial organ of state are governed by an MFMA regulation namely “the Local Government: Municipal Asset Transfer Regulations”.

Transfer of assets or inventory items refers to the internal transfer of assets within the municipality or from the municipality to another entity. Procedures need to be in place to ensure that the Asset Control Department can keep track of all assets and ensure that the fixed asset register is updated with all changes in asset locations. These procedures must be followed and apply to all transfers of assets from:

- One Department to another Department;
- One location to another within the same department;
- One building to another; and
- One entity to another.

Policy

The transfer of assets shall be controlled by a transfer process and the asset register shall be updated.

Procedures and Rules

- The Head of Department must ensure that all asset transfer information is passed to the Asset Control Officer.
- The CFO must ensure that a process is in place to capture and record asset transfer data.
- Staff of the Municipality, except for duly authorised staff, shall not move rented assets, such as photocopy machines.
- Only authorised IT officials will be allowed to transfer any IT network equipment.
- The Head of a Department must immediately report to the CFO of any damages caused to an asset and will be held responsible to investigate the cause or nature of such damage.

9.2 EXCHANGE OF ASSETS

General

According to GRAP 17 an item of PPE may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets. The cost of such an item of property, plant and equipment is measured at fair value unless:

- the exchange transaction lacks commercial substance; or

- the fair value of neither the asset received nor the asset given up is reliably measurable.

If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Policy

The cost of assets acquired in exchange for another asset shall be 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 transferred.

Procedures and Rules

- An item of PPE may be acquired in exchange for a similar asset that has a similar use in the same line of operations and which has a similar fair value or may be sold in exchange for an equity interest in a similar asset. No gain or loss is recognised in both cases.
- The CFO shall approve all asset exchanges in consultation with the relevant Head of Department.

9.3 ALIENATION / DISPOSAL OF ASSETS

General

Alienation / Disposal (alienation) is the process of disowning redundant and obsolete assets by transferring ownership or title to another owner, which is external to the municipality.

The MFMA (section 14 and 90) and the Municipal Supply Chain Management Regulation no. 27636 have specific requirements regarding the disposal of capital assets. Specifically:

- A municipality may not ...” permanently dispose of a capital asset needed to provide the minimum level of basic municipal services”
- Where a municipal council has decided that a specific asset is not needed to provide the minimum level of basic services, a transfer of ownership of an asset must be fair, equitable, transparent, competitive and consistent with the municipality’s supply chain management policy.

Policy

There are various methods of disposal. Different disposal methods will be needed for different types of assets. Before deciding on a particular disposal method, the following should be considered:

- The nature of the asset
- The potential market value
- Other intrinsic value of the asset
- Its location
- Its volume
- Its trade-in price
- Its ability to support wider Government programmes;

- Environmental considerations
- Market conditions
- The asset's life

Appropriate means of disposal may include:

- Public auction
- Public tender
- Transfer to another institution
- Sale to another institution
- Letting to another institution
- Trade-in
- Controlled dumping (for items that have low value or are unhygienic)

Alienated assets shall be written-off in the asset register.

Procedures and Rules

- Every Head of Department shall report in writing to the CFO on 30 April of each financial year on all assets which they wish to alienate.
- The CFO shall consolidate the requests received from the various departments, and shall promptly report the consolidated information to the Municipal Manager of the municipality, recommending the process of alienation to be adopted.
- The Council shall delegate to the Municipal Manager the authority to approve the alienation of any asset with a carrying value less than R5 000 (five thousand rand).
- The Council shall ensure that the alienation of any asset with a carrying value equal to or in excess of R5 000 (five thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004. The Act states that the municipality may not alienate any capital asset required to provide a minimum level of service. The municipality may alienate any other capital asset, provided the Council has considered the fair market value and the economic and community value to be received in exchange for the asset.
- Selling: Assets to be sold shall be sold in terms of paragraph 9.4 below.
- Donations: Donations may be considered as a method of alienation, but such requests must be aligned to the principles as set out within the Municipal Asset Transfer Regulation, 2008 .
- Destruction: Assets that are hazardous or need to be destroyed must be identified for tenders or quotations by professional disposal agencies.
- Scrapping: Scrapping of assets that cannot be alienated otherwise may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager.
- Once the assets are alienated, the CFO shall write-off the relevant assets in the asset register.
- The letting of immovable property, excluding municipal housing for officials and political office bearers, must be done at market-related tariffs, unless the relevant treasury approves otherwise. No municipal property may be let free of charge without the prior approval of the relevant treasury.

- The CFO must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of municipal property to ensure sound financial planning and management.

9.4 SELLING OF ASSETS

General

Selling of assets refers to the public sale of municipal assets approved for alienation.

Policy

All assets earmarked for sale must be sold by public auction or tender and the following steps shall be followed:

- A notice of the intention of the municipality to sell the asset shall be published in a local newspaper;
- The municipality shall appoint an independent appraiser to fix a minimum selling price;
- In the case of a public auction, the municipality shall appoint an independent auctioneer to conduct the auction; and
- In the case of a tender, the prescribed tender procedures of the municipality shall be followed.

Sold assets shall be written-off in the asset register.

Procedures

- A request for assets to be sold must be submitted to the Municipal Manager and approved by Council. The request must be accompanied by a list of assets to be sold and the reasons for sale as described in paragraph 9.3 above.
- Auctioneers may be engaged either on a quotation basis or by tender depending on the goods to be alienated.
- Bidding: Bidders are afforded the opportunity to make an offer on identifiable items. Bids are compared and the highest bidder is awarded the bid.
- Tenders: Tenders shall be invited according to the municipality's tender procedures.
- Once the assets are sold, the CFO shall write-off the relevant assets in the asset register.
- If the proceeds of the sales are less than the carrying value recorded in the asset register, such difference shall be recognised as a loss for the department or vote concerned in the Statement of Financial Performance. If the proceeds of the sales, on the other hand, are more than the carrying value of the asset concerned, the difference shall be recognised as a gain for the department or vote concerned in the statement of financial performance.
- 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 above procedures, except that the process of alienation shall be by private treaty.

9.5 WRITING-OFF OF ASSETS

General

The write-off of assets is the process to permanently remove the assets from the asset register. Assets can be written-off after approval of the Municipal Manager of a report indicating that:

- The useful life of the asset has expired;
- The asset has been destroyed;
- The asset is outdated;
- The asset has no further useful life;
- The asset does not exist anymore;
- The asset has been sold; and
- Acceptable reasons have been furnished leading to the circumstances set out above.

Policy

The only reasons for writing off assets, other than the sale of such assets during the process of alienation, shall be the loss, theft, destruction, material impairment, or decommissioning of the asset in question.

Procedures and Rules

- Every Head of Department shall report to the CFO on 30 April of each financial year on any assets which such Head of Department wishes to have written-off, stating in full the reason for such recommendation. The CFO shall consolidate all such reports, and shall promptly submit a recommendation to the Municipal Manager on the assets to be written off.
- An asset, even though fully depreciated, shall be written-off only on the recommendation of the Head of Department controlling or using the asset concerned, and with the approval of the Municipal Manager.
- In every instance where a not fully depreciated asset is written off with no proceeds for the asset being obtained, the CFO shall immediately debit to such department or vote the full carrying value of the asset concerned as impairment expenses.
- Assets that are replaced should be written-off and removed from the asset register.

10 ASSET PHYSICAL CONTROL (MOVEABLE ASSETS)

10.1 PHYSICAL CONTROL / VERIFICATION

General

Movable assets require physical control and verification of existence.

Policy

All movable assets shall be actively controlled, including an annual verification process.

Procedures and Rules

- All movable assets that are supposed to be bar-coded must have a visible bar code in a universal manner as determined by the Municipal Manager.
- Annual verification of movable assets should be conducted under the direction of an individual who neither has responsibility for the custody of fixed assets nor maintains asset records. This procedure would enable the municipality to identify discrepancies and dispositions and properly investigate and record the transactions.
- Procedures should be established to adequately identify assets owned by others or subject to reclamation by donors.
- The CFO shall co-ordinate and control regular physical checks, and all discrepancies are to be reported immediately to the CFO.
- Registers must be kept for those assets allocated to staff members. The individuals are responsible and accountable for the assets under their control. These registers should be updated when the assets are moved to different locations or allocated to a different staff member in order to facilitate control and physical verification.
- Where a change in person in direct control of equipment takes place, a handing-over certificate shall be completed and a copy retained for record purposes. If surpluses or deficiencies are found, the certificates shall be dealt with as with stock-taking reports.
- If for any reason the person from whom the asset is being taken over is not available, the his/her supervisor and/or the asset controller should assist the person taking over with the checking of the equipment and the certification of any discrepancies.
- In case of failure to comply with the requirements of a handing-over certificate, the person taking over shall be liable for any shortages, unless it can be established that the shortages existed prior to their taking over.
- Any losses of and damage to equipment, excluding discrepancies at stocktaking of losses resulting from normal handing or reasonable wear and tear, shall be reported to the CFO.
- Independent checks from asset records shall be conducted to ensure that the assets physically exist, especially those that could be disposed of without a noticeable effect on operations.

- Yearly physical inspections of assets shall be performed to identify items which are damaged, not in use or are obsolete due to changed circumstances, to ensure that they are appropriately repaired, written off or disposed off.

10.2 INSURANCE OF ASSETS

General

Insurance provides selected coverage for the accidental loss of the asset value. In terms of section 63 (1) of the Municipal Finance Management Act, the Municipal Manager is responsible for the safeguarding of municipal assets.

It is the responsibility of the Accounting Officer or his/her delegates to ensure that all municipal assets are safeguarded against all risks that will result in loss. The Accounting Officer has to take all reasonable steps to ensure that Bitou Municipality has and implements budget related policies for effective financial and risk management.

Policy

Assets that are material in value and substance shall be insured at least against all perils as per council insurance policy.

Procedures and Rules

- The Heads of Department shall annually submit a list of insurable asset types to the Insurance Section for approval by the CFO. The CFO shall ensure that the insurable asset types are insured in accordance with council's Insurance Policy.

10.3 SAFEKEEPING OF ASSETS

General

Asset safekeeping is the protection of assets from damage, theft, and safety risks.

Policy

Directives for the safekeeping of assets shall be developed and the safekeeping of assets shall be actively undertaken.

Procedures and Rules

- The Municipal Manager must issue directives that detail the safekeeping of assets.
- The Heads of Department must ensure that safekeeping directives are adhered to.
- Malicious damage, theft, and break-ins must be reported to the Municipal Manager or delegated person within 2 working days of its occurrence or awareness.
- Any costs linked to damages or theft of assets due to the negligence of the responsible official/asset custodian, will be recovered from that official once the negligence had been confirmed by the relevant authority (H.o.D), after due processes have been followed.

- Once negligence has been confirmed, and where the insurance claim has been approved by the insurer, the excess amount is the amount payable by the responsible official.
- Once negligence has been confirmed, and where the insurance claim is rejected by the insurer, the official will be liable for the total costs incurred by council.
- The Municipal Manager must report criminal activities to the South African Police Service.
- If any biological asset is lost, stolen or destroyed, the matter shall be reported in writing by the Head of Department concerned in exactly the same manner as though the asset were an ordinary asset.
- Loss of assets identified during the physical verification process, and not reported to the relevant stakeholders, will have to be investigated by each respective Head of Department and reported to the CFO.

11 ASSET FINANCIAL CONTROL

11.1 CAPITAL REPLACEMENT RESERVE (CRR)

General

The Capital Replacement Reserve is a reserve account to set aside funds for the financing of property, plant and equipment. The CRR is therefore an asset financing source that represents an alternative to the other funding sources available to the municipality, namely external loans (interest bearing borrowings) and government grants & subsidies. The value of this reserve is not represented by any values of assets under the municipality's control and shall preferably be cash-backed.

Policy

It is the policy of Council to annually make contributions to the CRR to ensure that the CRR remains a capital funding source for the future. The municipality will determine its future capital financing requirements and transfer sufficient cash to its CRR in terms of this determination. The Integrated Development Plan, the municipality's ability to raise external finance and the amount of government grants and subsidies that will be received in future will need to be taken into account in determining the amount that must be transferred to the CRR.

Whenever an asset is purchased out of the CRR an amount equal to the cost price of the asset purchased, is transferred from the CRR into accumulated surplus on the Statement of Changes in Net Assets.

Procedures and Rules

- The CFO is responsible for creating and maintaining the CRR in accordance with council's Liquidity, Funding and Reserves Policy
- The CFO must ensure the annual transfers to the CRR from the municipality's appropriation account.
- The CFO must ensure the transfers from the CRR to the municipality's appropriation account in respect of assets purchased.
- The CRR may only be utilised for the purpose of purchasing items of PPE for the municipality and may not be used for the maintenance of these items.

11.2 FUNDING SOURCES

General

The Municipal Finance Management Act (MFMA) provides guidelines on how to utilise funds in financing assets (Section 19 of MFMA). The municipality shall utilise any of the following sources to acquire and / or purchase capital assets:

- Government Grants and Subsidies;
- Public Contributions / Donations;

- Capital Replacement Reserve;
- Finance Leases; and / or
- External Borrowing

Policy

The annual capital budget must be funded and the sources of finance must be disclosed as part of the Council's budget.

Procedures and Rules

- The CFO will ensure that the capital budget is financed and that the finance sources have been identified and confirmed in writing.
- The CFO will ensure that all legislation and prescripts regarding the various funding sources be adhered to.

11.3 DISASTER

General

In terms of the Disaster Management Act, 2002, Disaster means a progressive or sudden, widespread or localised, natural or human – caused occurrence which causes or threatens to cause:

- death, injury or disease;
- damage to property, infrastructure or the environment; or
- disruption of life of community; and
- is of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources.

In terms Section 56 (b) of the Disaster Management Act, 2002 the cost of repairing or replacing public sector infrastructure should be borne by the organ of state responsible for the maintenance of such infrastructure. The National, Provincial and Local organs of state may contribute financially to response efforts and post – disaster recovery and rehabilitation.

Policy

The Municipality will correspond with the district municipality, as well as other relevant organs of state, in accordance with council's disaster management plan.

Procedures and Rules

- Municipal officials and all other role players must adhere to the disaster management plan of council for the prevention and mitigation of disasters.

12 MANAGEMENT OF IMMOVABLE ASSETS

12.1 LEGAL FRAMEWORK

A municipality exercises its legislative and executive authority by, among others, developing and adopting policies, plans, strategies and programmes, including setting targets for delivery (section 11(3) of the MSA).

Participation by the local community in the affairs of the municipality must take place through, among others, generally applying the provisions for participation as provided for in the MSA (section 17(1) of the MSA).

A municipality must communicate to its community information concerning, among others, municipal governance, management and development (section 18(1) of the MSA).

As head of administration the Municipal Manager is, subject to the policy directions of the municipal council, responsible and accountable for, among others, the following:

- The management of the provision of services to the local community in a sustainable and equitable manner;
- Advising the political structures and political office bearers of the municipality (section 55(1) of the MSA); and
- Providing guidance and advice on compliance with the MFMA to the political structures, political office-bearers and officials of the municipality (section 60 of the MFMA).

As accounting officer of the municipality the Municipal Manager is responsible and accountable for, among others, all assets of the municipality (section 55(2) of the MSA).

The Municipal Manager must take all reasonable steps to ensure, among others, that the resources of the municipality are used effectively, efficiently and economically (section 62(1) of the MFMA).

12.2 RATIONALE FOR MANAGEMENT OF ASSETS

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objectives:

- Providing democratic and accountable government for local communities;
- Ensuring the provision of services to communities in a sustainable manner;
- Promoting social and economic development;
- Promoting a safe and healthy environment; and
- Encouraging the involvement of communities and community organisations in matters of local government.

In terms of the MFMA, the accounting officer is responsible for managing the assets and liabilities of the municipality, including the safeguarding and maintenance of its assets.

The MFMA further requires the accounting officer to ensure that:

- The municipality has and maintains a management, accounting and information system that accounts for its assets and liabilities;
- The municipality's assets are valued in accordance with standards of generally recognised accounting practice; and
- The municipality has and maintains a system of internal control of assets and liabilities.

The OHSA requires the municipality to provide and maintain a safe and healthy working environment, and in particular, to keep its infrastructure assets safe.

12.3 PRINCIPLES OF ASSET MANAGEMENT

According to the International Infrastructure Management Manual (IIMM), the goal of infrastructure asset management is to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers. The core principles of infrastructure asset management are:

- Taking a life-cycle approach;
- Developing cost-effective management strategies for the long-term;
- Providing a defined level of service and monitoring performance;
- Understanding and meeting the impact of growth through demand management and infrastructure investment;
- Managing risks associated with asset failures;
- Sustainable use of physical resources; and
- Continuous improvement in asset management practices.

12.4 POLICY OBJECTIVE

The municipality is committed to providing municipal services for which the municipality is responsible, in a transparent, accountable and sustainable manner and in accordance with sound infrastructure management principles.

12.5 POLICY PRINCIPLES

The following policy principles serve as a framework for the achievement of the policy objective stated above:

12.5.1 *Effective Governance*

The municipality strives to apply effective governance systems to provide for consistent asset management and maintenance planning in adherence to and compliance with all applicable legislation to ensure that asset management is conducted properly, and municipal services are provided as expected. To this end, the municipality will:

- Adhere to all constitutional, safety, health, systems, financial and asset-related legislation;
- Regularly review and update amendments to the above legislation;
- Review and update its current policies and by-laws to ensure compliance with the requirements of prevailing legislation; and
- Effectively apply legislation for the benefit of the community.

12.5.2 Sustainable Service Delivery

The municipality strives to provide to its customers services that are technically, environmentally and financially sustainable. To this end, the municipality will:

- Identify levels and standards of service that conform with statutory requirements and rules for their application based on the long-term affordability to the municipality;
- Identify technical and functional performance criteria and measures, and establish a commensurate monitoring and evaluation system;
- Identify current and future demand for services, and demand management strategies;
- Set time-based targets for service delivery that reflect the need to newly construct, upgrade, renew, and dispose assets, where applicable in line with national targets;
- Apply a risk management process to identify service delivery risks at asset level and appropriate responses;
- Prepare and adopt an immovable (infrastructure) asset management strategy and immovable (infrastructure) asset management plans to support the achievement of the required performance;
- Prepare and adopt an immovable (infrastructure) asset maintenance strategy and immovable (infrastructure) asset maintenance plans to execute maintenance timeously;
- Allocate budgets based on long-term (20 year) financial forecasts that take cognisance of the full life-cycle needs of existing and future assets and the risks to achieving the adopted performance targets; and
- Implement its Tariff and Credit Control and Debt Collection Policies to sustain and protect the affordability of services by the community.

12.5.3 Social and Economic Development

The municipality strives to promote social and economic development in its municipal area by means of delivering municipal services in a manner that meet the needs of the various customer user-groups in the community. To this end, the municipality will:

- Regularly review its understanding of customer needs and expectations through effective consultation processes covering all service areas;
- Implement changes to services in response to changing customer needs and expectations where appropriate;
- Foster the appropriate use of services through the provision of clear and appropriate information;
- Ensure services are managed to deliver the agreed levels and standards; and
- Create job opportunities and promote skills development in support of the national EPWP.

12.5.4 Custodianship

The municipality strives to be a responsible custodian and guardian of the community's assets for current and future generations. To this end, the municipality will:

- Establish a spatial development framework that takes cognisance of the affordability to the municipality of various development scenarios;

- Establish appropriate development control measures including community information;
- Cultivate an attitude of responsible utilisation and maintenance of its assets, in partnership with the community;
- Ensure that heritage resources are identified and protected; and
- Ensure a long-term view and life-cycle costs are taken into account in immovable asset management decisions.

12.5.5 *Transparency*

The municipality strives to manage its immovable assets in a manner that is transparent to all its customers, both now and in the future. To this end, the municipality will:

- Develop and maintain a culture of regular consultation with the community with regard to its management of immovable assets in support of service delivery;
- Clearly communicate its service delivery plan and actual performance through its Service Delivery and Budget Implementation Plan (SDBIP);
- Avail asset management information on a ward basis; and
- Continuously develop the skills of councillors and officials to effectively communicate with the community with regard to service levels and standards.

12.5.6 *Cost-effectiveness and Efficiency*

The municipality strives to manage its immovable assets in an efficient and effective manner. To this end, the municipality will:

- Assess life-cycle options for proposed new immovable assets;
- Regularly review the actual extent, nature, utilisation, criticality, performance and condition of immovable assets to optimise planning and implementation works;
- Assess and implement the most appropriate maintenance of infrastructure assets to achieve the required network performance standards and to achieve the expected useful life of immovable assets;
- Ensure the proper utilisation and maintenance of existing assets;
- Establish and implement demand management plans;
- Timeously renew immovable assets based on capacity, performance, risk exposure, and cost;
- Timeously dispose of immovable assets that are no longer in use;
- Establish documented processes, systems and data to support effective life-cycle immovable asset management;
- Strive to establish a staff contingent with the required skills and capacity, and procure external support as necessary; and
- Conduct annual assessments to support continuous improvement of immovable asset management practice.

ANNEXURES

ANNEXURE A ABBREVIATIONS

AM	Asset Management
AMS	Asset Management System
AR	Asset Register
CFO	Chief Financial Officer
CRR	Capital Replacement Reserve
DM	District Municipality
EPWP	Expanded Public Work Program
GAMAP	Generally Accepted Municipal Accounting Practice
GIS	Geographical Information System
GRAP	Standards of Generally Recognised Accounting Practice
HR	Human Resource
IAM	Infrastructure Asset Management
IAMP	Infrastructure Asset Management Plan
IAR	Infrastructure Asset Register
IAS	International Accounting Standards
IDP	Integrated Development Plan
IIMM	International Infrastructure Management Manual
LM	Local Municipality
MFMA	Municipal Finance Management Act
MSA	Municipal Services Act
NT	National Treasury
O&M	Operation and Maintenance
OAG	Office of the Accountant General
PPE	Property, Plant and Equipment
SCM	Supply Chain Management

Western Cape: WC047 - Schedule of Service Delivery Standards		
	2024/2025	2025/2026
Standard	Final Service Level	Final Service Level
Solid Waste Removal	1 x week	1 x week
Frequency of residential premise based removal		
Frequency of business premise based removal	2 x week/as per request	2 x week/as per request
Frequency of Bulk Removal	Daily	Daily
Frequency of street cleaning in CBD	Daily	Daily
Frequency of street cleaning in areas excluding CBD	Monthly	Monthly
Turn around time of public areas cleaned after events	1 x Day	1 x Day
Turn around time of clearing of illegal dumping after complaint has been received	Within 3 days	Within 3 days
Recycling or environmentally friendly practices executed	Yes	Yes
Water Service		
Water Quality rating (Blue/Green/Brown/NO drop)	Blue Drop	Blue Drop
Is free water available to all indigent consumers	Limited to 6 Kl	Limited to 6 Kl
Frequency of meter reading?	1 x Month	1 x Month
Period of estimated consumption calculated on actual consumption over	6 Months	6 Months
Duration before availability of water is restored where one service connection is affected due to pipe breakage up to 150mm	3 - 8 Hours	3 - 8 Hours
Duration before availability of water is restored where up to 5 service connections are affected due to pipe breakage up to 150mm	3 - 8 Hours	3 - 8 Hours
Duration before availability of water is restored where 20 service connections are affected due to pipe breakage up to 150mm	3 - 8 Hours	3 - 8 Hours
Duration before availability of water is restored where a feeder pipe larger than 150mm is involved	4 - 12 Hours	4 - 12 Hours
Average minimum water flow in percentage	99,00%	99,00%
Time to replace faulty water meters?	7 Days	7 Days
Electricity Service		
Electricity availability percentage on average per month?	60,00%	60,00%
Frequency of meters being read	1 x per month	1 x per month
Period of estimated consumption calculated	3 Months	3 Months
Duration before availability of electricity is restored in cases of breakages	4-6 Hours	4-6 Hours
Percentage of accounts calculated on actual readings?	95,00%	95,00%
Turnaround time to replace faulty meters	1 x Week	1 x Week
Status of measures to prevent illegal connections and prevention of electricity theft?	Active	Active
Status of effectiveness of the action plan in curbing line losses	Active	Active
Turn around time to provide a quotation to a customer upon a written request?	2 x Weeks	2 x Weeks
Time frame to provide electricity services where existing infrastructure can be used	2 x Weeks	2 x Weeks
Time frame to provide electricity service for low voltage users where network extension is not required?	2 x Weeks	2 x Weeks
Time frame to provide electricity service for high voltage users where network extension is not required?	1 Month	1 Month
Sewerage Service		
Duration to restore sewerage breakages on average - Severe overflow	3 - 8 Hours	3 - 8 Hours
Duration to restore sewer blocked pipes: Large pipes >150mm	3 - 8 Hours	3 - 8 Hours
Duration to restore sewer blocked pipes: Small pipes ≤ 150mm	3 - 6 Hours	3 - 6 Hours
Duration to restore minor spillage clean-up	2 Hours	2 Hours
Duration to replace manhole covers after complaint has been received	24 Hours	24 Hours
Road Infrastructure Services		
Time taken to repair a single pothole on a major road10 x Days Time taken to repair a single pothole on a minor road	10 x Days	10 x Days
Time taken to repair a road following an open trench service crossing	10 x Days	10 x Days
Time taken to repair walkways	5 x Days	5 x Days
Property valuations		
Time frame from completion of valuation to the first account being issued	1 x Month	1 x Month

Financial Management and Administration		
Period to settle all accounts received	30 Days	30 Days
Reaction time on enquiries and requests	Immediately	Immediately
Period to respond to a verbal customer enquiry or request	Immediately	Immediately
Period to respond to a written customer enquiry or request	7 x Days	7 x Days
Period to resolve a customer enquiry or request	7 x Days	7 x Days
Time to open an account to a new customer	10 Minutes	10 Minutes
Community safety and licensing services		
Time to register a vehicle	20 Minutes	20 Minutes
Time to renew a vehicle license	20 Minutes	20 Minutes
Time to issue a duplicate registration certificate vehicle	20 Minutes	20 Minutes
Time to de-register a vehicle	20 Minutes	20 Minutes
Reaction time of the fire service to an incident		
Economic development		
Turn around time in processing building plan applications	As prescribed by the National Building Regulations and Building Standard Act, 1977 (Act 103 of 1977)	As prescribed by the National Building Regulations and Building Standard Act, 1977 (Act 103 of 1977)
Turn around time in processing rezoning applications	As prescribed by the By-Law on Municipal Land Use	As prescribed by the By-Law on Municipal Land Use
Turnaround time in assisting with business registrations	5 x days	5 x days
Turnaround time in assisting with special event approvals	31 x days	31 x days
Turnaround time in assisting with business registrations	10 x Days	10 x Days
OTHER SERVICE DELIVERY AND COMMUNICATIONS		
Status of information package handed to new customers / Consumers	Being executed	Being executed
Status of training or information sessions to inform customers	Being executed	Being executed
Time taken to communicate unplanned service delivery delays or breaks in service delivery	30 Minutes	Within 30 Minutes
Time taken to notify customers of planned service delivery interruptions / before the interruptions occur	5 working days	5 working days
Customers treated in a professional and humanly manner	Being executed	Being executed


2.14 Municipal manager's quality certificate

I, Mbulelo Memani, Municipal Manager of Bitou Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Mr. Mbulelo Memani

Municipal Manager of Bitou Municipality (WC047)

Signature

A handwritten signature in black ink, appearing to read 'Mbulelo Memani', is written over a horizontal line.

Date

30 May 2025

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL1	Office of the Municipal Manager	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Submit the Risk Based Audit Plan (RBIAP) for the 2026/27 financial year to the Audit Committee by 30 June 2026	Number of Risk Based Audit Plan compiled and submitted to the Audit Committee	All	Municipal Manager	1	Number	1	0	0	0	1
TL2	Office of the Municipal Manager	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Complete 90% of audits as scheduled in the RBIAP applicable for 2025/26 by 30 June 2026 (Actual audits completed divided by the audits scheduled for the year) x100	% of audits completed	All	Municipal Manager	99%	Percentage	90	0	25	45	90
TL3	Office of the Municipal Manager	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Complete the annual Risk assessment for 2026/27 and submit to the RMC by 31 March 2026	Number of Risk assessment completed and submitted to the RMC	All	Municipal Manager	1	Number	1	0	0	1	0
TL4	Office of the Municipal Manager	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Review the IDP for the 2026/27 financial year and submit to Council by 31 May 2026	Number of Draft IDP compiled and submitted to Council	All	Municipal Manager	1	Number	1	0	0	0	1
TL5	Office of the Municipal Manager	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Conduct the Mid-year Performance Evaluations of the section 57's employees by 28 February 2026	Number of evaluations completed	All	Municipal Manager	1	Number	1	0	0	1	0

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL6	Office of the Municipal Manager	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Conduct the Final Performance Evaluation of the section 57's employees for the 2024/25 by 30 November 2025	Number of evaluations completed	All	Municipal Manager	1	Number	1	0	1	0	0
TL7	Office of the Municipal Manager	Municipal Financial Viability and Management	Achieve long term financial sustainability	Spend 95% of the municipal capital budget on capital projects by 30 June 2026 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% budget spent	All	Municipal Manager	81%	Percentage	95	10	40	60	95
TL8	Financial Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Provide subsidies for free basic services to indigent households as at 30 June 2026	Number of indigent households receiving subsidies for free basic services as per Financial System	All	Director Financial Services	5 080	Number	5 000	0	0	0	5 000
TL9	Financial Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Number of residential properties with piped water which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2026	Number of residential properties billed for piped water	All	Director Financial Services	16 605	Number	16 750	0	0	0	16 750
TL10	Financial Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Number of residential properties with electricity which are connected to the municipal electrical infrastructure network(credit and prepaid electrical metering and excluding Eskom areas) and billed for the service as at 30 June 2026	Number of residential properties billed credit meter and prepaid meters connected to the network	All	Director Financial Services	15 120	Number	15 200	0	0	0	15 200

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL11	Financial Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Number of residential properties with sanitation services to which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2026	Number of residential properties which are billed for sewerage	All	Director Financial Services	14 913	Number	15 000	0	0	0	15 000
TL12	Financial Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Number of residential properties for which refuse is removed from, once per week and billed for the service as at 30 June 2026	Number of residential properties which are billed for refuse removal	All	Director Financial Services	15 147	Number	15 200	0	0	0	15 200
TL13	Financial Services	Municipal Financial Viability and Management	Achieve long term financial sustainability	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2026 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt to revenue	All	Director Financial Services	17,18%	Percentage	20	0	0	0	20
TL14	Financial Services	Municipal Financial Viability and Management	Achieve long term financial sustainability	Financial viability measured in terms of the outstanding service debtors as at 30 June 2026 ((Total outstanding service debtors (net debtors)/ revenue received for services)X100)	% of outstanding service debtors	All	Director Financial Services	9,85%	Percentage	11.80	0	0	0	11.80

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL15	Financial Services	Municipal Financial Viability and Management	Achieve long term financial sustainability	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2026 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) as per Circular 71	Number of months it takes to cover fix operating expenditure with available cash	All	Director Financial Services	2,49	Number	2	0	0	0	2
TL16	Financial Services	Municipal Financial Viability and Management	Achieve long term financial sustainability	Achieve a debtor payment percentage of 90% by 30 June 2026 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	% debtor payment achieved	All	Director Financial Services	96,73%	Percentage	90	0	0	0	90
TL17	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	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 by 30 June 2026 {(Number of people from employment equity target groups/total vacant positions in terms of equity)x 100}	% of people employed	All	Director Corporate Services	82%	Percentage	82	0	0	0	82

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL18	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	Spend 100% of the 0.20% of operational budget on training by 30 June 2026 {(Actual total training expenditure divided by total operational budget)x100}	% budget spent	All	Director Corporate Services	0,27%	Percentage	0.20	0	0	0	0.20
TL19	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	Review the "System of Operational Delegations" and submit to Council by 30 June 2026	Number of System of operational delegations submitted to Council	All	Director Corporate Services	0	Number	1	0	0	0	1
TL20	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	Spend 95% of the allocated capital budget for ICT by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	Director Corporate Services	92%	Percentage	95	0	40	60	95
TL21	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	Review the HR Strategy and Plan and submit to Council by 30 May 2026	Number of HR Strategy and Plan reviewed and submitted to Council by 30 May 2026	All	Director Corporate Services	0	Number	1	0	0	0	1
TL22	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	Review All HR Policies by 31 March 2026	Number of policies reviewed	All	Director Corporate Services	0	Number	20	6	7	7	0
TL23	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	Review the ICT Strategy and submit it to Council by 31 May 2026	Number of ICT Strategies reviewed and submitted	All	Director Corporate Services	1	Number	1	0	0	0	1

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL24	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	Review the Employment Equity Plan and submit to Council by 31 August 2025 (Section 9(1))	Number of Employment Equity Plans reviewed and submitted	All	Director Corporate Services	1	Number	1	1	0	0	0
TL25	Corporate Services	Municipal Transformation and Institutional Development	Build a capable, developmental, transformed and productive workforce	Cascade and Implement Individual PMDS 100% to all staff applicable in terms of Regulation 890 by 30 July 2025	% of agreements signed	All	Director Corporate Services	0%	Number	100	100	0	0	0
TL26	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Limit unaccounted for water to less than 30% by 30 June 2026 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100}	% water losses	All	Director Engineering Services	37,88%	Percentage	30	0	0	0	30
TL27	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Limit unaccounted for electricity to less than 9% as at 30 June 2026 {(Number of units purchased - Number of units Sold (incl free basic electricity) / Number of units purchased) X100}	% unaccounted electricity	All	Director Engineering Services	6,24%	Percentage	12	0	0	0	12
TL28	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the approved capital budget for Waste Water services by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100}{excluding Fleet and	% budget spent	All	Director Engineering Services	77%	Percentage	95	10	40	60	95

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
				Human Settlement projects)										
TL29	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the approved capital budget for Water services by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100} (excluding Fleet and Human Settlements projects)	% budget spent	All	Director Engineering Services	85%	Percent age	95	10	40	60	95
TL30	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the approved capital budget for Electrical & Mechanical services by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet and Human Settlement projects)	% budget spent	All	Director Engineering Services	84%	Percent age	95	10	40	60	95

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL31	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the approved capital budget for Roads & Storm Water services by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100}{excluding Fleet and Human Settlement projects)	% budget spent	All	Director Engineering Services	67%	Percent age	95	10	40	60	95
TL32	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the allocated capital budget for Fleet Management by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	Director Engineering Services	92%	Percent age	95	10	40	60	95
TL33	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 100% of MIG Funding allocation by 30 June 2026 {(Total actual MIG expenditure /Total MIG amount budgeted)x100}	% budget spent	All	Director Engineering Services	101%	Percent age	100	10	40	60	100
TL34	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Conduct 550 potential electricity theft investigations annually by 30 June 2026	Number of inspections conducted	All	Director Engineering Services	1 806	Number	550	100	150	150	150
TL35	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the allocated capital budget for the upgrade of Brakkloof 66kV new to 20MVA transformer from firm capacity and allow for maintenance on existing by 30 June 2026 {(Total actual	% budget spent	2;3;4	Director Engineering Services	0%	Percent age	95	10	40	60	95

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
				capital expenditure /Total capital amount budgeted)x100}										
TL36	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the allocated capital budget for the upgrade of Kurland WTW from 0.6 to 1.2 MI by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	1	Director Engineering Services	53%	Percentage	95	10	40	60	95
TL37	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the budget allocated for the Kurland Waste Water Treatment Works (WWTW) by 30 June 2026{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	1	Director Engineering Services	0%	Percentage	95	10	40	60	95
TL38	Engineering Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the budget allocated for the upgrade of High Street by 30 June 2026{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	2	Director Engineering Services	0%	Number	95	10	40	60	95
TL39	Planning and Development	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the budget allocated for the construction of new roads with related stormwater, sewer and water Ebenezzer for 150 erven by 30 June 2026 (Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	4	Director Planning and Development	0%	Percentage	95	10	40	60	95

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL40	Planning and Development	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the budget allocated for the construction of new roads with related stormwater, sewer and water Qolweni for 100 erven by 30 June 2026 (Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	3	Director Planning and Development	0%	Percentage	95	10	40	60	95
TL41	Planning and Development	Local Economic Development	Provide excellent and sustainable services to all residents	Develop the LED Strategy and submit to Council for consideration by 31 May 2026	Number of LED Strategy developed	All	Director Economic Development and Planning	1	Percentage	1	0	0	0	1
TL42	Planning and Development	Local Economic Development	Facilitate growth and expand economic opportunities to empower communities	Create 172 job opportunities in terms of the EPWP by 30 June 2026	Number of job opportunities created	All	Director Economic Development and Planning	264	Number	172	0	0	0	172
TL43	Planning and Development	Local Economic Development	Facilitate growth and expand economic opportunities to empower communities	Develop the Growth and Development Strategy and submit to Council for consideration by 31 March 2026	Number of Growth and Development Strategy developed and submitted to Council for consideration	All	Director Economic Development and Planning	0	Number	1	0	0	1	0
TL44	Planning and Development	Municipal Transformation and Institutional Development	Facilitate growth and expand economic opportunities to empower communities	Review and submit the Housing pipeline to Council by 31 May 2026	Number of Housing pipeline reviewed and submitted to Council	All	Director Economic Development and Planning	1	Number	1	0	0	0	1

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL45	Planning and Development	Good Governance and Public Participation	Facilitate growth and expand economic opportunities to empower communities	Submit the reviewed Spatial Development Framework (SDF) to Council by 31 May 2026	Number of Spatial Development Framework (SDF) submitted to Council	All	Director Economic Development and Planning	1	Number	1	0	0	0	1
TL46	Community Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the allocated budget for the construction of a regional cemetery at Ebenezer Sanral Road (multi-year project) by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	4	Director Community Services	0%	Percentage	95	10	40	60	95
TL47	Community Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of the allocated budget for the construction of the new drop-off facility Kurland by 30 June 2026 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	4	Director Community Services	0	Percentage	95	10	40	60	95
TL48	Community Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Complete the Integrated Waste Management Master Plan and submit to Council by 30 June 2026	Number of Integrated Waste Management Master Plan completed and submitted	All	Director Community Services	0	Number	1	0	0	0	1
TL49	Community Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Obtain Blue Flag status for at least 4 beaches by 30 November 2025	Number of Blue status beaches obtained by 30 November 2025	All	Director Community Services	0	Number	4	0	4	0	0

Top Layer Service Delivery and Budget Implementation Plan 2025/26

Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL50	Community Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Spend 95% of Facilities Management & Maintenance, maintenance budget by 30 June 2026 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100}	% of budget spent	All	Director Community Services	0	Number	95	10	40	60	90
TL51	Community Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Review the Sports Master Plan and submit to Council by 30 June 2026	Number of Sports Master Plan submitted to Council	All	Director Community Services	0	Number	1	0	0	0	1
TL52	Community Services	Basic Service Delivery	Provide excellent and sustainable services to all residents	Develop a Maintenance Plan for Facilities and submit to The Municipal Manager by 30 September 2025	Number of Facilities Maintenance Plan submitted to the Municipal Manager	All	Director Community Services	0	Number	1	1	0	0	0
TL53	Public Safety	Basic Service Delivery	Provide excellent and sustainable services to all residents	Review the Disaster Management Plan and submit to Council by 31 May 2026	Disaster Management Plan reviewed and submitted to Council	All	Director Public Safety	1	Number	1	0	0	0	1
TL54	Public Safety	Basic Service Delivery	Provide excellent and sustainable services to all residents	Develop a Public Safety Plan and submit to Council by 30 June 2026	Public Safety Plan submitted	All	Director Public Safety	0	Number	1	0	0	0	1

Top Layer Service Delivery and Budget Implementation Plan 2025/26

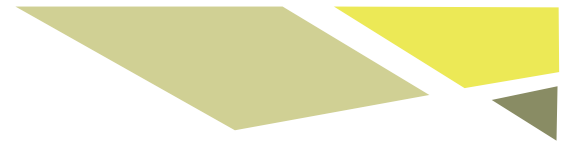
Ref	Directorate	National KPA	IDP Objectives	KPI Name	Unit of Measurement	Ward	KPI Owner	Baseline	Target Type	Annual Target	Q1	Q2	Q3	Q4
TL55	Public Safety	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Establish the Municipal Court by 31 March 2026	Number of Municipal Courts Established	All	Director Public Safety	0	Number	1	0	0	1	0
TL56	Public Safety	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Review the Service Standard Charter and submit to Council by 31 March 2026	Number of Services Standard Charter reviewed and submitted	All	Director Public Safety	0	Number	1	0	0	1	0
TL57	Public Safety	Good Governance and Public Participation	Adhere to and implement effective and efficient governance processes	Develop a Citizens Feedback Report and distribute it by 30 November 2025	Number of Citizens Feedback Report developed and distributed	All	Director Public Safety	0	Number	1	0	1	0	0

BITOU MUNICIPALITY

Long-Term Financial Plan – *Update 2025*



Prepared by
INCA Portfolio Managers
December 2024

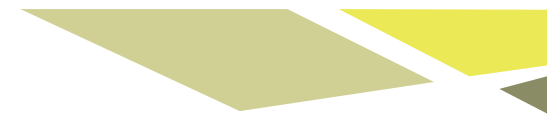


REPORT OVERVIEW – INTRODUCTION AND BACKGROUND

The Bitou Municipality appointed INCA Portfolio Managers in 2014 to develop a Long-Term Financial Plan. The deliverable of that assignment was a report entitled *Bitou; Long-Term Financial Plan: 2014/15 – 2023/24*; July 2014. The initial report was updated in 2015 and 2016. A new Long-Term Financial Plan was developed in 2022. This report was updated in January 2024. This 2025 update aims to update the LTFP based on the latest available information and report on the findings.

The objective of a Long-Term Financial Plan is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

A summary of the demographic-, economic- and household infrastructure perspective was updated with the latest available information as published by S&P Global Market Intelligence. The historic financial analysis was updated with the information captured in the municipality's audited financial statements of 30 June 2024. IPM's Long-Term Financial Model (latest and updated web-version) was populated and run with this latest information, and the outcome thereof is reflected in this report. In particular, the model was calibrated against the municipality's audited financial statements as well as the MTREF for the 3 years from 2024/2025 to 2026/2027.



ABBREVIATIONS USED

AFS	Annual Financial Statements
CAPEX	Capital Expenditure
CRR	Capital Replacement Reserve
CPI	Consumer Price Index
FY	Financial Year
FYE	Financial Year Ended
GVA	Gross Value Added
IP	Investment Property
IPM	INCA Portfolio Managers
LM	Local Municipality
LTFM	Long-Term Financial Model
LTFP	Long-Term Financial Plan
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MRRI	Municipal Revenue Risk Indicator
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Energy Regulator of South Africa
NT	National Treasury
OPEX	Operational Expenditure
PPE	Property, Plant and Equipment
R '000	Rand x 1 000
SA	South Africa
S&P	S&P Global Market Intelligence ReX v2450



CONTENTS

Report Overview – Introduction and Background 2

Abbreviations Used 3

Executive Summary 5

Planning Process 14

Updated Perspectives (Demographic, Economic, Household Infrastructure) 16

Updated Historic Financial Assessment 25

Long-Term Financial Model Outcomes 35

Future Revenues..... 41

Affordable Future Capital Investment 46

Scenarios Analysis 51

Forecast Ratios 55

Conclusion..... 59

ANNEXURE 1: PROJECTED FINANCIAL STATEMENTS 61

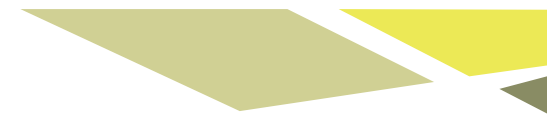


EXECUTIVE SUMMARY

KEY FINDINGS AND CONCLUSIONS DRAWN FROM THE 2025 LTFP UPDATE

HIGHLIGHTS FROM THE FY2023/24 FINANCIAL RESULTS

- Bitou's liquidity position is reasonably healthy with a ratio of 1.56:1 as at FYE2023/24; this represents a continuation of the improving trend observed in recent years.
- An operating surplus (excluding capital grants) of R35.6 million was posted in FY2023/24; following a surplus of R42.2 million in the prior year.
- Cash generated from operations (excluding capital grants) increased to R110.9 million during FY2023/24. This was underpinned by the improved collection rate of 88.2%, up from 86.6% in the prior year.
- Electricity distribution losses improved to 6.24%, down from 9.29% in the prior year. Water distribution losses increased to 37.89% from 35.85% in the prior year.
- The municipality's unencumbered cash and cash equivalents of R165.4 million was exceeded by the NT and statutory minimum liquidity requirements of R185.7 million - resulting in a cash shortfall of R20.3 million. Bitou has posted cash shortfalls throughout the review period.
- Gearing and debt-service to total operating expenditure ratios were 14.1% and 3.5%, respectively, providing scope for additional borrowing to fund capital expenditure. This must be closely monitored though.
- Repairs and maintenance expenditure as a percentage of PPE & IP reduced to 3.7% during FY2023/24, down from 4.0% in the prior year.
- Creditors increased to R130.5 million, up from R94.8 million in the prior year. R92.2 million of this includes trade payables, which increased by R29.3 million during FY2023/24.

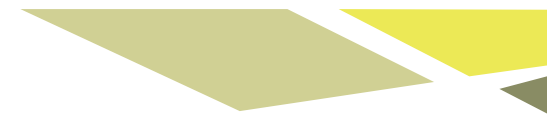


LONG-TERM FINANCIAL PLAN UPDATE

Bitou LM has budgeted for operating surpluses throughout the planning period. With operating surpluses posted in 3 of the last 4 financial years, this seems a likely outcome. The Base Case forecasts operating deficits over the MTREF period due to higher than budgeted expenditure on debt impairment. The LTFM outcomes suggest that while the forecast for financial performance and cash generation over the long-term is strong, the current MTREF will result in a deterioration of the liquidity position. This is predominantly driven by the lower collection rate (88.2%) being maintained throughout the planning period. Necessary adjustments have thus been made to formulate a sustainable Base Case. These adjustments address the underlying drivers of the undesirable outcome.

The key assumptions made in arriving at the Base Case are listed below:

1. A collection rate of 90% (from 88.2%) is assumed to be met immediately and maintained for the remainder of the planning period.
2. An operating expenditure cut of 2% was assumed.
3. Tariff increases were included as provided by the municipality.
4. Creditors days were adjusted downwards to 45 days from 127 days mitigate the forecast rise in creditors.
5. The capital investment programme was modelled as discussed with the municipality:
 - FY2024/25: R151 million
 - FY2025/26: R190 million
 - FY2026/27: R149 million
 - FY2027/28: R131 millionAssumed growth in capital investment beyond FY2027/28 is 6% p.a.
6. The borrowing programme was modelled as discussed with the municipality:
 - FY2024/25: R35 million
 - FY2025/26: R87 million
 - FY2026/27: R75 million
 - FY2027/28: R43 million
7. The annual borrowing under this scenario was adjusted to an average of **13-year** amortising loans at a fixed interest rate equal to 7% over forecast CPI in any given year. Assumed annual growth beyond FY2028/29 is 4%.
8. Repairs and maintenance expenditure was increased to 5% (from 3.7%) of PPE & IP over 10 years.
9. Electricity distribution losses were maintained at 6.24%, while water distribution losses were reduced to 30.00% (from 37.88%) over 10 years.

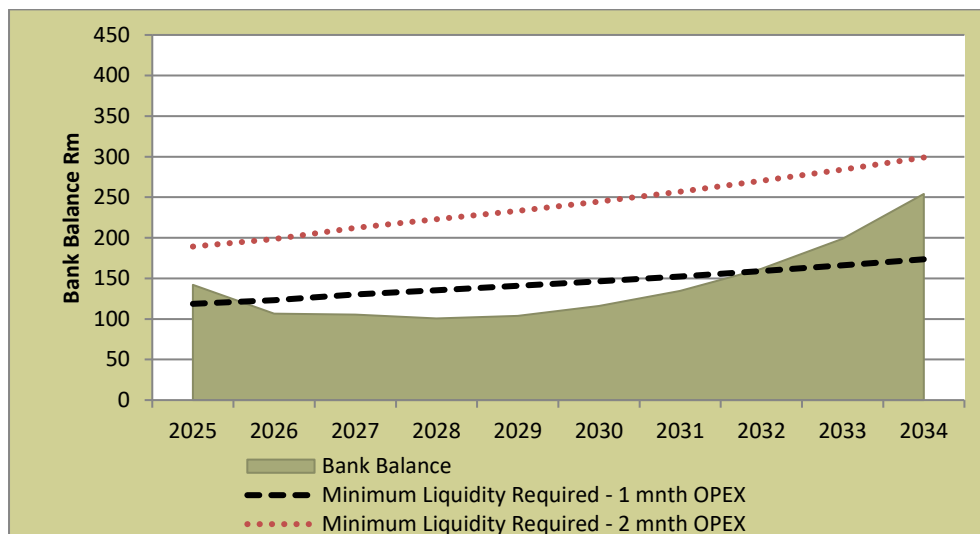


LONG-TERM FINANCIAL MODEL OUTCOMES

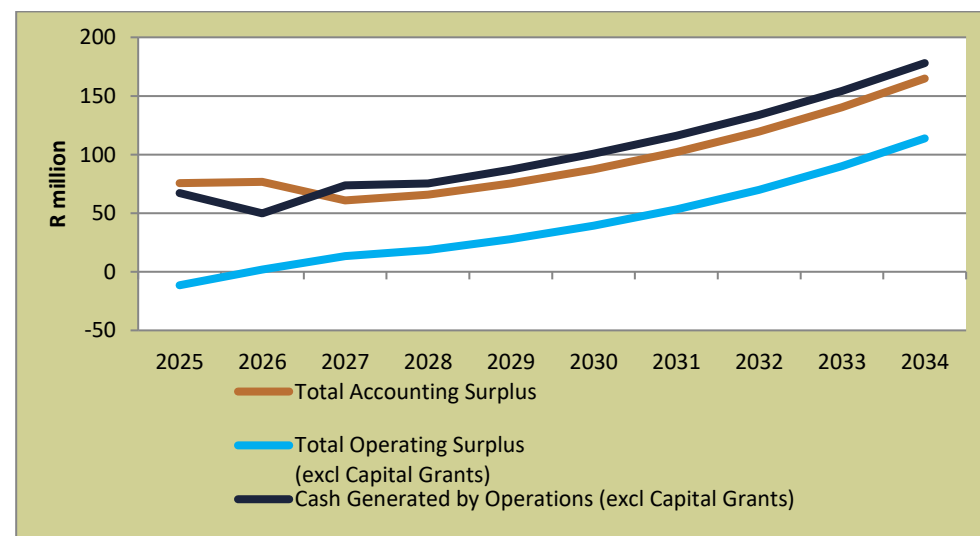
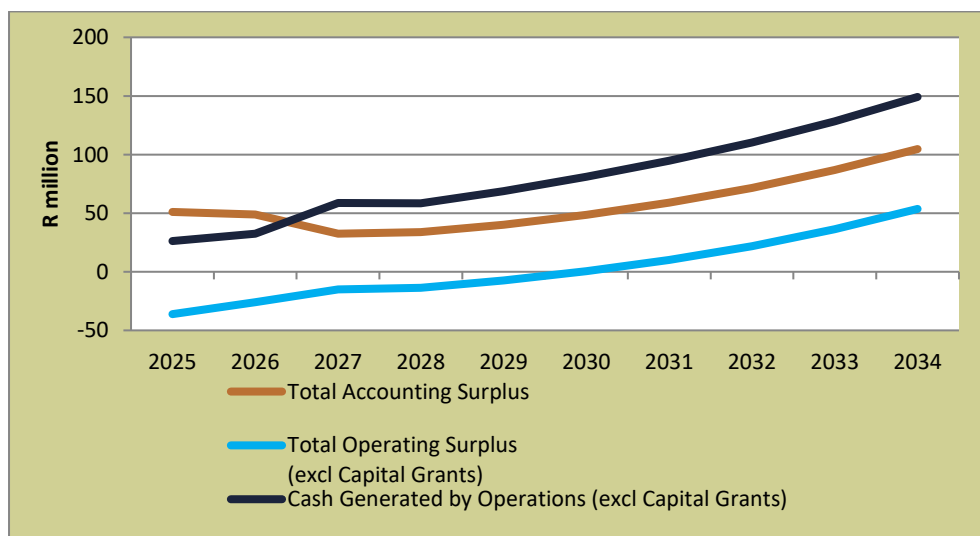
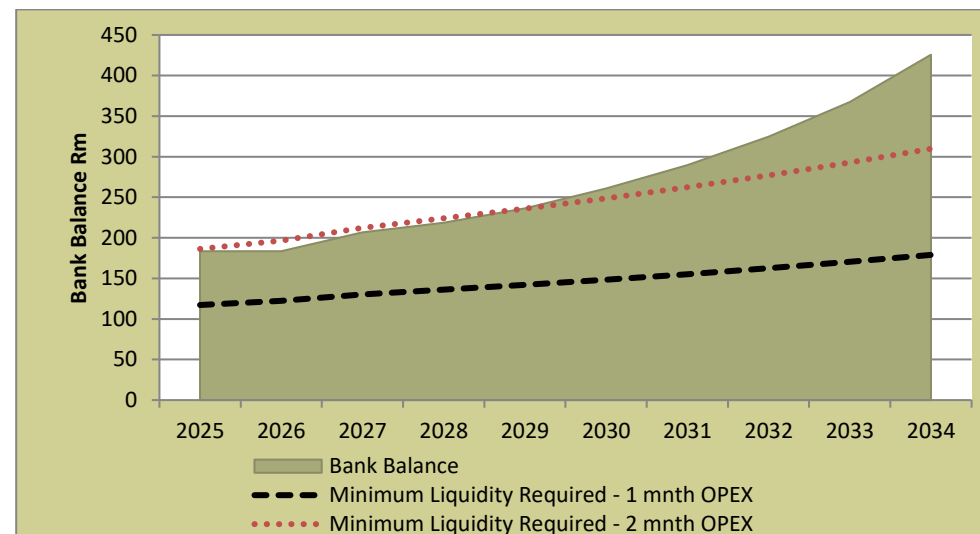
Based on these assumptions, key outcomes for the 10-year planning period are as follows:

Outcome	MTREF Case	Base Case
Average annual % increase in Revenue	7,2%	7,8%
Average annual % increase in Expenditure	7,6%	7,9%
Accounting Surplus accumulated during Planning Period (Rm)	R 577	R 969
Operating Surplus accumulated during Planning Period (Rm)	R 24	R 416
Cash generated by Operations during Planning Period (Rm)	R 808	R 1 036
Average annual increase in Gross Consumer Debtors	13,1%	12,0%
Capital investment programme during Planning Period (Rm)	R 1 287	R 1 527
External Loan Financing during Planning Period (Rm)	R 290	R 479
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 254	R 426
No of Months Cash Cover at the end of the Planning Period (Rm)	2,0	3,3
Liquidity Ratio at the end of the Planning Period	1.1 : 1	2.7 : 1
Gearing at the end of the Planning Period	6,8%	15,7%
Debt Service to Total Expense Ratio at the end of the Planning Period	3,5%	4,8%

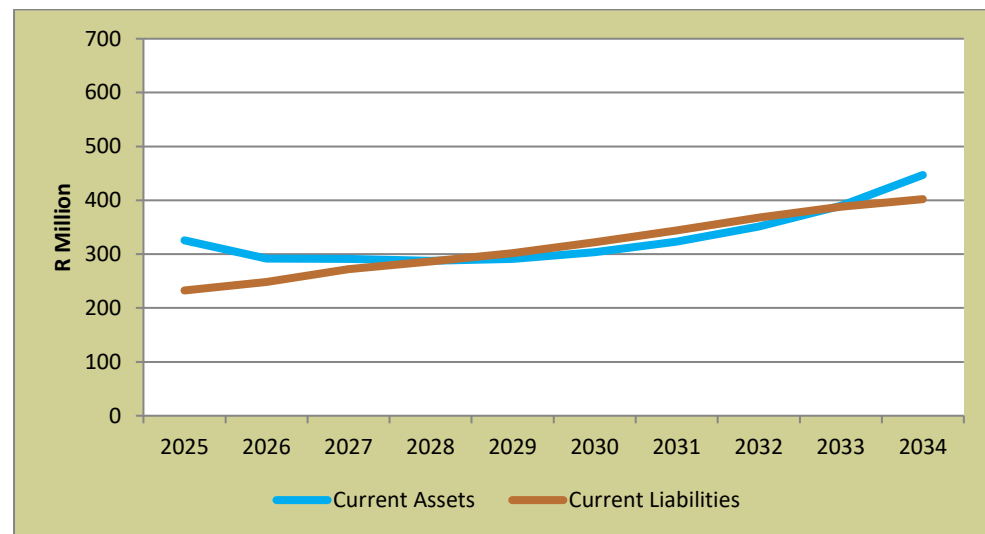
MTREF CASE SCENARIO



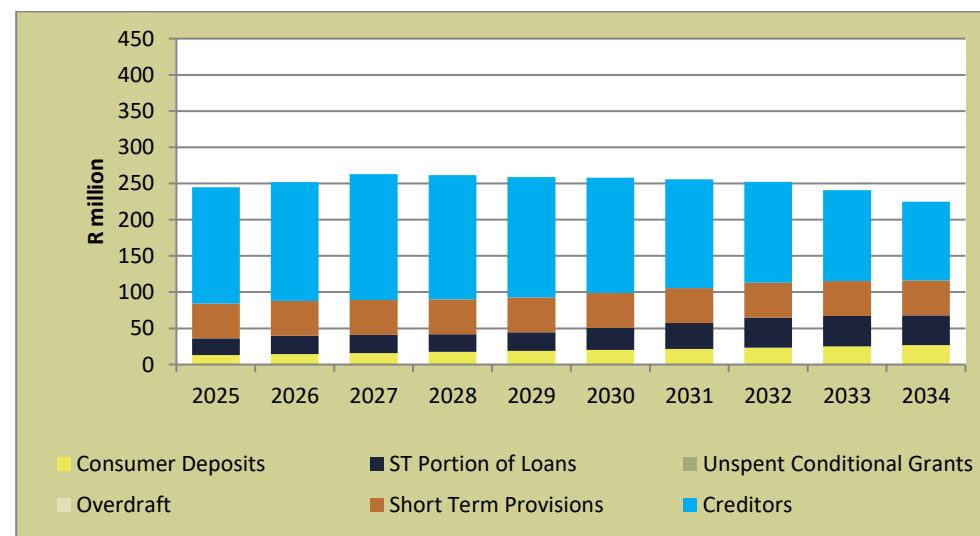
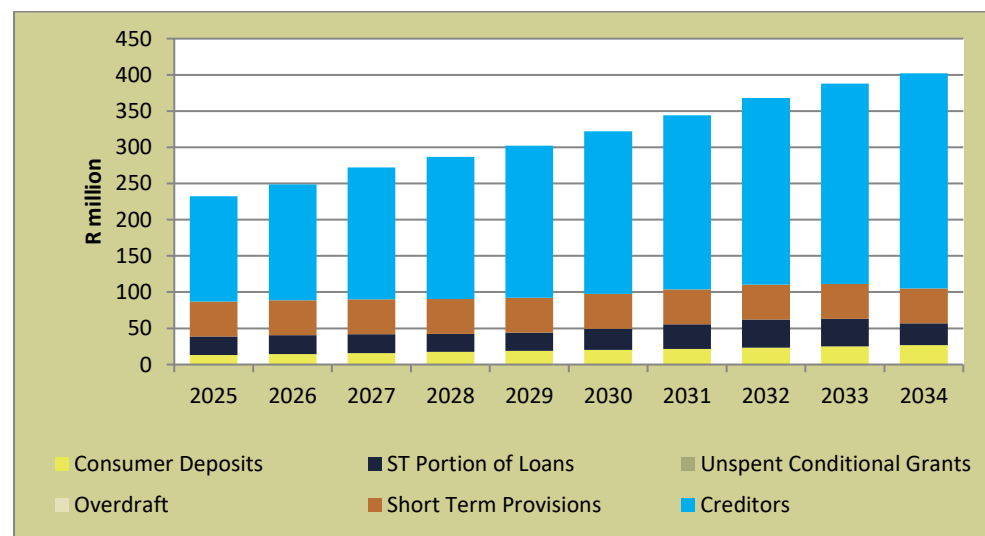
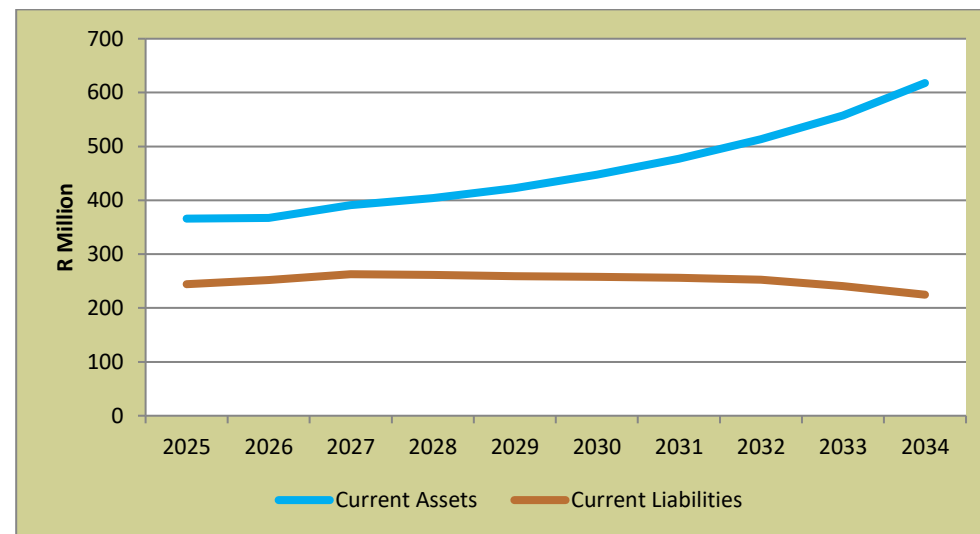
BASE CASE SCENARIO



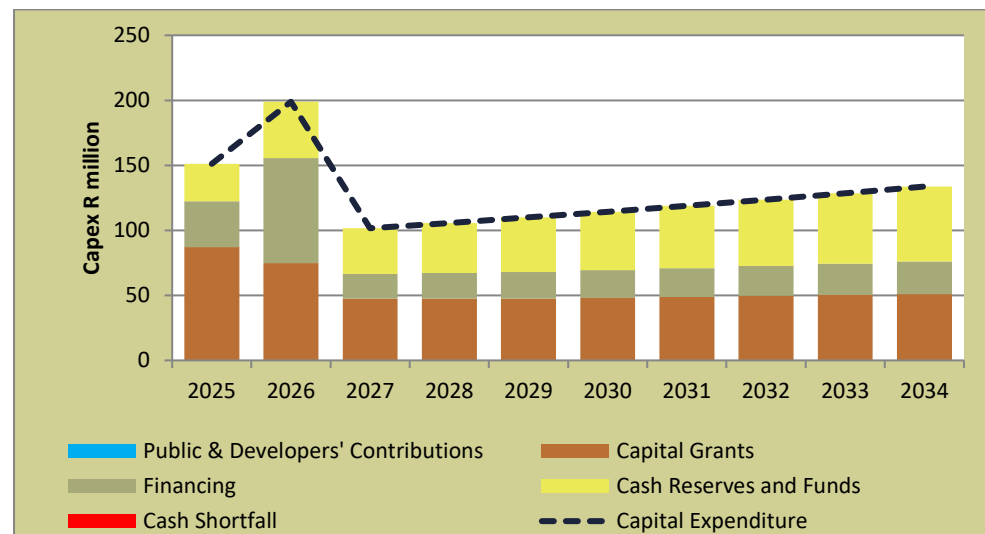
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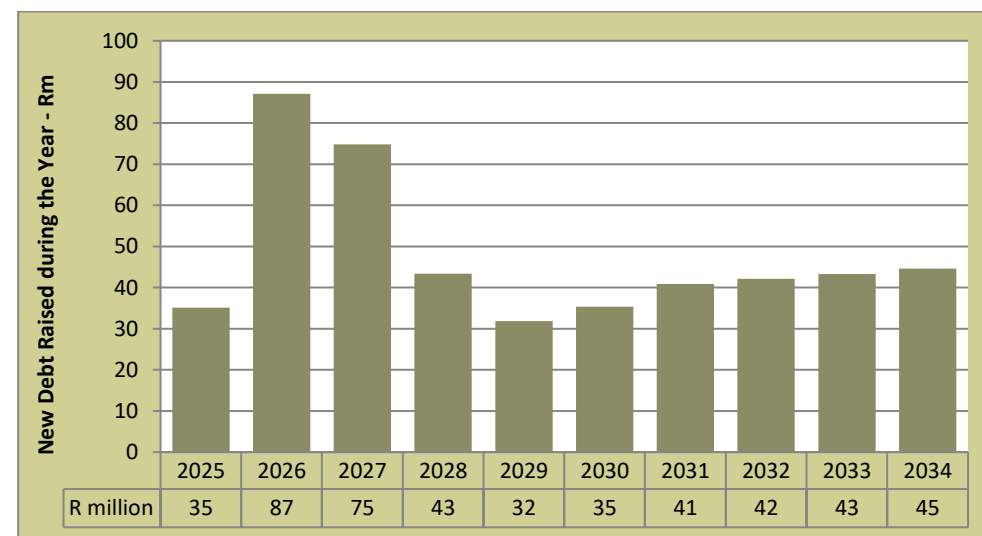
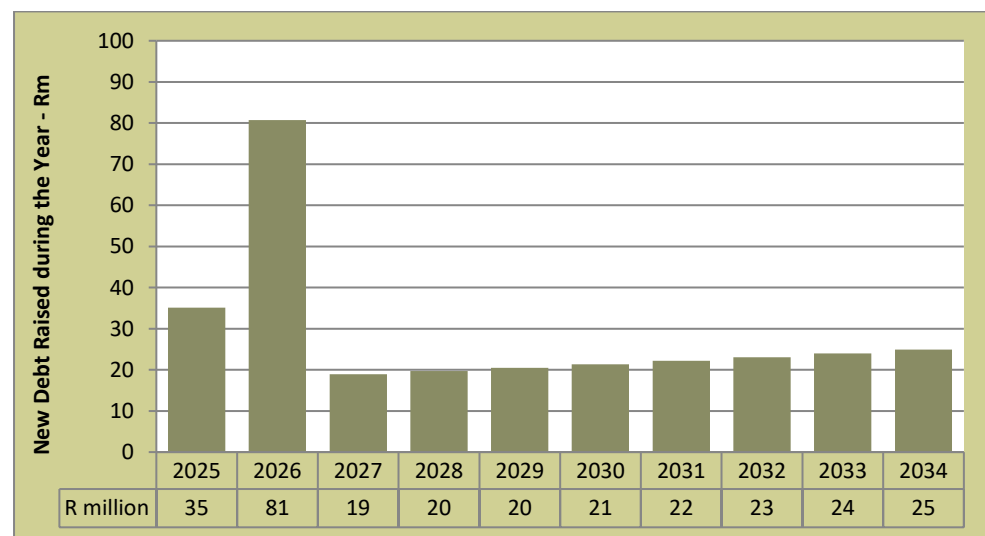
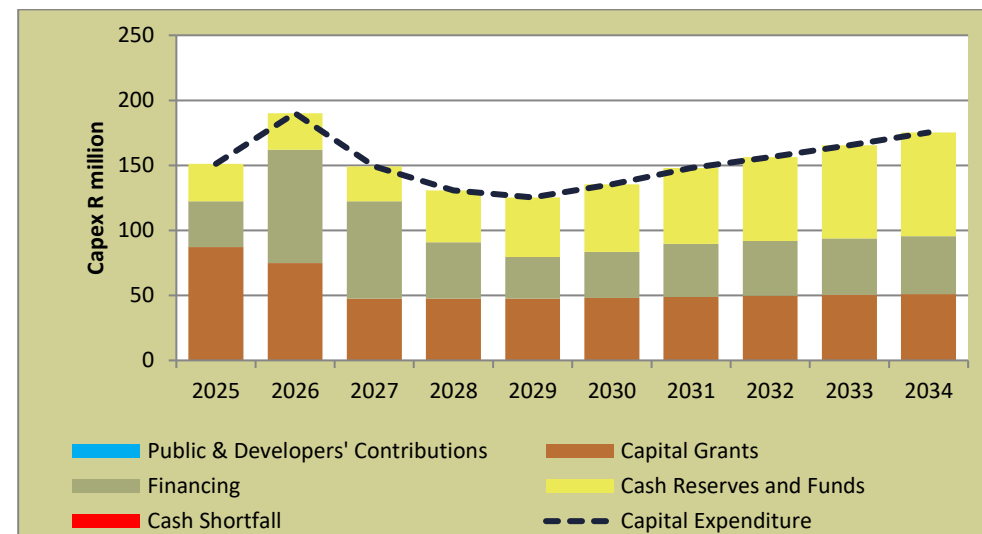
BASE CASE SCENARIO

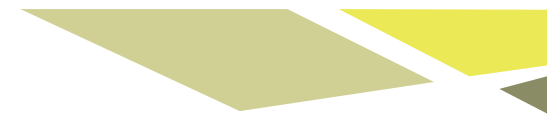


MTREF CASE SCENARIO



BASE CASE SCENARIO





RECOMMENDATIONS

Based on the results of the Long-Term Financial Model, *it is recommended that* Bitou:

1. Maintain an optimised funding mix that strikes a balance between the utilisation of external borrowings and own cash as a supplement to capital grant funding. It is recommended that the Adjustment Capital Budget borrowing programme is accelerated in order to maintain a high level of capital investment whilst safeguarding the liquidity position. It is recommended a staggered approach to borrowing is undertaken in order to maintain the debt indicators at affordable levels as well as to take advantage of the interest rate cutting cycle.
2. Maintain a balanced approach for the long-term capital investment programme which prioritises investments that contribute to economic growth and revenue generation and prioritise timeous investment in bulk infrastructure. It is recommended that the capital prioritisation programme is informed by the affordable envelope presented in this report. Capital investment decisions must be taken with the reduction of excessive water distribution losses as a priority.
3. Working capital management, particularly payment of creditors, must be strengthened. The increase in creditors observed during FY2023/24 cannot become a trend. The municipality must maintain timeous payment of creditors. Additionally, the improving trend in financial performance must be continued. Revenue must be maximised and cost-containment strategies implemented with cost-savings realised wherever possible.
4. Prevent a deterioration of the collection rate through the implementation of measures such as strict credit control, debt collection procedures etc. The Base Case collection rate of 90% must be achieved, with further improvements targeted thereafter. Failure to do so will result in a reduction of the affordable envelope for capital investment.
5. Institutionalise the utilisation of a sophisticated tariff model to ensure that tariffs reflect the true cost of delivering the service, on an organisation-wide approach (also taking into account property rates and organisational overheads).
6. Update the long-term financial plan annually with the most recent information to remain a relevant and valuable strategic tool that serves as input to the annual budgeting process. Continue the ongoing utilisation of the long-term financial model to support strategic financial decision-making in the municipality.



LTFP UPDATE REPORT 2025

INTRODUCTION

This report reflects the detailed observations having assessed the Demographic, Economic & Household Infrastructure changes, together with the municipality's financial performance as reflected in the 2023/24 unaudited financial statements and the updated LTFM utilising information contained in the First Adjustment Budget for the period 2024/25-2026/27.

DEMOGRAPHIC, ECONOMIC AND HOUSEHOLD INFRASTRUCTURE

- The economic recovery observed in 2021 & 2022 ceased during 2023, with a GVA contraction of 0.4%. The 5-year average GVA growth rate of -0.5% is indicative of a contracting local economy.
- The population growth rate came in at 2.80% in 2023. The 5-year average population growth rate was 2.25% p.a. The economically active population as a percentage of total population increased to 51.9% in 2023 from 49.7% in the prior year. Concerning to note, is the trend of population growth exceeding economic growth. This results in an impoverishment of the population.
- The official unemployment rate dropped to 26.5%; but remains the highest rate in the district. It must be noted that the current narrow definition of the unemployment rate excludes discouraged workers - thus it is reasonable to assume that the true figure, upon inclusion of discouraged workers, is far higher.
- Trade (4 200 jobs) remained the predominant provider of employment in Bitou in 2023, followed by finance (3 358 jobs).
- The Tress Index of 46.42 indicates a reasonably diversified economy underpinned by primarily three sectors: Finance (21.5%), Community Services (19.6%), and Trade (21.6%). Together these three subsectors constituted approximately 62.7% of economic output in 2023.
- Household formation saw enormous growth of 28.6% over the assessment period, the highest in the district by an order of magnitude. The Infrastructure Index declined marginally to 0.85. Despite the marginal decline, the municipality has shown an ability to keep up with the rate of household formation. This score is high relative to the national index of 0.77.
- Approximately 31.4% of households fall below the Equitable Share Bracket, while 85.0% of households receive a level of service above the RDP level of service.



1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

3 Updated Historic Financial Assessment

4 Long-Term Financial Model Outcomes

5 Future Revenues

6 Affordable Future Capital Investment

7 Scenario Analysis

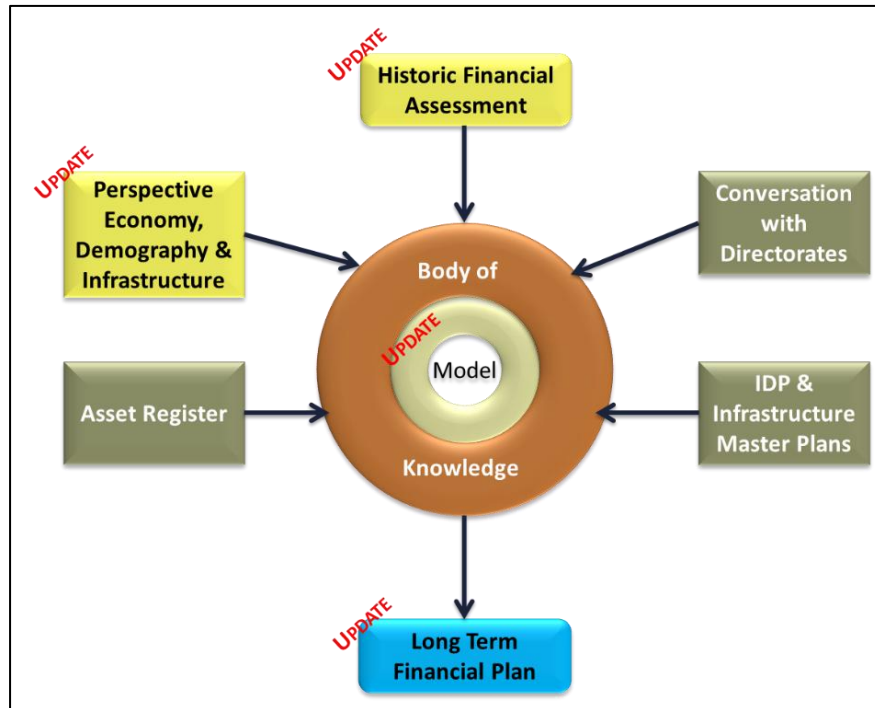
8 Ratio Analysis

9 Conclusions

PLANNING PROCESS

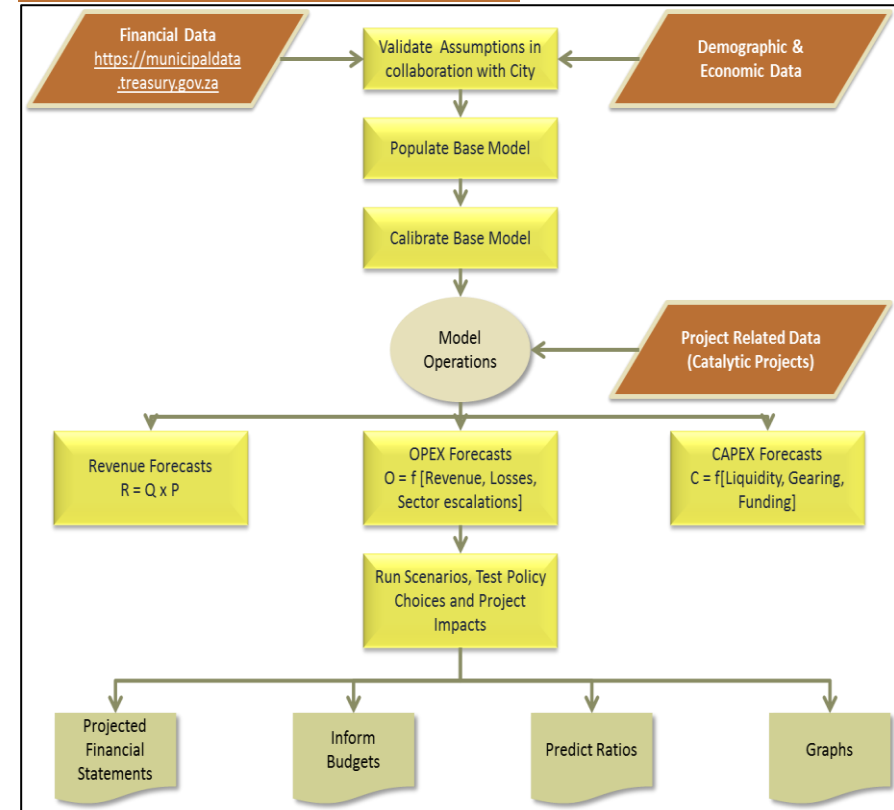
The diagram below illustrates the steps in the process that were followed in drafting the LTFP and the steps taken during this 2025 “LTFP Update”:

FIGURE 1: PLANNING PROCESS



The long-term financial model was populated with the latest information of Bitou and used to make a base case financial forecast of the future financial performance, financial position, and cash flow of the municipality. The diagram below illustrates the outline of the model.

FIGURE 2: FINANCIAL MODEL FRAMEWORK



The model methodology remains the same and the capital budget as presented in the MTREF was utilised and forecasts of an affordable future capex were made.



1 Planning Process

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8 Ratio Analysis

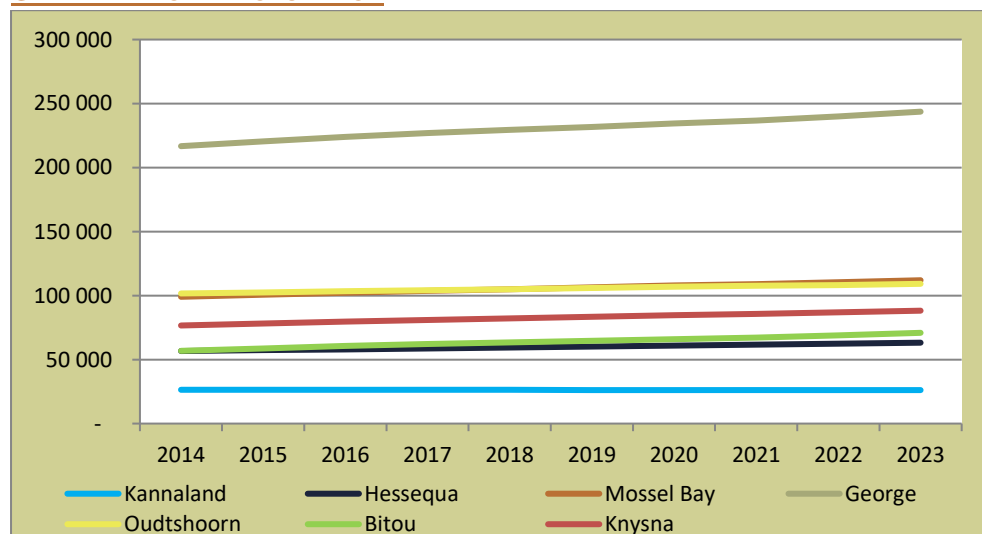
9 Conclusions

UPDATED PERSPECTIVES (DEMOGRAPHIC, ECONOMIC, HOUSEHOLD INFRASTRUCTURE)

DEMOGRAPHY

Bitou's population increased to 70 900 people in 2023, remaining the third least populous municipality in the Garden Route District. Population growth in 2023 came in at 2.80%, well above the 5-year average population growth rate of 2.25% p.a. This renders Bitou the fastest growing municipality in the district as far as population is concerned. Any increase in the population places additional pressure on the municipality and its infrastructure to deliver services to its communities. This is particularly challenging in the presence of such rapid population growth as is the case in Bitou.

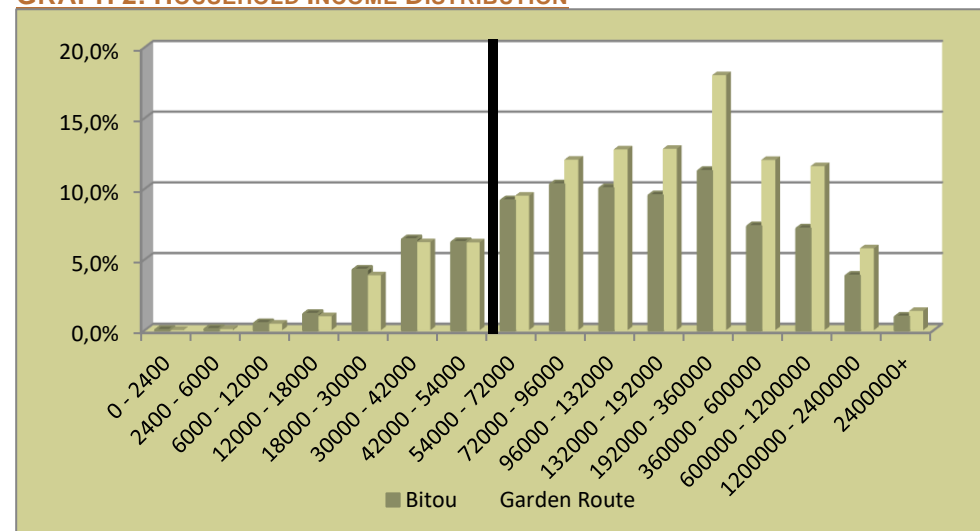
GRAPH 1: TOTAL POPULATION



Averaged household income increased by 3.2% during 2023, to a total of R273 785 p.a. This is below the Western Cape Province figure of R383 172 p.a. as well as the Garden Route District figure of R410 577 p.a. Furthermore, this is the lowest average household income in the district. According to the latest S&P Global Market Intelligence update, 31.4% of households in Bitou earn less than R54 000 p.a.,

placing them below the equitable share bracket. This is well above the district average of 16.4%. The number of households that fall below the equitable share bracket is indicative of the number of indigent households in the municipal area and reflect those who qualify for and/or are largely reliant on government grants as a source of income. The provision of RDP level of basic services to these households is theoretically covered by the equitable share and should compensate the municipality for providing free basic services. 85.0% of households in the municipality receive a level of service above the RDP level, an improvement on the Garden Route District figure of 89.9%.

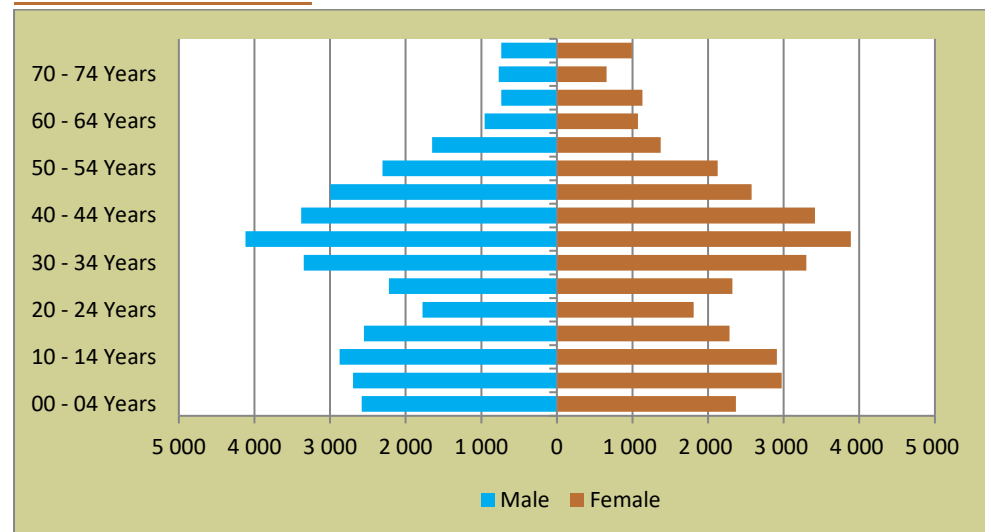
GRAPH 2: HOUSEHOLD INCOME DISTRIBUTION



While positive signs of a recovering economy were observed post-Covid, 2023 saw a return to a contracting local economy in Bitou. This is likely a product of a high inflationary environment and consequently sustained high interest rates which have created a challenging economic environment for all. Households are under severe pressure to make ends meet as well as to service their municipal bill as wage increases battle to keep pace with the rising cost of living. Thus, the extent to which

households can be levied in future must be closely monitored. A decline in household income coupled with rising costs of municipal services may erode the municipality's revenue base and create a significant revenue risk in the future.

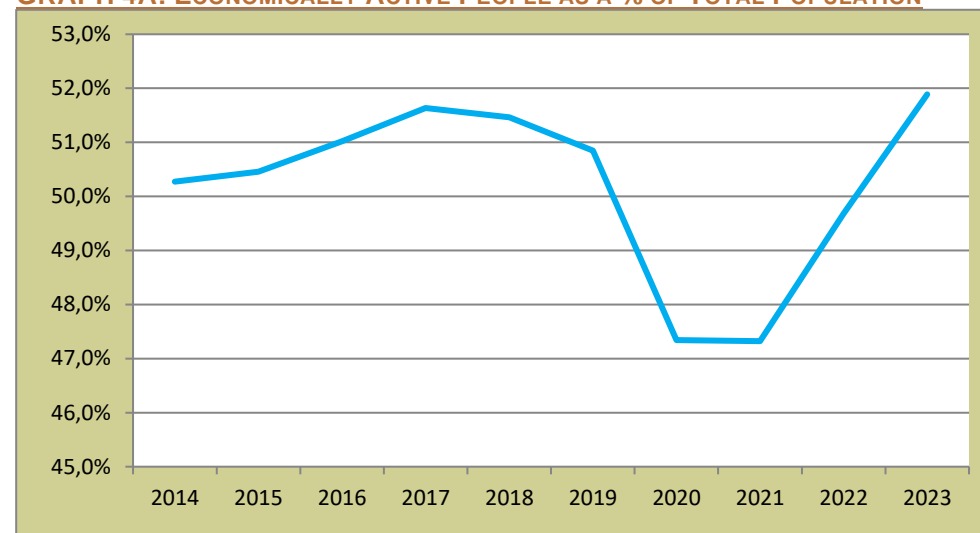
GRAPH 3: AGE PROFILE



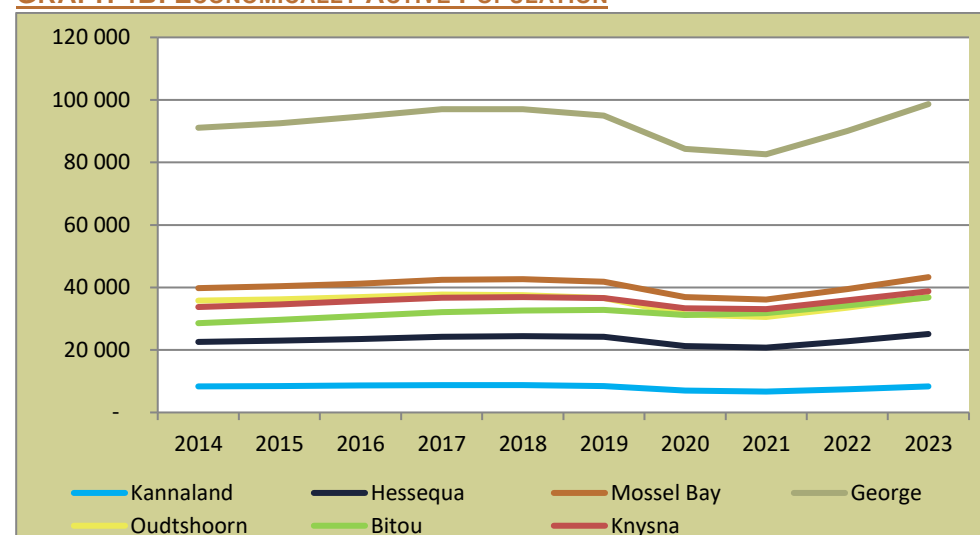
GRAPH 3 illustrates the age profile of Bitou LM's population. Approximately 57.9% of the population fall between the ages of 25 and 64 years, the highest proportion in the district. 35.0% of the population are below the age of 24 years, while just 7.1% are above the age of 65. The largest age cohort is between the ages of 35-40 years. These figures suggest that there is a perception of job opportunities within the municipality, particularly from those who are leaving the Eastern Cape and surrounding areas in search of opportunities.

The economically active population (EAP) as a percentage of the total population increased to 51.9% in 2023 from 49.7% in the prior year. This is a continuation of the increasing trend observed since 2021. This trend being sustained is positive to note as it is a strong indicator of the municipality's future economic growth prospects. The total number of economically active people in Bitou LM stood at 36 788 people in 2023.

GRAPH 4A: ECONOMICALLY ACTIVE PEOPLE AS A % OF TOTAL POPULATION

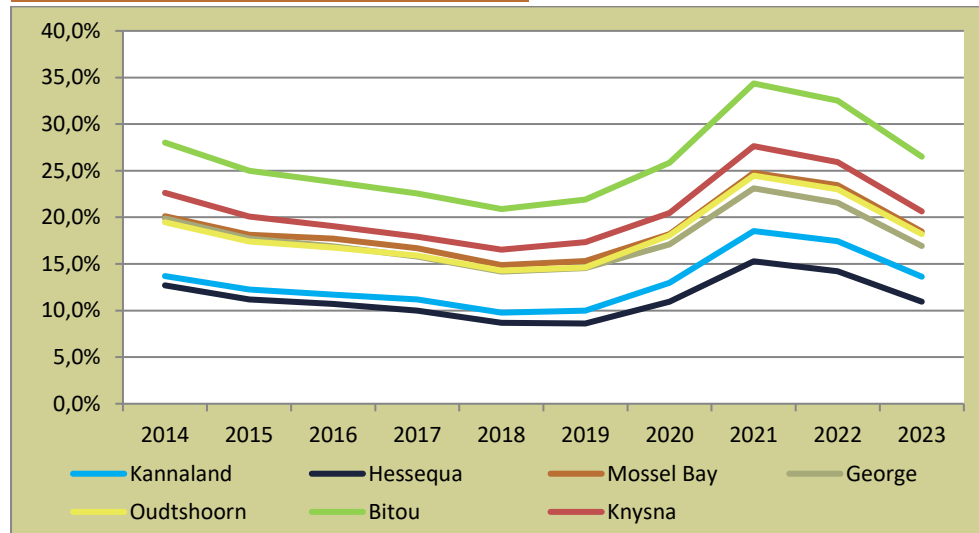


GRAPH 4B: ECONOMICALLY ACTIVE POPULATION





GRAPH 5: OFFICIAL UNEMPLOYMENT RATE



Bitou was unable to escape the rapid rise in unemployment in 2021 driven by Covid-19. The unemployment rate increased by 8.5% in 2021 alone. As illustrated in **GRAPH 5** above, the downward trend in the unemployment rate since 2021 is a welcome sight. This has been reflected across all municipalities within the Garden Route District. The unemployment rate in Bitou dropped to 26.5% in 2023, down from 32.5% in the prior year. While this is positive to note, the unemployment rate in Bitou remains the highest in the district.

The waning of the high inflationary environment should further boost the upward trend of employment in Bitou. This should facilitate a stimulation of the economy. Bitou must ensure that it plays its role in creating an environment of economic growth through maintaining a high level of service delivery, rendering the municipality an attractive destination for investment.

It must be stated that the official unemployment rate employs a narrow definition whereby discouraged workers and those not actively seeking employment are excluded. As such, it is reasonable to assume that should a broader, more realistic definition be utilised, the actual rate would in fact be considerably higher.

ECONOMY

Bitou's total economic output (GVA) amounted to R6.52 billion in 2023. This accounts for 8.52% of the district GVA. The positive signs of an economic recovery observed in 2021 and 2022 were tempered somewhat during 2023, with the economy contracting by 0.4%. Sluggish growth has been the trend in recent years with the 5-year average economic growth rate coming at in just -0.6%. Further concern is expressed when comparing economic and population growth trends. The 5-year average population growth rate of 2.3% greatly exceeds that of the economy over the same period. This effectively results in an impoverishment of the local population. This is reflected in the decline in GVA per capita of 10.8% over the last 5 years.

The impact of the high-interest rate cycle was certainly felt by households and businesses alike in 2023. Stubborn inflation and rising input costs created a challenging economic landscape. It is a welcome sign that the cycle of increasing interest rates has come to an end, with further rate cuts expected to follow the two 25 basis points cut seen since September 2024. This should facilitate economic growth and consequently, an expansion of the municipality's revenue base. The municipality must do its part in creating an enabling environment for economic growth through investing in productive assets. This will enable the perception of Bitou as an attractive destination for investment to be fostered.

Bitou's local economy is reasonably diversified, as evidenced by a Tress Index of 46.42. The Tress Index is a measure of economic diversification and thus, economic risk. The higher the degree of diversification, the lower the degree of economic risk in the event of adverse economic conditions due to the impact being spread of a greater number of economic sectors. Bitou's economy is heavily tertiary sector driven, with 72.3% of its economic output in 2023 emanating from tertiary sector activities. The local economy is mainly driven by 3 sectors which accounted for approximately 62.7% of economic output in 2023. These sectors are Finance (21.5%), Community Services (19.6%), and Trade (21.6%).

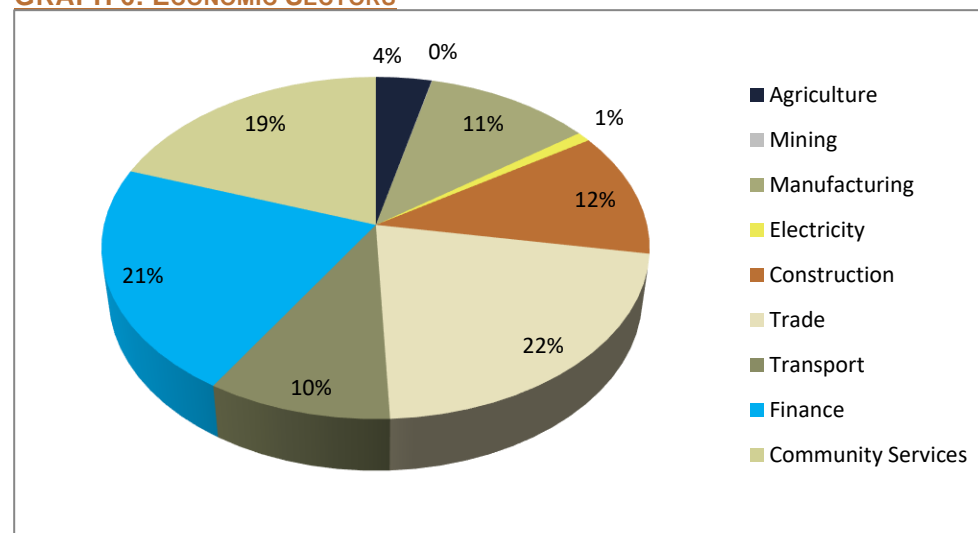
The Finance and Community Services sectors exhibited the most significant proportional growth over the review period, with proportional growth of 2.2% each. All sub-sectors that fall under the umbrella of the secondary sector experienced

contractions over the review period, barring manufacturing (0.1% increase), with the Construction sector (4.6%) the most heavily affected. This is likely a product of secondary sector activities being the most severely impacted by reduced economic activity caused by the pandemic as well as sustained load shedding during 2023, and a higher interest rate cycle.

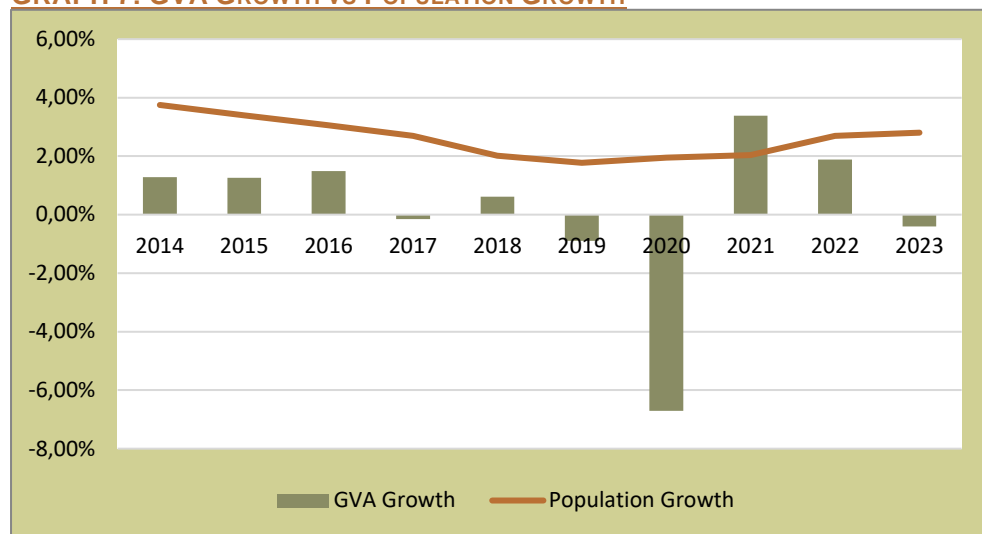
TABLE 1: PROPORTIONAL GROWTH OF ECONOMIC SECTORS

Subsector	2014	2023
Agriculture	3,5%	3,7%
Mining	0,1%	0,0%
Manufacturing	11,1%	11,2%
Electricity	1,2%	0,9%
Construction	16,4%	11,8%
Trade	22,7%	21,6%
Transport	8,4%	9,6%
Finance	19,3%	21,5%
Community Services	17,4%	19,6%

GRAPH 6: ECONOMIC SECTORS

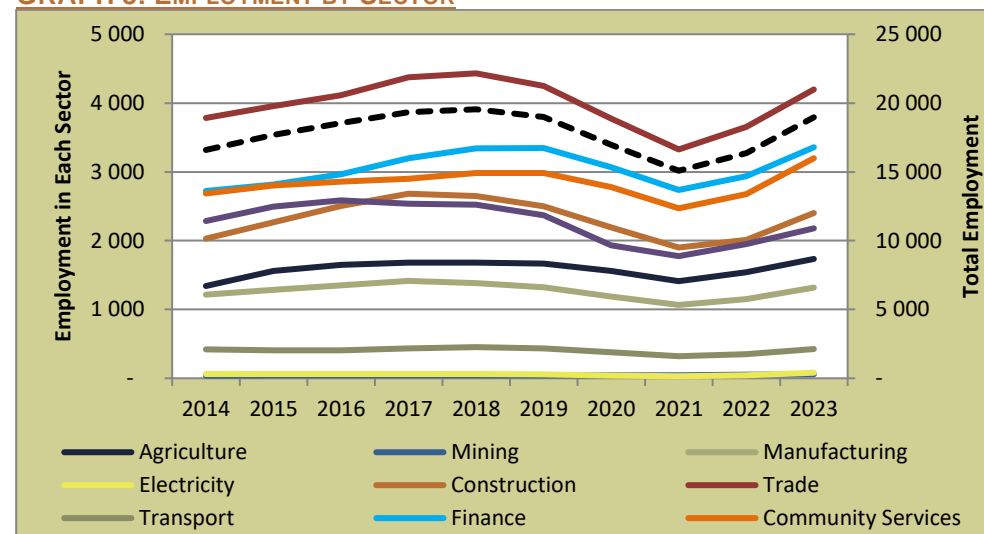


GRAPH 7: GVA GROWTH VS POPULATION GROWTH



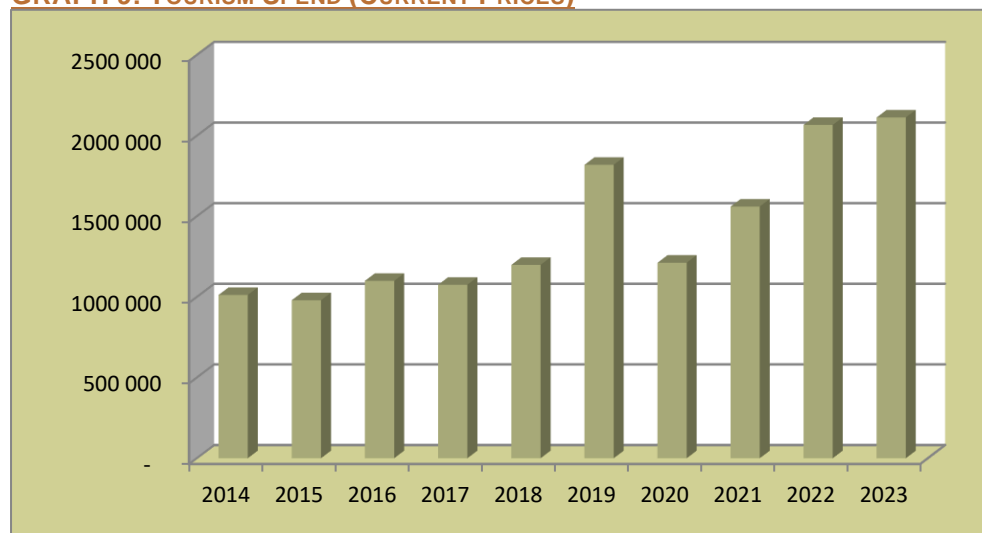
GRAPH 7 above makes it evident that while the impact of the economic contraction in 2020 was severe, an environment of sluggish economic growth has been prevalent for the majority of the review period. The economy has only outpaced the population in terms of growth in 1 of the 10 years under review, with the growth in that year (2021) artificially high due to the extent of the economic contraction in 2020. This is of concern.

GRAPH 8: EMPLOYMENT BY SECTOR



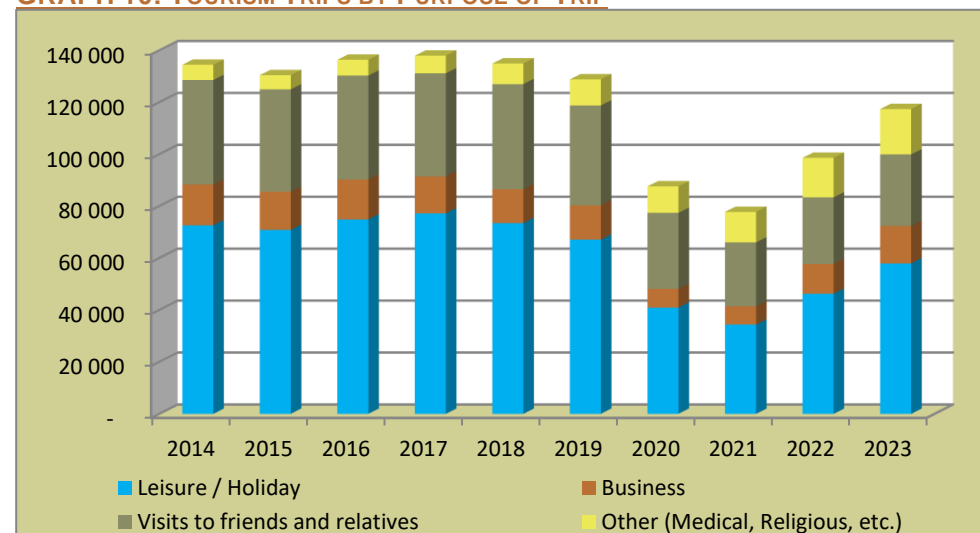
The employment figures reveals that an additional 2 589 jobs were created during 2023. This is consistent with the decline in the unemployment rate. The Trade sector, the biggest contributor to GVA in 2023, is unsurprisingly the main provider of employment in Bitou with 22.2% of jobs falling within this sector. This is followed by finance (17.7%) and community services (16.9%).

GRAPH 9: TOURISM SPEND (CURRENT PRICES)



Tourism spend increased at a marginal rate of 2.2% during 2023, to a total of R2.11 billion. This equates to approximately 29.8% of GVA in 2023, marginally down from 31.1% in the prior year. To put it into perspective, this places tourism as the largest contributor to GVA, thus highlighting the importance of tourism to Bitou's economy. For this reason, the municipality must ensure that it does its part in assisting those in the tourism industry through maintaining a high level of service delivery and maintaining the strong perception of Bitou as an attractive destination for tourists.

GRAPH 10: TOURISM TRIPS BY PURPOSE OF TRIP

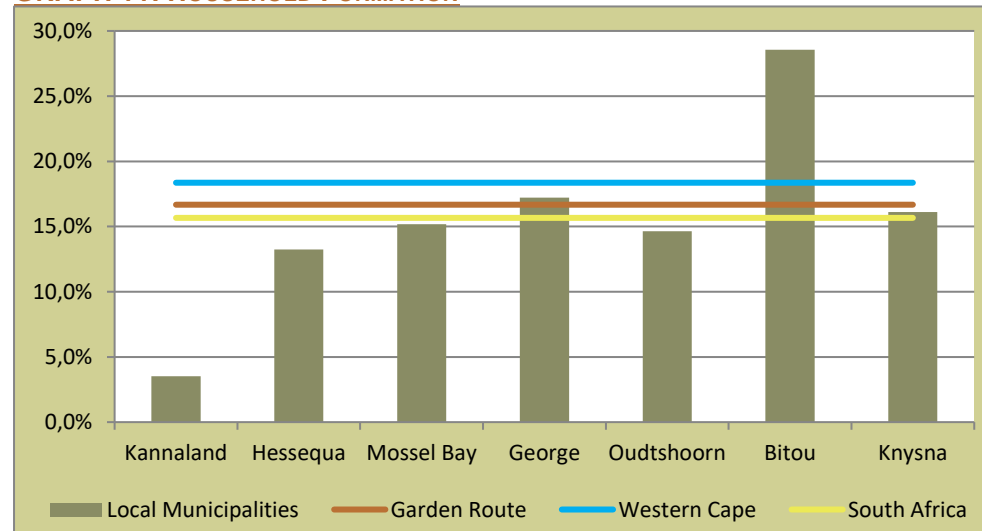


The number of tourism trips into Bitou increased by 19.0% during 2023, up to 117 392 trips from 98 624 in the prior year. It must be noted that while this remains below pre-pandemic levels, the increasing trend observed since 2021 is a positive development. A return to an economic growth environment as well lower inflation may result in an acceleration of this growth in the coming years. Trips for leisure/holiday purposes remained the predominant reason for trips into Bitou, accounting for 49.4% of trips in 2023. This is followed by trips to visit friends and relatives (23.5%). This further highlights the perception of Bitou as an attractive tourist destination.

HOUSEHOLD INFRASTRUCTURE

Household formation in Bitou since 2013 came in at an extremely high 33.0%. This translates to a total of 5 566 additional households in absolute terms. This rate of household formation is the highest in the Garden Route District by a considerable margin. Such an extensive increase in the number of households within the municipality contributes to additional pressure on the municipality to meet the additional demand for municipal services. An added complication in the case of Bitou is that a high proportion of the influx of households are believed to consist of indigent households migrating from the Eastern Cape in search of an improved standard of living. This further increases the pressure on Bitou as they do not receive revenue for providing these services.

GRAPH 11: HOUSEHOLD FORMATION



Bitou has managed to improve its infrastructure index over the review period, with the index improving from 0.82 in 2014 to 0.86 in 2021. A marginal decline has been noted since with the index dropping to 0.85. The infrastructure index provides an indication as to the extent of access to municipal services. It does not, however, measure the quality and security with which these services are provided. The

maintenance of the index over time is an indication of the municipality's ability to keep up with the rate of household formation.

GRAPH 12: INFRASTRUCTURE INDEX

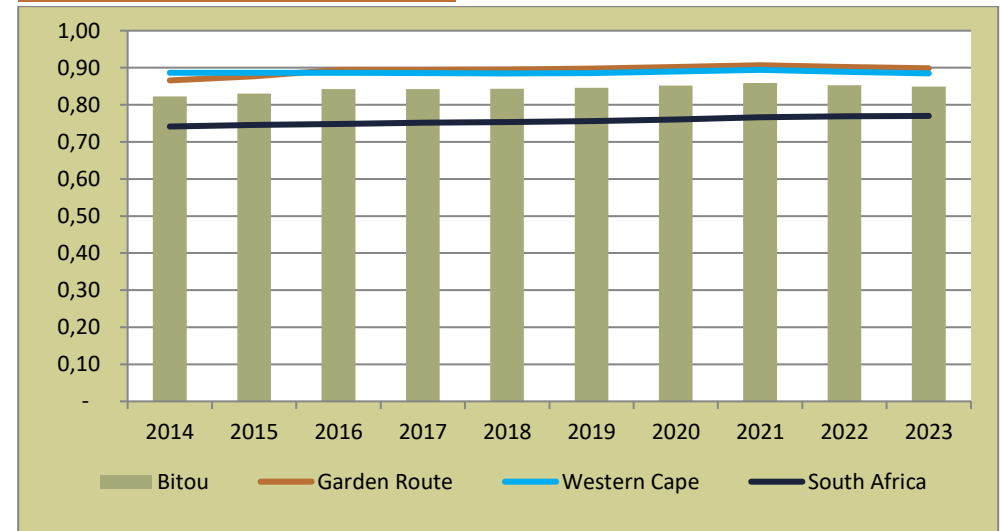


TABLE 2 below provides a comparison between the level of backlogs of Bitou and the Garden Route District. Bitou has managed to improve access to services in all service categories, except for refuse removal services, over the review period. Bitou outperformed the district in the provision of sanitation and electricity services,. The improvements notwithstanding, the municipality must continue to invest in critical infrastructure to ensure that backlogs continue to reduce and that the municipality's inhabitants get access to the services they require.

TABLE 2: HOUSEHOLD INFRASTRUCTURE PROVISION

Infrastructure	Garden Route		Bitou	
Above RDP Level				
Sanitation	206 862	97,6%	23 740	98,8%
Water	209 537	98,9%	23 544	98,0%
Electricity	206 098	97,3%	23 825	99,1%
Refuse Removal	193 243	91,2%	21 672	90,2%
Below RDP or None				
Sanitation	5 023	2,4%	289	1,2%
Water	2 348	1,1%	486	2,0%
Electricity	5 787	2,7%	205	0,9%
Refuse Removal	18 642	8,8%	2 358	9,8%
Total Number of Households	211 885	100,0%	24 030	100,0%



1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

3 Updated Historic Financial Assessment

4 Long-Term Financial Model Outcomes

5 Future Revenues

6 Affordable Future Capital Investment

7 Scenario Analysis

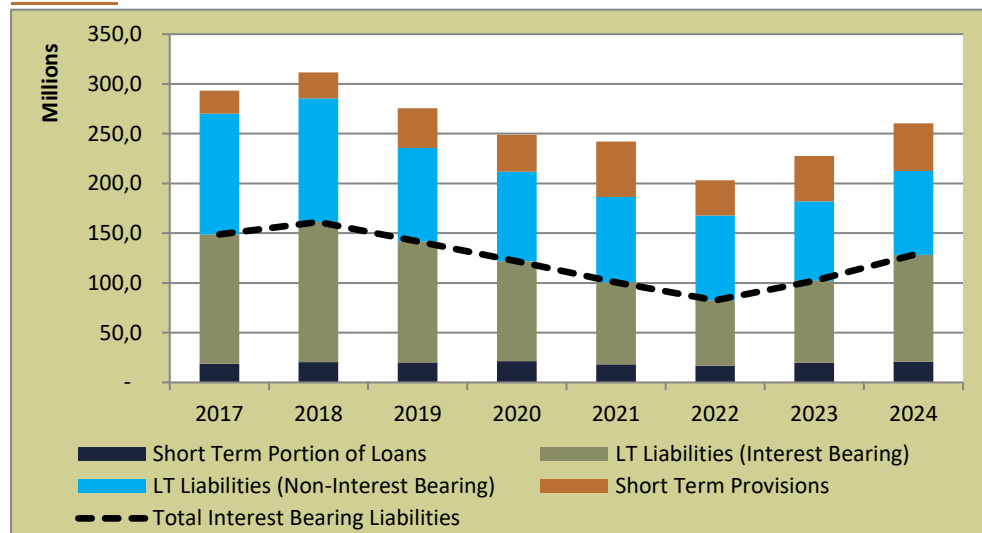
8 Ratio Analysis

9 Conclusions

UPDATED HISTORIC FINANCIAL ASSESSMENT

FINANCIAL POSITION

GRAPH 13: LONG-TERM LIABILITIES: INTEREST BEARING VS NON-INTEREST BEARING

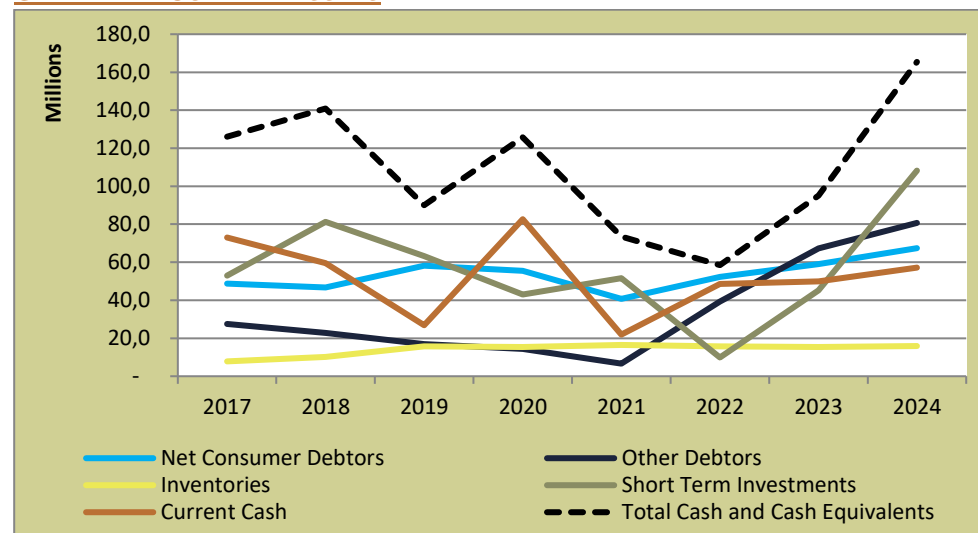


Bitou LM's net fixed assets position improved during the year, increasing by 4.1% to total R1.33 billion as at FYE2023/24. A marginally lower increase was observed in the accumulated surplus, up from R1.14 billion to R1.18 billion for a total increase of 3.4% during the year. This was underpinned by sound financial performance. Interest-bearing liabilities increased to R107.3 million, up from R82.5 million in the prior year, courtesy of an additional loan undertaken during the year. Non-interest-bearing liabilities increased by R4.8 million to total R84.4 million as at FYE2023/24. This was predominantly driven by increases in employee benefit obligations.

Additional loans to the value of R45.2 million were undertaken during the year. The addition of these loans increased the degree of leverage in the debt profile. This is evidenced by the gearing ratio which increased to 14.1%, up from 12.2% in the prior year. Interestingly, the debt service to total expense ratio declined marginally to 3.5% from 3.8% at the prior year end. Analysis of the Adjustment Capital Budget reveals that the municipality has planned to continue borrowing over the MTREF

period. The current debt profile remains affordable, particularly given the stable and improving liquidity position. However, the municipality must remain wary of not overleveraging the debt profile and potentially weakening the financial position. The affordability of the Capital Budget will be explored later in this report, and it is recommended that the outcomes of this affordability analysis are considered in preparation of the 2025/26 budget.

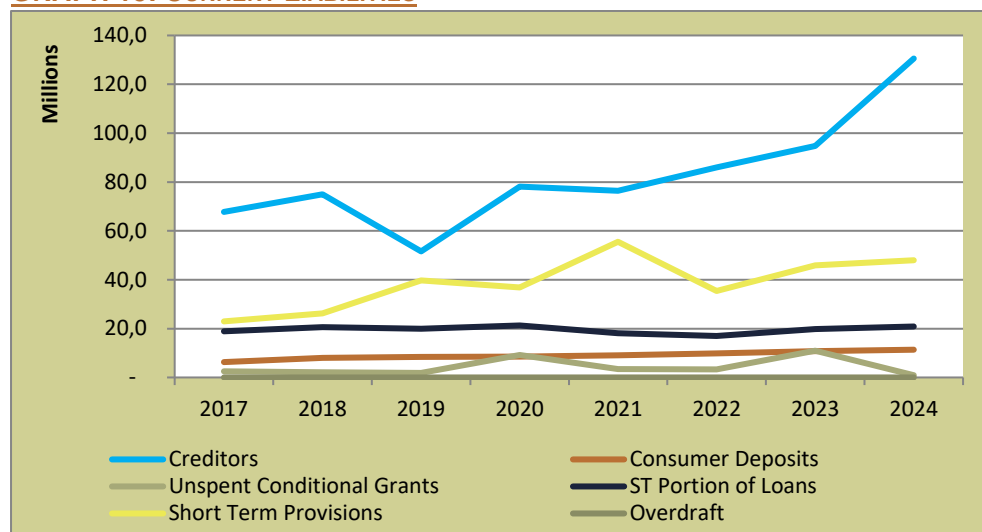
GRAPH 14: CURRENT ASSETS



Current assets saw a notable increase during FY2023/24, increasing by 39.1% to R329.4 million. This was predominantly driven by increases in cash and cash equivalents, the majority of which are short-term investments. This should result in additional interest income. Bitou's current assets are highly liquid, as 50.2% of the current assets balance consists of cash and cash equivalents. Cash and cash equivalents totalled R165.4 million as at FYE2023/24, up from R95.1 million at the prior year end.

Current liabilities increased by a comparatively lower 16.2% during the year, up to R211.6 million from R182.2 million in the prior year. The extent of this increase was largely driven by an increase of 37.7% in trade and other payables. Trade payables increased by R29.3 million to R92.2 million as at FYE2023/24. This is of some concern and must be addressed immediately as creditors will need to be serviced at some point in time.

GRAPH 15: CURRENT LIABILITIES

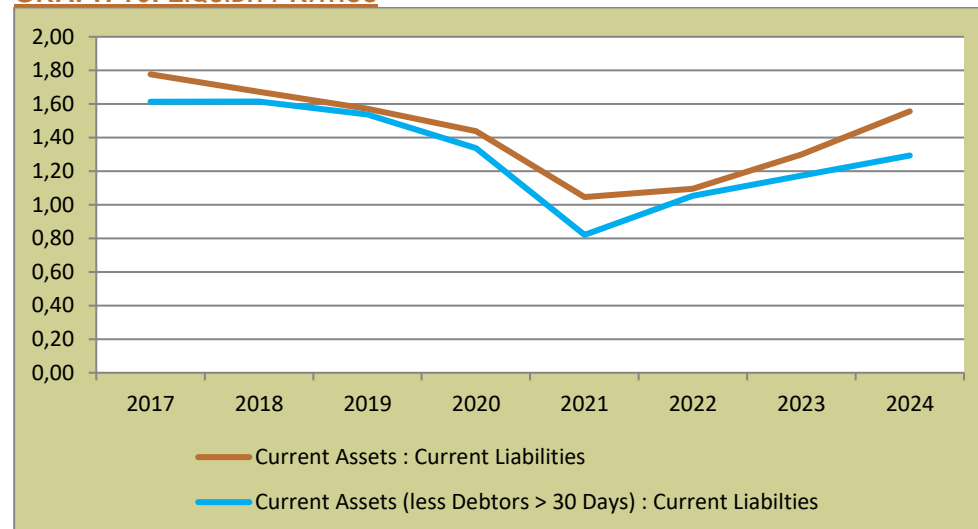


The combined impact of the movements in current assets and liabilities resulted in an improvement of the liquidity position. The liquidity ratio increased to 1.56:1 from 1.30:1 at the prior year end. This remains healthy and represents the fourth consecutive year of improvement. The liquid nature of Bitou's current assets, particularly, provides a healthy liquidity buffer. This leaves Bitou well positioned to absorb potentially harmful financial shocks.

TABLE 3: LIQUIDITY RATIOS

	2017	2018	2019	2020	2021	2022	2023	2024
Current Assets: Current Liabilities	1,78	1,67	1,57	1,44	1,05	1,09	1,30	1,56
Current Assets (less Debtors > 30 Days): Current Liabilities	1,61	1,61	1,54	1,34	0,82	1,05	1,17	1,29

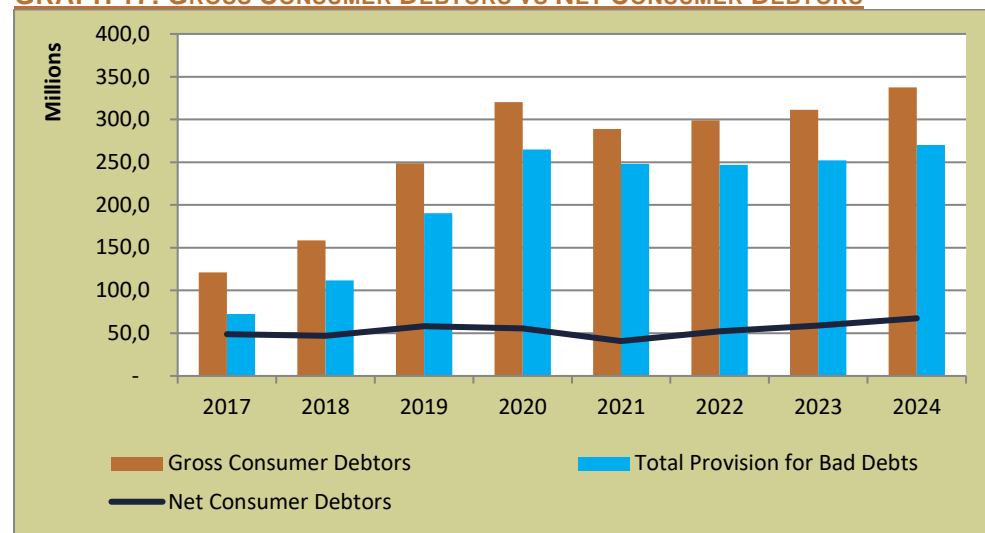
GRAPH 16: LIQUIDITY RATIOS



Gross consumer debtors increased by 8.4% during the year to total R337.3 million as at FYE2023/24. A comparatively lower increase of 7.0% in the provision for bad debts resulted in an increase of 14.3% to R67.4 million in net consumer debtors. The collection rate increased to 88.2%, up from 86.6% in the prior year. This is positive to note. The municipality must aim for further increases in the coming years with the NT norm of 95% a healthy long-term target. Reduced inflation and the genesis of an interest rate cutting cycle will ease pressure on households to service their municipal bills. The municipality must take advantage of this and ensure it is well placed to improve to and maintain a high collection rate.

Rates remained the largest pool of debtors, accounting for 32.5% of net consumer debtors. This is followed by electricity debtors (31.1%) and water debtors (19.0%). The provision for bad debts of R269.9 million fell just short of covering the debtors older than 90 days balance of R274.4 million. While it is ideal for the provision for bad debts to fully provide for debtors older than 90 days, it is reasonable to say that the risk of non-payment was largely provided for during FY2023/24.

GRAPH 17: GROSS CONSUMER DEBTORS VS NET CONSUMER DEBTORS

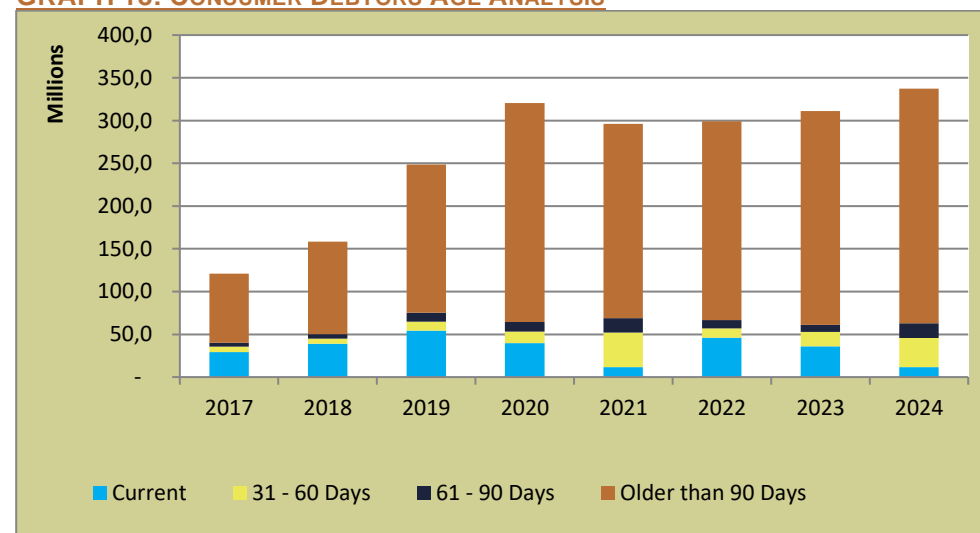


Further scrutiny of the debtors age analysis reveals that debtors older than 90 days form the largest pool of debtors, accounting for 81.3% of consumer debtors. Current debtors accounted for just 3.4% of consumer debtors at the current year end. It would be beneficial for the municipality to attempt to collect as much of the aged debt as possible. It is appreciated that this is not an easy task, but the benefits that can be derived are vast.

TABLE 4: DEBTORS RATIOS

	2018	2019	2020	2021	2022	2023	2024
Increase in Billed Income p.a. (R'm)	35,4	85,0	14,3	24,5	30,7	2,5	52,2
% Increase in Billed Income p.a.	10%	21%	3%	5%	6%	0%	9%
Gross Consumer Debtors Growth	31%	57%	29%	-10%	4%	4%	8%
Net Debtors' Days	49	43	44	40	28	34	39
Payment Ratio/Collection Rate (%)	87%	70%	72%	86%	83%	87%	88%

GRAPH 18: CONSUMER DEBTORS AGE ANALYSIS



FINANCIAL PERFORMANCE

GRAPH 19: ANALYSIS OF SURPLUS

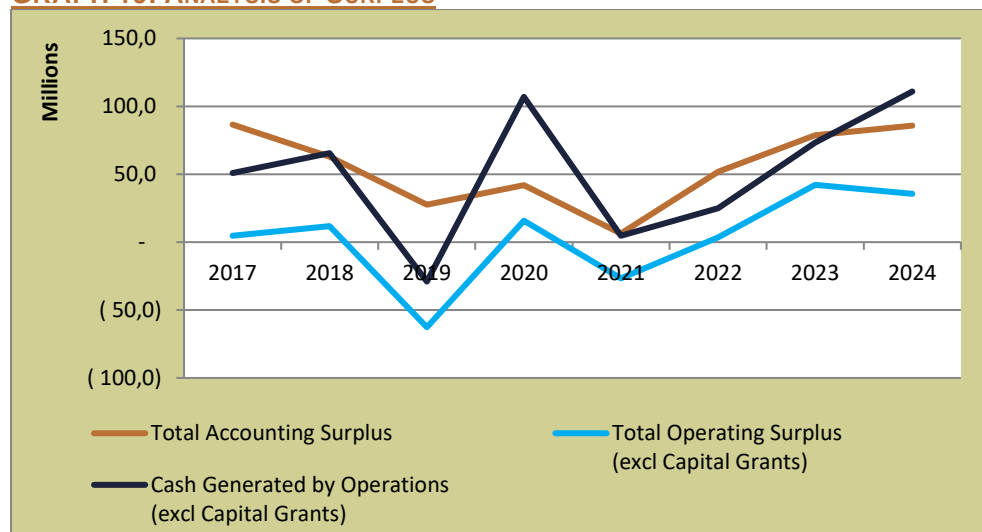


TABLE 5: ANALYSIS OF SURPLUS

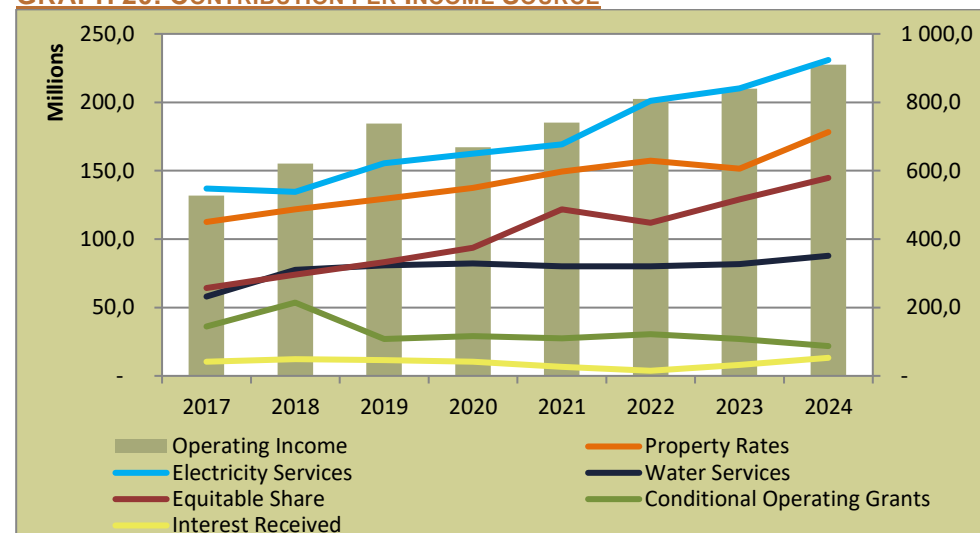
	2017	2018	2019	2020	2021	2022	2023	2024
Total Accounting Surplus	86,6	62,8	27,5	41,9	6,3	51,8	78,7	85,9
Total Operating Surplus (excl Capital Grants)	4,8	11,8	(62,7)	15,7	(26,7)	3,5	42,2	35,6
Cash Generated by Operations (excl Capital Grants)	51,0	65,4	(29,0)	107,0	4,7	24,9	73,3	110,9

Total income (including capital grants) increased by 9.54% during FY2023/24, increasing to R960.0 million. Operating expenditure increased by a marginally higher 9.59% to R874.2 million. This resulted in an improvement in the accounting surplus to R85.9 million during FY2023/24, up from R78.7 million in the prior year. Upon the exclusion of capital grants, the municipality posted an operating surplus of R35.6 million, down from R42.2 million in the prior year. This marks the third consecutive

operating surplus and fourth in the last 5 years. This continues the trend of improved financial performance observed in the latter half of the review period.

Bitou's ability to generate cash from its operations (excluding capital grants) improved once again during FY2023/24, with a considerable R110.9 million in cash generated by operations. This is an improvement on the prior year value of R73.3 million and marks a peak for the review period. While the improvement in the collection rate certainly underpinned this increase, it must be stated that the increase in trade payables played a role as well. The municipality must be wary of delaying payment to creditors as they will need to be serviced at some point in time and delayed payment may lead to unnecessary interest costs.

GRAPH 20: CONTRIBUTION PER INCOME SOURCE



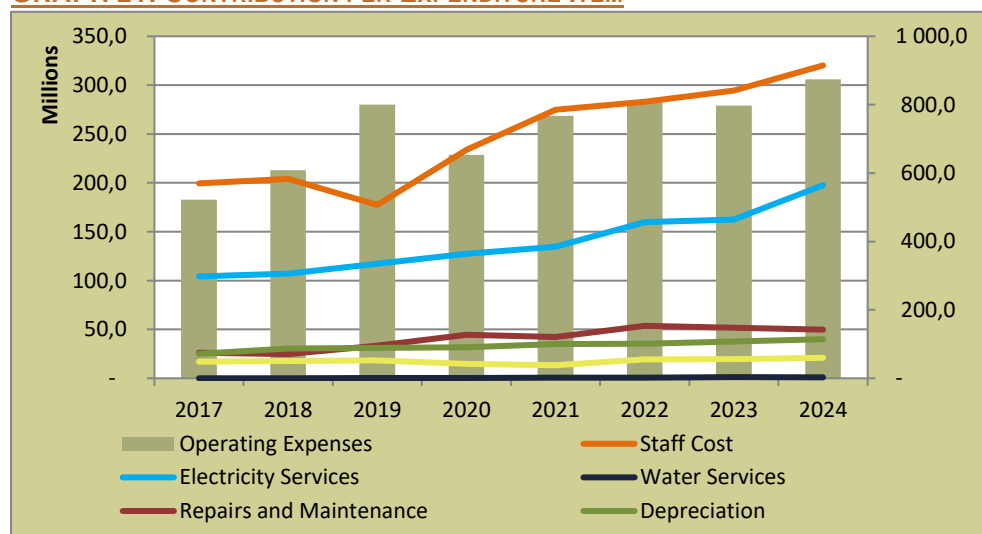
The growth in operating income (excluding capital grants) of 9.23% was underpinned by above CPI growth in electricity services (10%), property rates (18%) and interest received (64%). The growth in electricity services revenue is positive to note as this follows limited growth in the previous year due to the energy crisis. Electricity revenue remained the predominant contributor to revenue, accounting for

25% of revenue in FY2023/24. Other notable contributions include property rates (20%) and equitable share (16%).

Total grants (operating and capital) comprised 23% of total revenue during FY2023/24. This is indicative of a reasonable reliance on grant funding, relative to other comparable municipalities.

While the end of the extended and sustained period of load shedding has certainly been a welcome development, there remains the possibility of the energy crisis rearing its head once again. With this in mind, there remains a risk to the municipality's revenue prospects should this occur, due to the municipality's reasonably high reliance on electricity services revenue. In order to mitigate this risk, the municipality must work towards maximising revenue from alternative sources and more importantly, maintain stringent management of operating expenditure, over which the municipality has an element of control. Cost-savings must be realised wherever possible. Furthermore, the need for tariff increases to reflect the true cost of supply remains critical. It is recommended that the municipality undergoes a detailed tariff assessment, underpinned by a sophisticated tariff model to assist in determining the true cost of supply of municipal services and that tariff increases are informed accordingly.

GRAPH 21: CONTRIBUTION PER EXPENDITURE ITEM



The 9.59% increase in total operating expenditure was underpinned by increases in electricity bulk purchases (22%), staff costs (9%), and depreciation (7%). The improved collection rate resulted in debt impairment costs declining during the year. Staff costs remained the predominant expenditure item, accounting for a third of operating expenditure in FY2023/24. This is followed by electricity bulk purchases with a contribution of 20%.

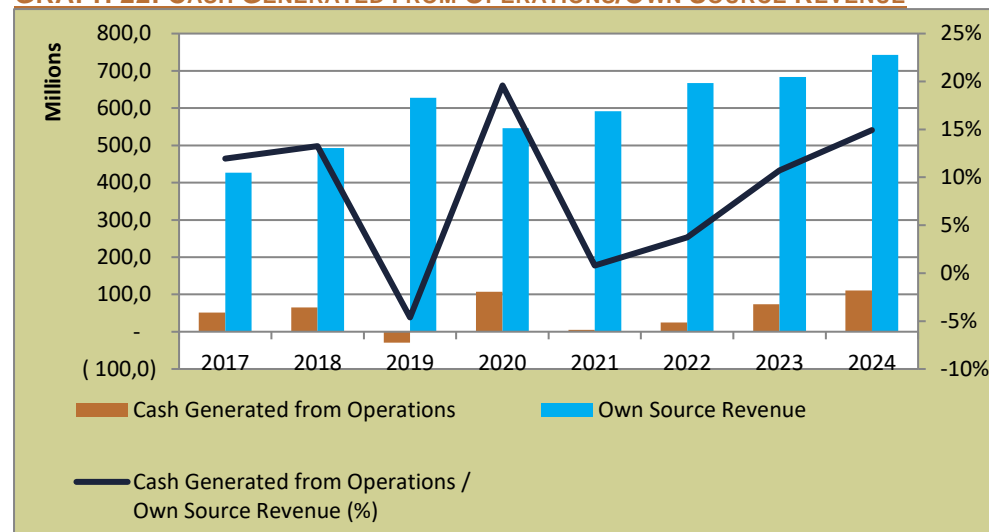
While the contribution of staff costs remains below the maximum norm of 40% as prescribed by NT, we cannot look at this figure in isolation. Contracted services are often seen as an alternative to staff costs, with certain services outsourced to contractors. With this in mind, it is worth analysing the combined contribution of staff costs and contracted services to assess the affordability of the municipality's employee related expenditure profile. The combined contribution of contracted services and staff costs totals 42% of total operating expenditure. This exceeds the NT maximum norm of 40%, thus rendering the affordability of the municipality's employee related expenditure profile questionable. It may be worth exploring whether certain outsourced services could perhaps be brought back within the municipality, should this result in cost-savings.

Expenditure to repair and maintain the municipality's asset base declined during the year to R49.7 million, down from R51.7 million in the prior year. This resulted in repairs and maintenance expenditure as a percentage of PPE & IP declining to 3.7% from 4.0% in the prior year. Ideally we would like to see this ratio increase closer to the NT norm of 8%. It is worth noting that a reasonable portion of the Capital Budget is allocated towards the upgrading of existing assets. The municipality must endeavour to increase the allocation of funds to repair and maintain the municipality's assets in order to avoid unnecessary impairment or early obsolescence of assets.

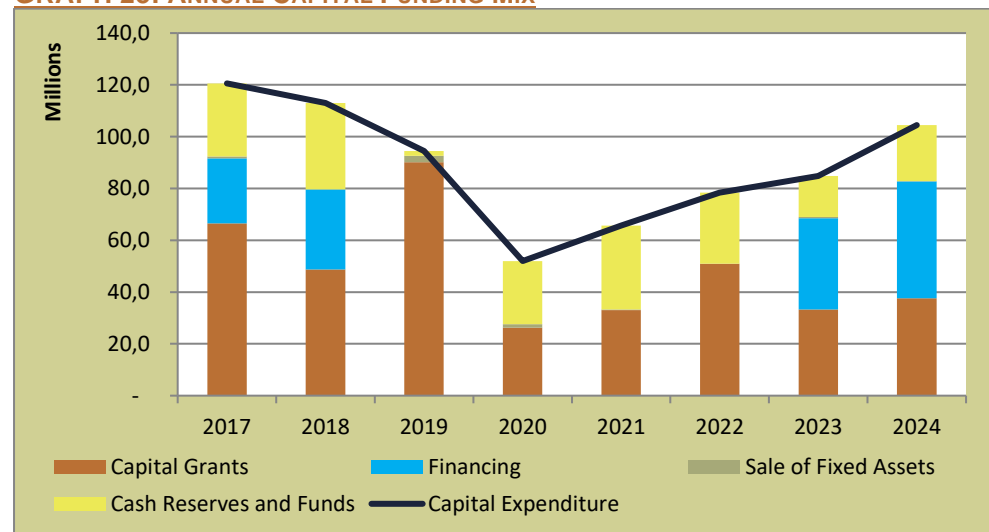
Electricity distribution losses improved to 6.24%, down from 9.29% in the prior year. This remains within the NT norm range of 7%-10%. Water distribution losses increased to 37.89%, up from 35.85% in the prior year. The increase and extent of water losses is of concern and must be addressed by the municipality. The reasons for the extent of water losses be it infrastructure or billing related must be identified and addressed as a matter of urgency.

CASH FLOW

GRAPH 22: CASH GENERATED FROM OPERATIONS/OWN SOURCE REVENUE



GRAPH 23: ANNUAL CAPITAL FUNDING MIX

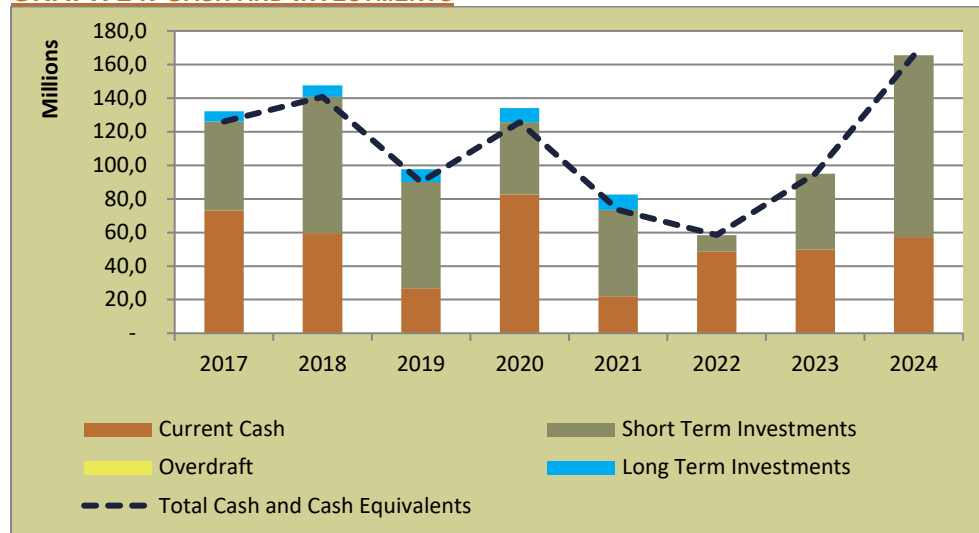


GRAPH 23 illustrates the gradual acceleration of capital investment since FY2019/20. This is expected to continue over the MTREF period, particularly in FY2024/25. Capital grants were the predominant funding source over the review period, accounting for 54% of capital funding over the review period. This is followed by own cash reserves and funds (26%) and external financing (19%). The municipality preferred to utilise own cash reserves to supplement capital grant funding between FY2018/19-FY2021/22, with no borrowing undertaken during this period. Borrowings were undertaken in each of the last 2 years under review. The municipality has budgeted to borrow throughout the MTREF period, with approximately R140 million in borrowings included in the capital budget over the MTREF period. While we support the fostering of an optimal funding mix that balances the utilisation of the municipality's healthy liquidity reserves and affordable borrowing to supplement capital grant funding, the municipality must remain cautious of overleveraging the debt profile. This may begin to result in diminishing returns, particularly should challenging economic conditions be experienced.

As mentioned earlier in this report, the current debt profile remains affordable. It remains to be seen whether this will remain the case should the Capital Budget borrowing programme be implemented as proposed. This will be explored and tested in detail later in this report.

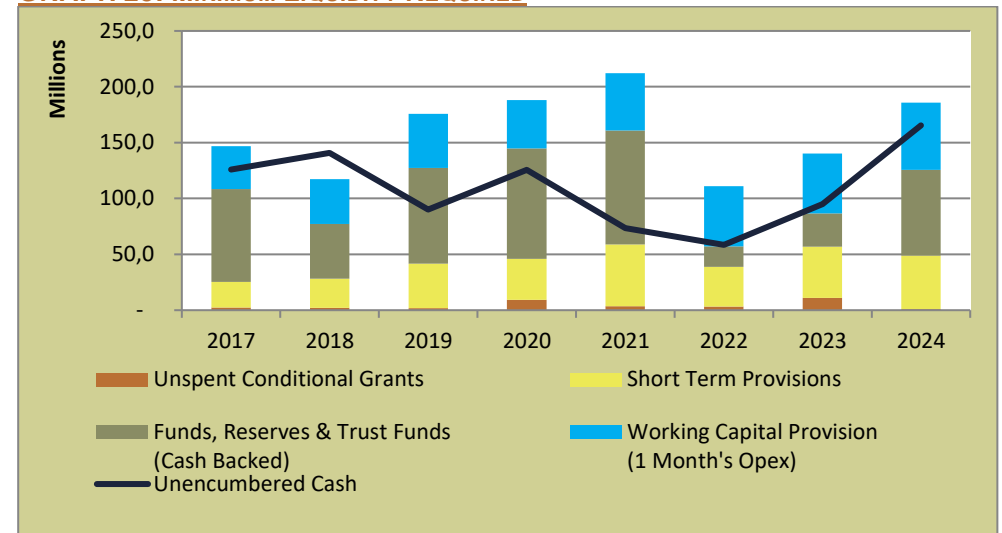
The municipality is encouraged to utilise the capital investment programme to invest in productive, revenue-generating assets. This will not only assist in providing financial returns to the municipality but will also enable a greater level of service delivery to be attained. This will not only improve the standard of living of residents of Bitou but will greatly improve the perception of the municipality as an attractive investment destination.

GRAPH 24: CASH AND INVESTMENTS



Bitou's cash position has been characterised by volatility over the review period, with the cash and cash equivalents balance fluctuating considerably between FY2016/17 and FY2021/22. On a positive note, the cash position has improved consistently since the review period low of R58.5 million as at FYE2021/22, to a review period high of R165.4 million as at FYE2023/24. It is also positive that the municipality has increased its short-term investments. This can provide a valuable boost to revenue through additional interest income. The municipality must focus on improving the collection rate further to continue the upward trend in cash and cash equivalents.

GRAPH 25: MINIMUM LIQUIDITY REQUIRED



As per **TABLE 6** below, the municipality is required to maintain sufficient cash reserves to cover the minimum liquidity requirements that include, unspent conditional grants, short-term provisions, funds, reserves and trust funds, as well as the working capital provision of one month's operating expenditure. The minimum liquidity requirement of R185.7 million exceeded Bitou's cash and cash equivalents balance of R165.4 million, resulting in a cash shortfall of R20.3 million in FY2023/24. An increase from a cash surplus of R91.8 million in the prior year. Bitou has posted cash shortfalls below the minimum liquidity requirements in 7/8 years under review, with the sole cash surplus posted in FY2017/18. The ability to maintain sufficient liquidity to cover the minimum liquidity requirement is a strong indicator of long-term sustainability, thus this is something for Bitou to strive to improve. The cash coverage ratio (including working capital) improved during the year but remains low at 0.9:1.

TABLE 6: MINIMUM LIQUIDITY REQUIREMENTS

	2017	2018	2019	2020	2021	2022	2023	2024
Unspent Conditional Grants	2,5	2,1	1,9	9,2	3,4	3,3	10,9	0,9
Short Term Provisions	23,0	26,2	39,7	36,8	55,5	35,5	45,9	47,9
Funds, Reserves & Trust Funds (Cash Backed)	83,0	48,9	85,9	98,7	102,0	18,6	30,0	76,7
Total	108,4	77,1	127,5	144,7	161,0	57,3	86,8	125,5
Unencumbered Cash	125,9	140,8	90,1	125,7	73,5	58,5	95,1	165,4
Cash Coverage Ratio (excl Working Capital)	1,2	1,8	0,7	0,9	0,5	1,0	1,1	1,3
Working Capital Provision (1 Month's Opex)	38,3	40,3	48,3	43,5	51,2	53,6	53,5	60,2
Cash Coverage Ratio (incl Working Capital)	0,9	1,2	0,5	0,7	0,3	0,5	0,7	0,9
Minimum Liquidity Required	146,7	117,4	175,8	188,2	212,2	110,9	140,3	185,7
Cash Surplus/(Shortfall)	(20,8)	23,4	(85,7)	(62,5)	(138,7)	(52,4)	(45,2)	(20,3)

IPM SHADOW CREDIT SCORE

Bitou was assessed for an IPM shadow credit score to provide information to management and to council as to the current risk rating that the municipality may receive from external lenders, which will determine the municipality's cost of funding. Any improvements to the shadow credit rating over time will result in more affordable lending rates.

Based on the FY2023/24 performance of Bitou, the IPM credit model reflects a score of **5.2** which is comparable to a high BBB+ to BBB- on a national ratings scale. This credit score is relatively high compared to other municipalities, and it is at **Investment Grade** level - which means that Bitou should be successful in accessing external borrowing at competitive rates.

The results obtained from the assessment, per module, are presented below:

TABLE 7: IPM CREDIT MODEL OUTCOMES

Modules	2024 (5)
Financial	3,0
Institutional	2,5
Socio-Economic	1,9
Infrastructure	2,1
Environmental	3,9

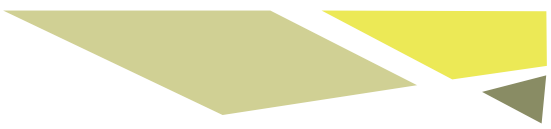
The assessment indicates that the socio-economic module is the municipality's main impediment to achieving higher credit scores. This is linked to a lack of economic growth within the municipal area. Investment in productive assets that aim to create an enabling environment for economic growth may assist in improving this score over time.

The municipality performed reasonably in the infrastructure module. This is linked to the maintenance of an adequate infrastructure index of 0.85, indicative of the ability to keep up with the rate of household formation. Improvements in access to service delivery and curtailing of high water distribution losses will aid in improving the score in this module.

The solid score achieved under institutional capacity module had a positive impact on the credit score. Strong governance and prudent financial management remain the key factors to be considered. The municipality must maintain the clean audit report received from the Auditor General.

The high score achieved in the financial module is driven by a sustained healthy liquidity position, an improved collection rate and solid financial performance. Through implementing the recommendations included as part of this LTFP Update report, maintaining financial discipline and continuing to make wise financial decisions, the municipality will be able to improve this score further over time.

Analysis of the Adopted Budget reveals that the municipality aims to take advantage of the healthy credit rating and is intending to continue to approach the market for financing. The municipality should be able to access affordable lending rates. The interest rate cutting cycle we appear to have entered underpins this further.



1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

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9 Conclusions

LONG-TERM FINANCIAL MODEL OUTCOMES

MTREF CASE SCENARIO

An MTREF Case was developed utilising the unadjusted figures from the Adjustment Budget 2024/25-2026/27. The purpose of this scenario is to reflect the LTFM outcomes prior to making any adjustments to the current MTREF. In doing so, the collection rate was assumed to be 88.2% throughout the forecast period, as per the FY2023/24 audited financial statements. While no adjustments were made to the capital investment programme or funding mix from the latest capital budget. Assumed growth beyond the MTREF period for both capital expenditure and borrowing is 4% p.a. Finally, distribution losses & R&M expenditure to PPE & IP were maintained at their respective FY2023/24 levels.

The outcomes of this scenario as presented in [TABLE 8](#) reflect a reasonably poor forecast for financial performance over the MTREF period. While year-on-year improvements are expected thereafter, operating surpluses are forecast from FY2029/30 onwards. The ability to generate cash from operations is expected to remain strong, with cash forecast to be generated by operations throughout the planning period.

As illustrated in [GRAPH 29](#) below, the liquidity position is forecast to decline over the MTREF period, with current liabilities forecast to exceed current assets between FY2027/28-FY2031/32. This is driven by persistent operating deficits, a rising creditors balance and declining bank balance owing to own high amounts of own cash utilised to fund capital investment. The poor forecast for financial performance is largely driven by the LTFM forecast for debt impairment exceeding the budgeted amounts. These differences range between R30-R34 million p.a. throughout the MTREF period. The LTFM forecasts are more in line with the historic performance, with budgeted amounts reflecting a notable decline from the FY2023/24 performance.

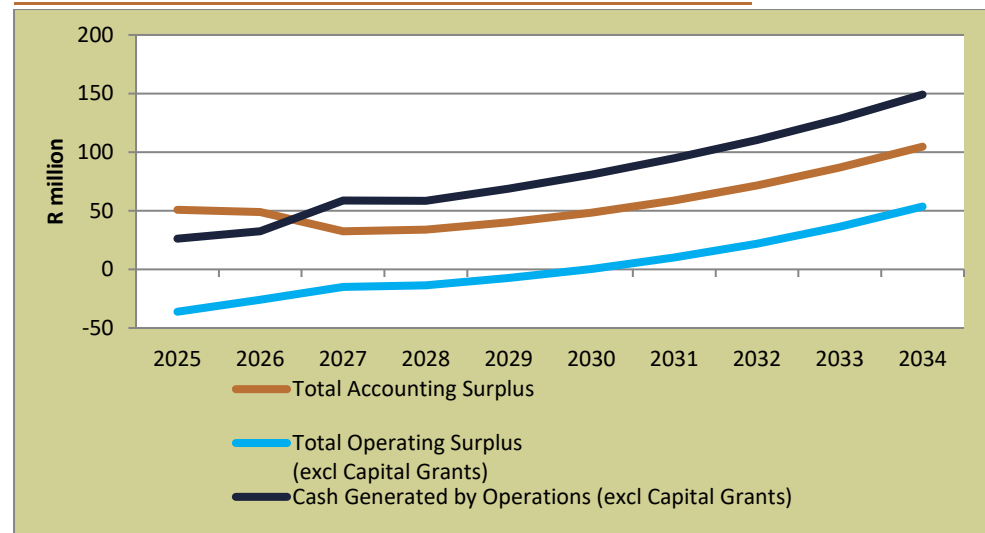
The planning period end liquidity ratio is forecast at 1.1:1, a decline from the FYE2023/24 ratio of 1.56:1. This is predominantly driven by the growth in current liabilities as evidenced in [GRAPH 27](#) below. This limits the improvement in the liquidity ratio despite strong growth in current assets, driven by growth in cash. This highlights the critical nature of ensuring timeous payment of creditors.

Overall, the MTREF Case scenario reflects strong financial performance but an unsustainable liquidity position. The factors driving the strained liquidity position have been addressed in arriving at the Base Case.

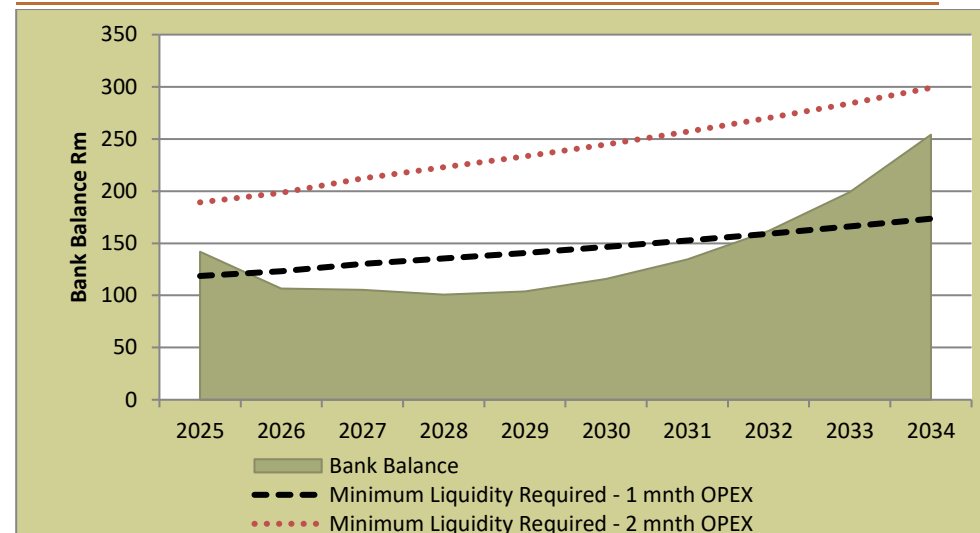
TABLE 8: MTREF CASE OUTCOMES

Outcome	MTREF Case
Average annual % increase in Revenue	7,2%
Average annual % increase in Expenditure	7,6%
Accounting Surplus accumulated during Planning Period (Rm)	R 577
Operating Surplus accumulated during Planning Period (Rm)	R 24
Cash generated by Operations during Planning Period (Rm)	R 808
Average annual increase in Gross Consumer Debtors	13,1%
Capital investment programme during Planning Period (Rm)	R 1 287
External Loan Financing during Planning Period (Rm)	R 290
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 254
No of Months Cash Cover at the end of the Planning Period (Rm)	2,0
Liquidity Ratio at the end of the Planning Period	1.1 : 1
Gearing at the end of the Planning Period	6,8%
Debt Service to Total Expense Ratio at the end of the Planning Period	3,5%

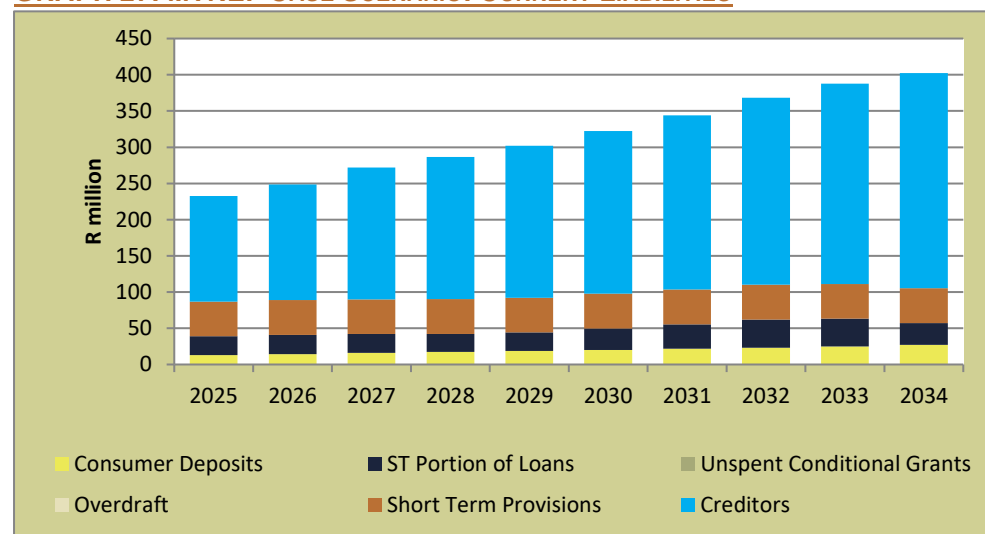
GRAPH 26: MTREF CASE SCENARIO: ANALYSIS OF SURPLUS



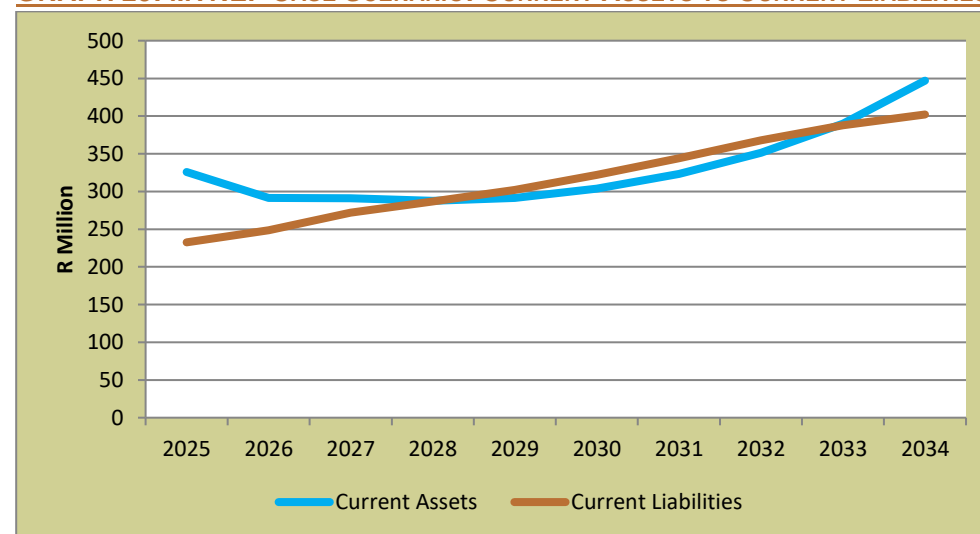
GRAPH 28: MTREF CASE SCENARIO: BANK BALANCE VS MINIMUM LIQUIDITY



GRAPH 27: MTREF CASE SCENARIO: CURRENT LIABILITIES



GRAPH 29: MTREF CASE SCENARIO: CURRENT ASSETS VS CURRENT LIABILITIES



BASE CASE SCENARIO

To develop a realistic Base Case model, the figures from the Adjustment Budget 2024/25 – 2026/27 were used. The historic analysis reveals that the municipality's liquidity position has begun to recover after a period of decline, while capital investment has received a notable acceleration in recent years. Financial performance has historically been sound in recent years with operating surpluses posted in 3 of the last 4 years under review. The objective of the model is to utilise realistic assumptions to support future financial sustainability. The following are the key assumptions:

1. A collection rate of 90% (from 88.2%) is assumed to be met immediately and maintained for the remainder of the planning period.
2. An operating expenditure cut of 2% was assumed.
3. Tariff increases were included as provided by the municipality.
4. Creditors days were adjusted downwards to 45 days from 127 days mitigate the forecast rise in creditors.
5. The capital investment programme was modelled as discussed with the municipality:
 - FY2024/25: R151 million
 - FY2025/26: R190 million
 - FY2026/27: R149 million
 - FY2027/28: R131 million
 Assumed growth in capital investment beyond FY2027/28 is 6% p.a.
6. The borrowing programme was modelled as discussed with the municipality:
 - FY2024/25: R35 million
 - FY2025/26: R87 million
 - FY2026/27: R75 million
 - FY2027/28: R43 million
7. The annual borrowing under this scenario was adjusted to an average of **13-year** amortising loans at a fixed interest rate equal to 7% over forecast CPI in any given year. Assumed annual growth beyond FY2028/29 is 4%.
8. Repairs and maintenance expenditure was increased to 5% (from 3.7%) of PPE & IP over 10 years.
9. Electricity distribution losses were maintained at 6.24%, while water distribution losses were reduced to 30.00% (from 37.88%) over 10 years.

The outcomes of the Base Case are tabled below.

TABLE 9: BASE CASE OUTCOMES

Outcome	Base Case
Average annual % increase in Revenue	7,8%
Average annual % increase in Expenditure	7,9%
Accounting Surplus accumulated during Planning Period (Rm)	R 969
Operating Surplus accumulated during Planning Period (Rm)	R 416
Cash generated by Operations during Planning Period (Rm)	R 1 036
Average annual increase in Gross Consumer Debtors	12,0%
Capital investment programme during Planning Period (Rm)	R 1 527
External Loan Financing during Planning Period (Rm)	R 479
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 426
No of Months Cash Cover at the end of the Planning Period (Rm)	3,3
Liquidity Ratio at the end of the Planning Period	2.7 : 1
Gearing at the end of the Planning Period	15,7%
Debt Service to Total Expense Ratio at the end of the Planning Period	4,8%

Financial performance is forecast to deteriorate initially, with an operating deficit forecast in FY2024/25. Thereafter, year-on-year improvements are forecast with operating surpluses forecast from FY2025/26 onwards. As in the MTREF Case, a key driver of this is the higher than budgeted forecast for debt impairment. With the LTFM forecasts being in line with the historic performance, we have comfort that a realistic figure is presented. This remains the case despite the assumed increase in

repairs and maintenance expenditure to 5% of PPE & IP. This is deemed necessary in order to attempt to curtail excessive water distribution losses as well as to maintain the integrity of the municipality's assets.

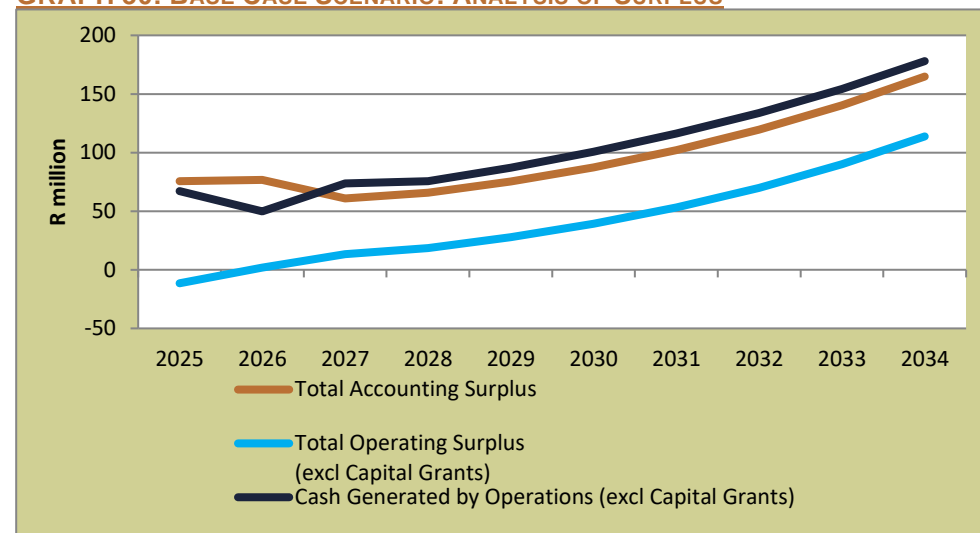
The municipality is forecast to generate a substantial R1.03 billion in cash from operations (excluding capital grants) over the review period. This is driven by the improved collection rate of 90% as well as the modelled cost savings on operating expenditure. Failure to meet these targets may render a reduction in the borrowing and capital investment programmes necessary in order to preserve liquidity. The liquidity position is forecast to remain reasonably stable over the MTREF period, with forecast growth in current assets and current liabilities reasonably modest. Improvements will begin to be observed beyond the MTREF period with year-on-year growth expected over the latter half of the planning period. This is forecast to culminate in a healthy liquidity ratio of 2.7:1 at the end of the planning period. The consistent payment of creditors is the main driver of the limited growth in current liabilities. This is illustrated in [GRAPH 34](#) below.

The Base Case capital investment programme is underpinned by an aggressive borrowing programme over the MTREF period. The acceleration of borrowings over the MTREF period enabled an acceleration of capital investment that does not hinder the improvement of the liquidity position. The capital investment programme will be discussed in greater detail in Section 6 of this report.

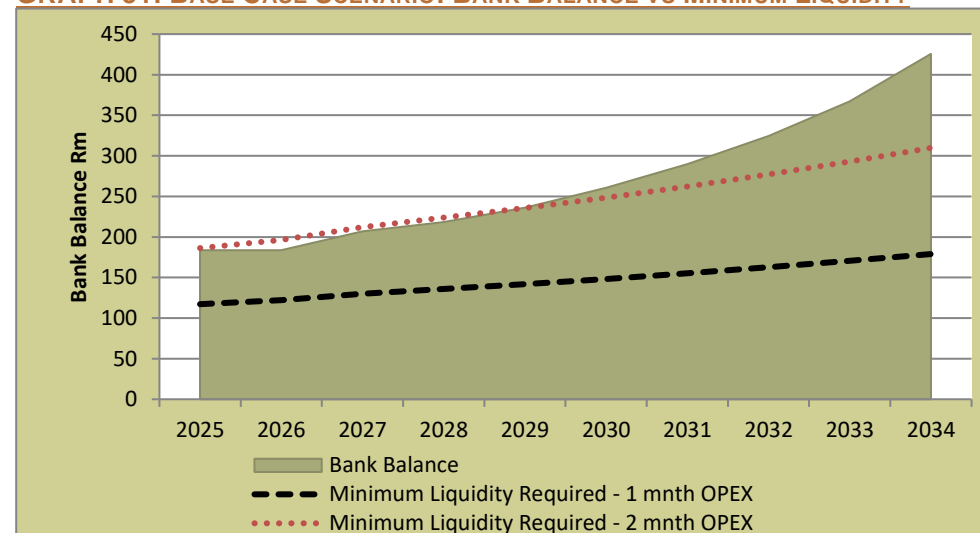
The bank balance is forecast to exhibit steady growth over the planning period. The minimum liquidity requirement of 1-month's opex will comfortably be met throughout the planning period, with 2-month's cash cover on hand from FY2028/29 onwards. Additionally, the Base Case borrowing programme underpins this improvement further whilst enabling the capital investment programme to be implemented in a sustainable manner.

The Base Case assumptions are seen as realistic and achievable outcomes and can be seen as recommendations for the municipality to follow to ensure long-term financial sustainability.

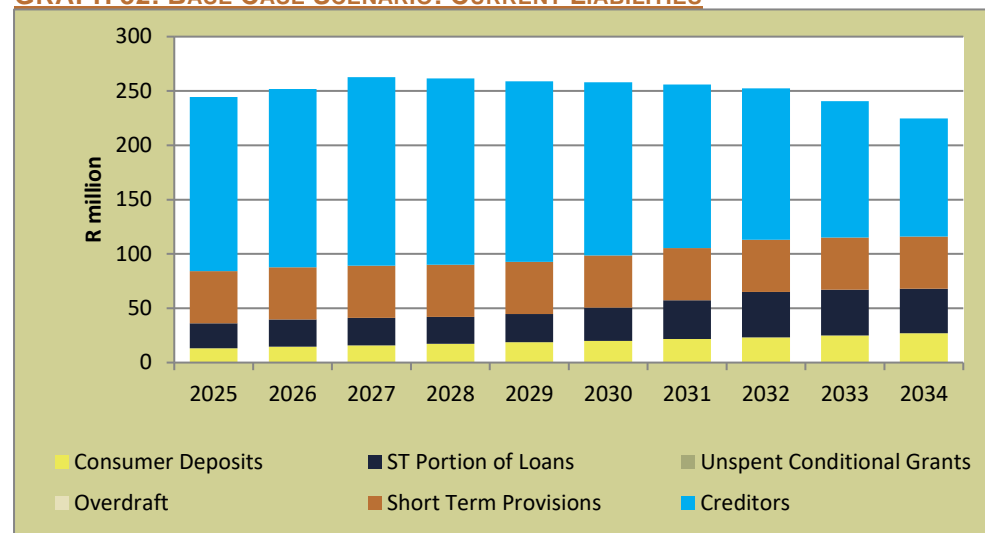
GRAPH 30: BASE CASE SCENARIO: ANALYSIS OF SURPLUS



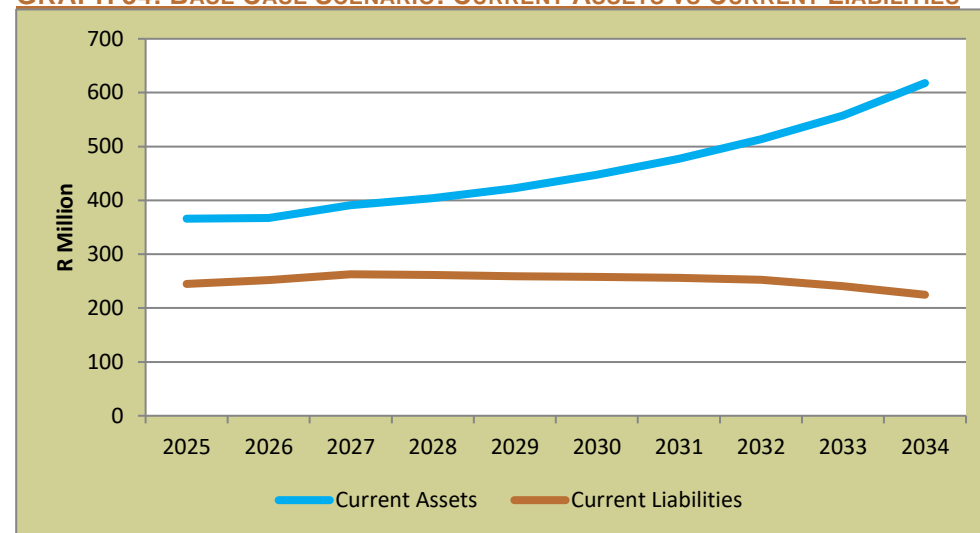
GRAPH 31: BASE CASE SCENARIO: BANK BALANCE VS MINIMUM LIQUIDITY



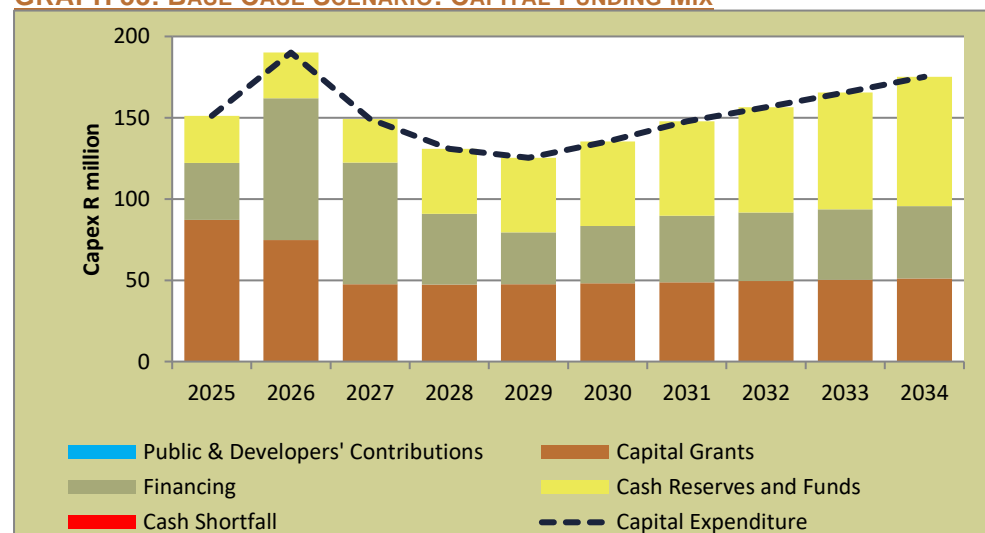
GRAPH 32: BASE CASE SCENARIO: CURRENT LIABILITIES



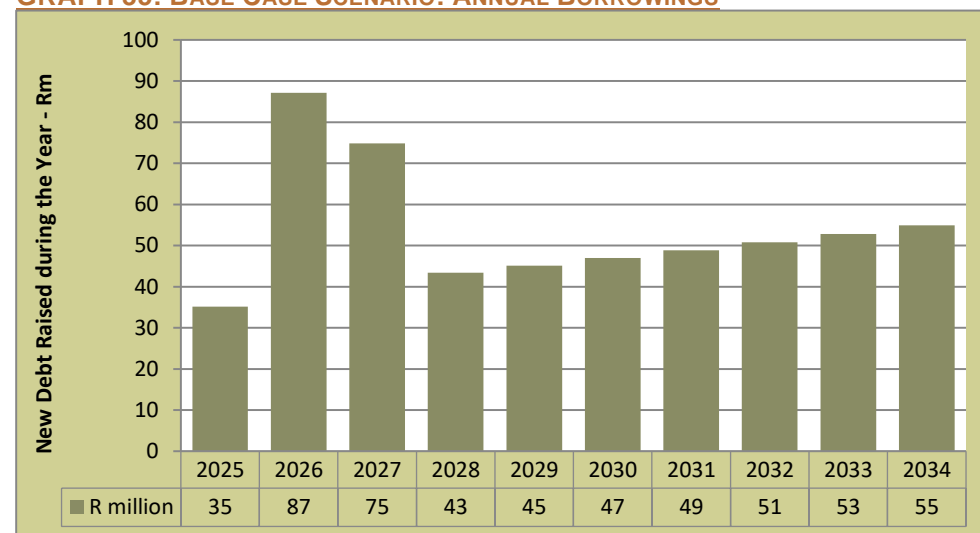
GRAPH 34: BASE CASE SCENARIO: CURRENT ASSETS VS CURRENT LIABILITIES




GRAPH 33: BASE CASE SCENARIO: CAPITAL FUNDING MIX



GRAPH 35: BASE CASE SCENARIO: ANNUAL BORROWINGS





1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

3 Updated Historic Financial Assessment

4 Long-Term Financial Model Outcomes

5 Future Revenues

6 Affordable Future Capital Investment

7 Scenario Analysis

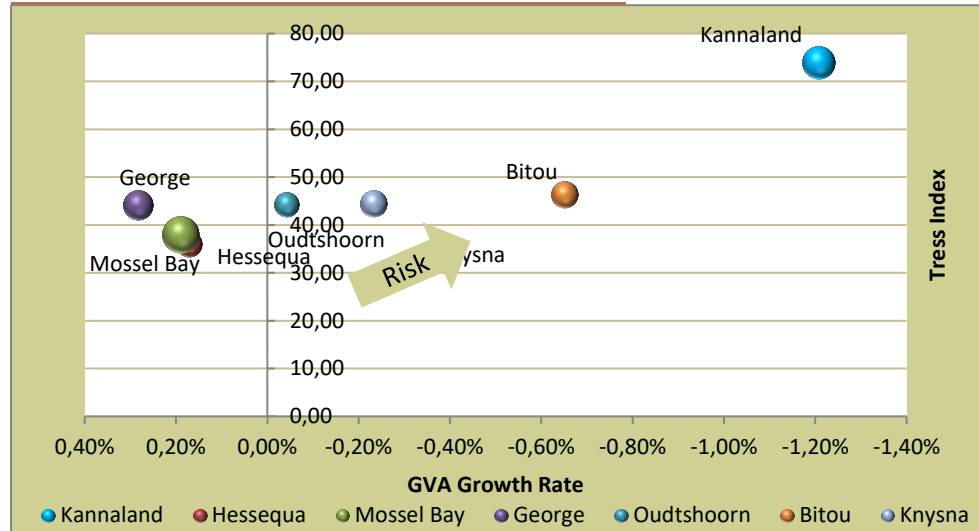
8 Ratio Analysis

9 Conclusions

FUTURE REVENUES

MUNICIPAL REVENUE RISK INDICATOR (MRRI) = “High”

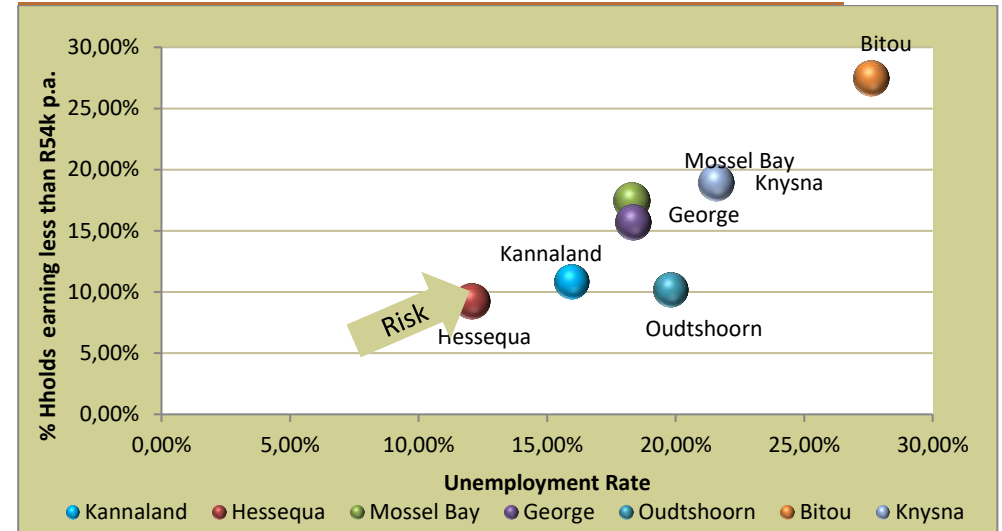
GRAPH 36: ECONOMIC RISK COMPONENT OF MRRI



The Municipal Revenue Risk Indicator (MRRI) measures the risk of the municipality's ability to generate its own revenues. This is a function of the economy (size of the economy as measured by GVA per capita, GVA growth rate and Tress Index); and the household ability to pay (measured by percentage of households with income below R54 000 p.a., unemployment rate and human development index).

Bitou has exhibited sluggish economic growth in recent years, as evidenced by the 5-year annual average GVA growth rate of -0.55%. This is well exceeded by the annual average population growth rate of 2.25% over the same period. GVA per capita of R62 253 in 2023, as well as the reasonably high degree of diversification of Bitou's economy, all contribute to the “High” rating on the economic risk component of the MRRI. This is predominantly driven by sluggish economic growth.

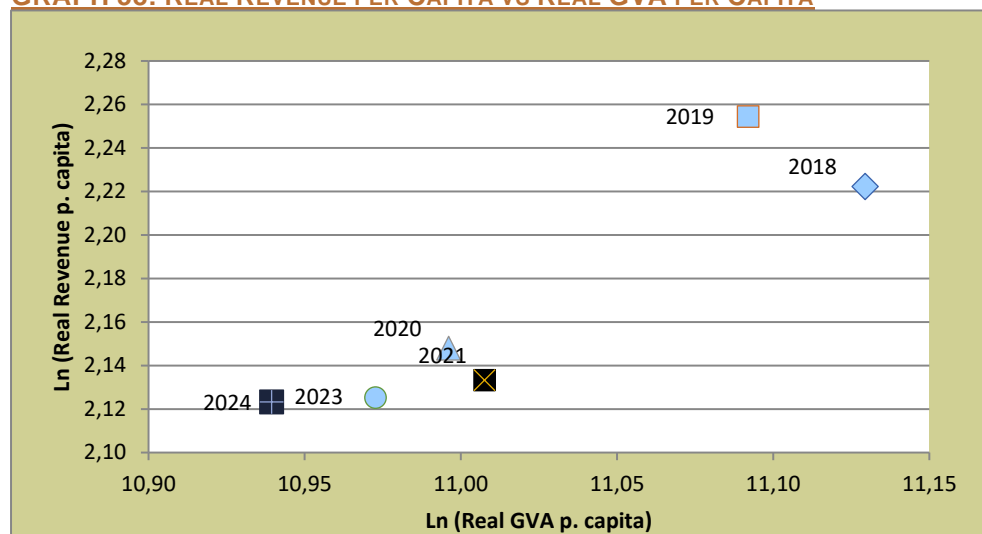
GRAPH 37: HOUSEHOLD ABILITY TO PAY RISK COMPONENT OF MRRI



The percentage of indigent households reliant on support of 31.4%, the official unemployment rate of 26.5% and the human development index of 0.71 resulted in a “High” rating on the household ability to pay risk component of MRRI. The driving force behind this rating is the reasonably high rate of unemployment and high proportion of indigent households. Bitou is at the very top end of risk in relation to some of the other municipalities in the district.

As a result, Bitou has a “High” risk rating on the MRRI indicator scale - i.e., there is a high risk that the municipality will not be able to generate the forecast cash revenue expected in future.

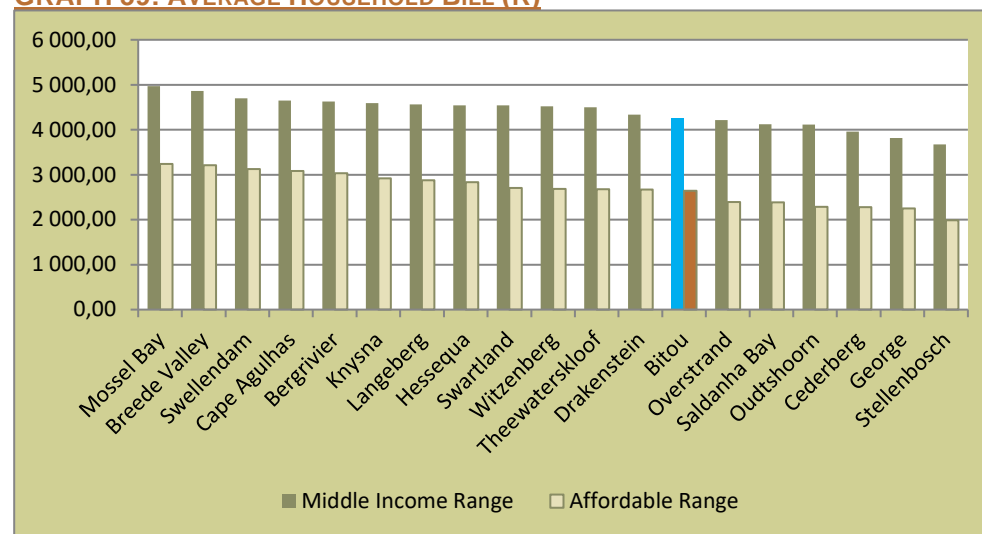
GRAPH 38: REAL REVENUE PER CAPITA VS REAL GVA PER CAPITA



Real municipal revenue (excluding capital transfers) per capita increased in 2019 before a notable decline was observed in 2020. It has not yet recovered, with the 2024 figure representing a low point for the review period. While revenue has exhibited growth over this period, the incredibly high rate of population growth has driven this decline on a per capita basis. GVA per capita has reflected a net decline over the review period, with just 1 period of growth observed (2021). This period of growth came immediately after the profound economic contraction ascribed to the pandemic in 2020. A decline was then observed in 2023 and 2024.

It is crucial for the municipality to foster an enabling environment for economic growth within the region. This can be supported through investment in productive assets. This will support the municipality's economic development and thus should contribute to the return of an economic growth environment. Reduced inflationary pressures and a resultant reduction in interest rates should further support this.

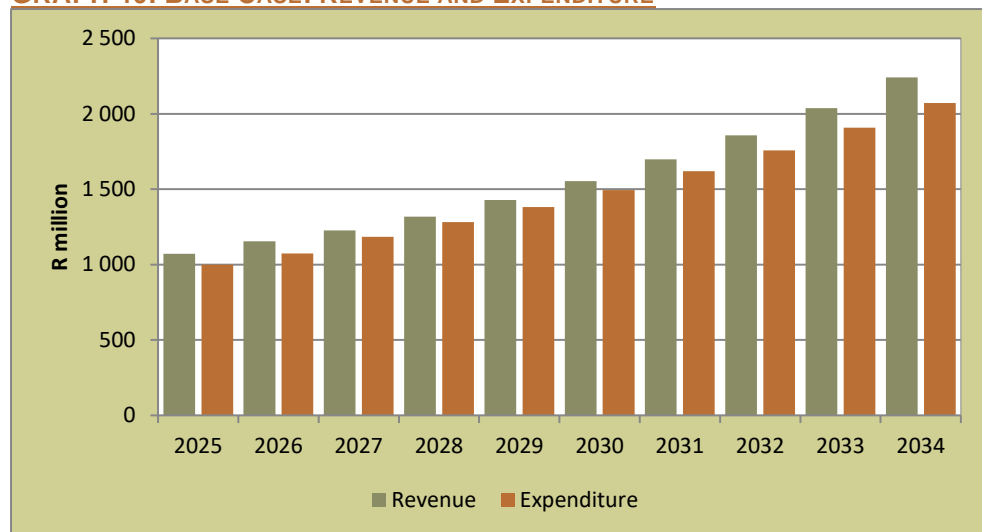
GRAPH 39: AVERAGE HOUSEHOLD BILL (R)



A comparison of the average household bill for the middle income and affordable income range of a selected number of municipalities in the Western Cape province (extracted from Budget Table: SA14) based on the 2024/25 tariffs, reveals that Bitou LM features towards the very bottom of the range. Considering the level of service provided by Bitou LM and the size of the municipality, the current household bill is reasonable compared to other municipalities. This would suggest that there is scope for the municipality to increase tariffs considerably. The scope of the tariff increases is, however, limited by household's ability to pay for services.

MUNICIPAL REVENUES

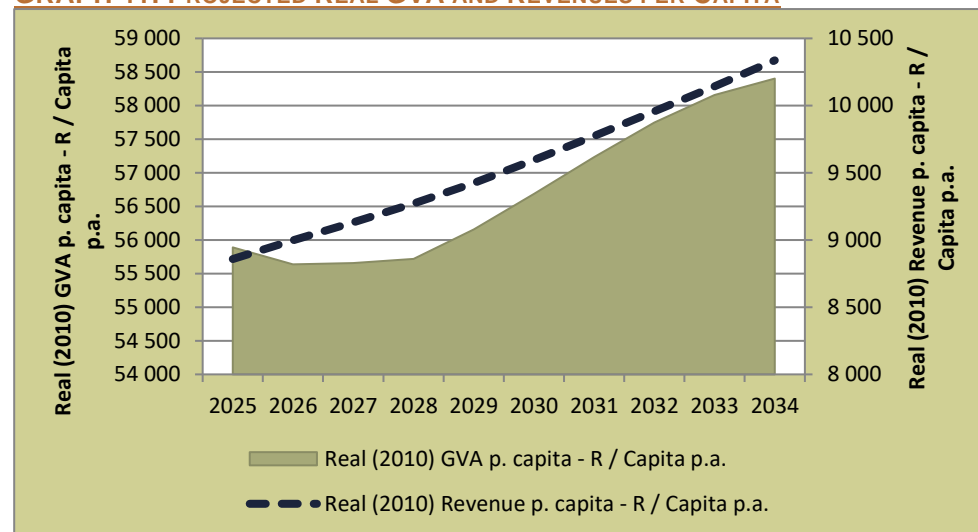
GRAPH 40: BASE CASE: REVENUE AND EXPENDITURE



The Base Case estimates that, over the planning period, future nominal revenue (including capital grants) will grow at an average rate of 7.8% p.a. This growth in revenue includes: (i) tariff increases, (ii) increased sales and (iii) additional revenue sources. Future nominal expenditure is estimated to grow at a marginally higher rate of 7.9% over the same period.

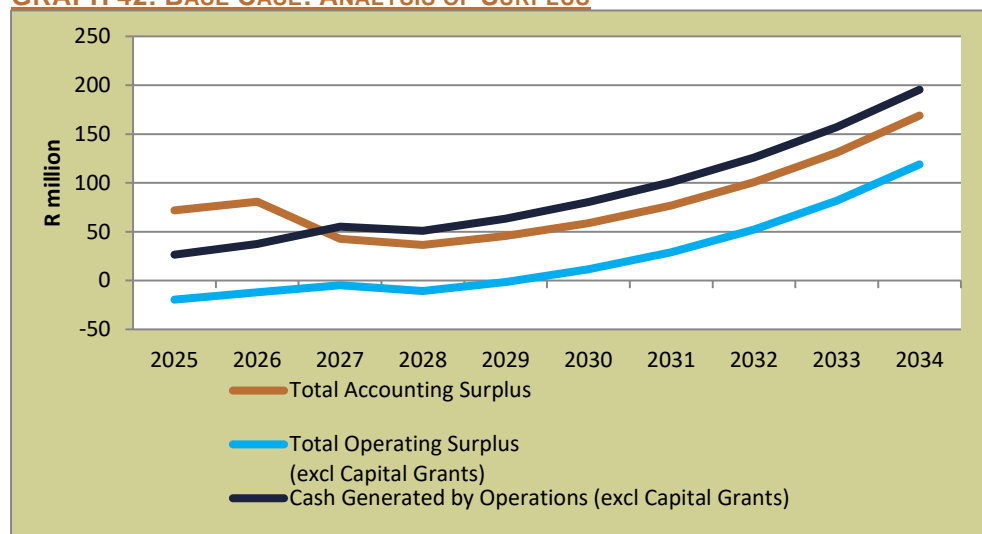
GRAPH 42 below illustrates that operating surpluses are forecast to be posted throughout the planning period. Looking at revenue, electricity revenue will remain the predominant revenue item, with a contribution of 28.6% p.a. forecast. This is followed by property rates with a forecast contribution of 20.0% p.a. On the expenditure side, staff costs (30.7%) & contracted services (10.4%) reflect an employee related expenditure profile that breaches the upper limits of affordability in terms of the NT maximum norm of 40%. This must be closely monitored and savings realised where possible. Electricity bulk purchases will account for 22.9% of expenditure per annum.

GRAPH 41: PROJECTED REAL GVA AND REVENUES PER CAPITA

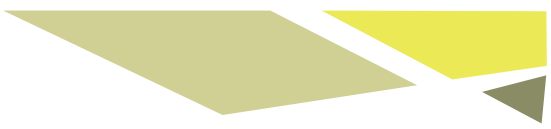


Real GVA per capita is forecast to increase over the planning period, from R56 352 in 2024 to R58 402 in 2034 for a total increase of 3.6%. Real revenue per capita is forecast to increase year-on-year over the planning period from R8 966 in 2024 to R10 337 in 2034 for an increase of 15.3%. The extent of growth on a per capita basis is limited by the elevated population growth rates. Growth of the local economy is critical for the municipality to generate revenue as it has a direct impact on households' ability to pay for municipal services (MRRI). Economic growth translates into an expansion of the municipality's revenue base, which, in turn, will facilitate an acceleration of the capital investment programme. This is crucial for the municipality to keep up with the increasing population and associated demand for services.

GRAPH 42: BASE CASE: ANALYSIS OF SURPLUS



Bitou has consistently been able to generate cash from operations. This has underpinned a sustained healthy liquidity position. As illustrated in **GRAPH 42** above, cash is forecast to be generated by operations throughout the planning period, except for FY2024/25. Bitou is forecast to generate R1.03 billion in cash from operations over the planning period, exclusive of capital grants. This is underpinned by a healthy collection rate assumption of 90% as well as healthy financial performance over the planning period. The Base Case presents a sustainable liquidity position that is achieved whilst the capital investment programme remains higher than historic levels. Further improvements in the collection rate beyond the Base Case recommendation would only bolster the municipality's liquidity and cash positions thus unlocking further borrowing capacity and thus, further capital investment. Additionally, failure to achieve the Base Case collection rate would require further interventions, such as a further reduction of operating expenditure, in order for the Base Case capital investment and borrowing programmes to remain viable.



1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

3 Updated Historic Financial Assessment

4 Long-Term Financial Model Outcomes

5 Future Revenues

6 Affordable Future Capital Investment

7 Scenario Analysis

8 Ratio Analysis

9 Conclusions

AFFORDABLE FUTURE CAPITAL INVESTMENT

CAPEX AFFORDABILITY AND FUNDING

The total CAPEX affordability envelope was calculated at R1 527 million for the 10-year planning period.

TABLE 10: CAPEX AFFORDABILITY

Total 10-year CAPEX Affordability:	=	R 1 527 million
------------------------------------	---	-----------------

MTREF CAPITAL FUNDING MIX

Bitou's Adjustment Budget expects a capital budget amounting to R433 million, funded as follows:

TABLE 11: MTREF CASE 3-YEAR MTREF FUNDING MIX R'M

R'm	Total	2024/25	2025/26	2026/27
Public & Developers Contributions	0	0	0	0
Capital Grants	191	87	75	29
Financing	135	35	81	19
Cash Reserves and Funds	107	29	43	35
Total	433	151	199	83

10-YEAR CAPITAL FUNDING MIX

The capital funding mix for the 10-year planning period is forecast to be as follows:

TABLE 12: BASE CASE 10-YEAR CAPITAL FUNDING MIX

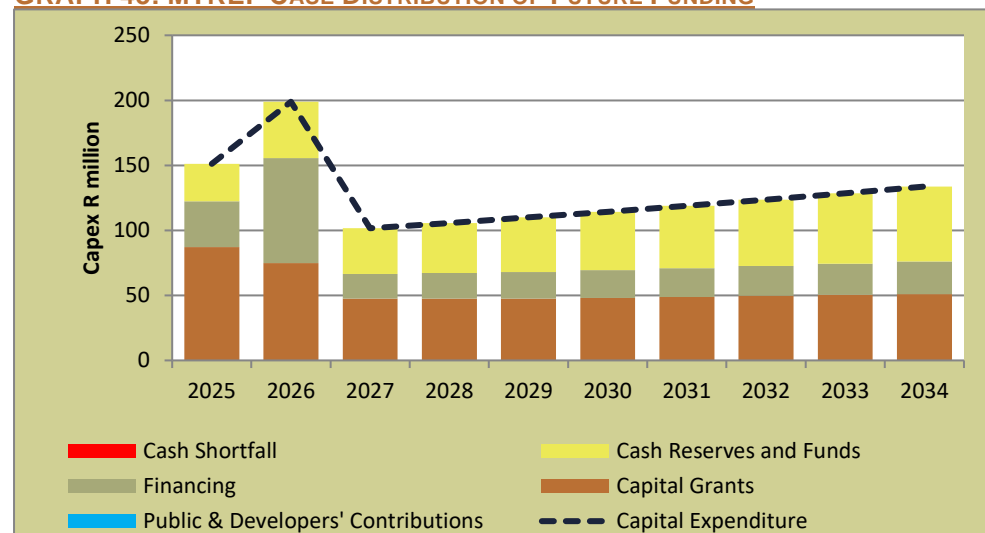
Source	Rm	%
Public & Developers' Contributions	0	0 %
Capital Grants	552	36 %
Financing	479	31 %
Cash Reserves and Funds	496	32 %
Cash Shortfall	0	0 %
Capital Expenditure	1 527	100 %

Bitou has historically placed heavy reliance on capital grants and own cash resources to fund the capital expenditure programme, with 54% and 26% of funding respectively emanating from these 2 sources. The municipality accelerated the borrowing programme in recent years, with loads undertaken in each of the last 2 years. The municipality has budgeted for to continue the accelerated borrowing over the MTREF period. The affordability of the borrowing programme will be assessed in this section of the report.

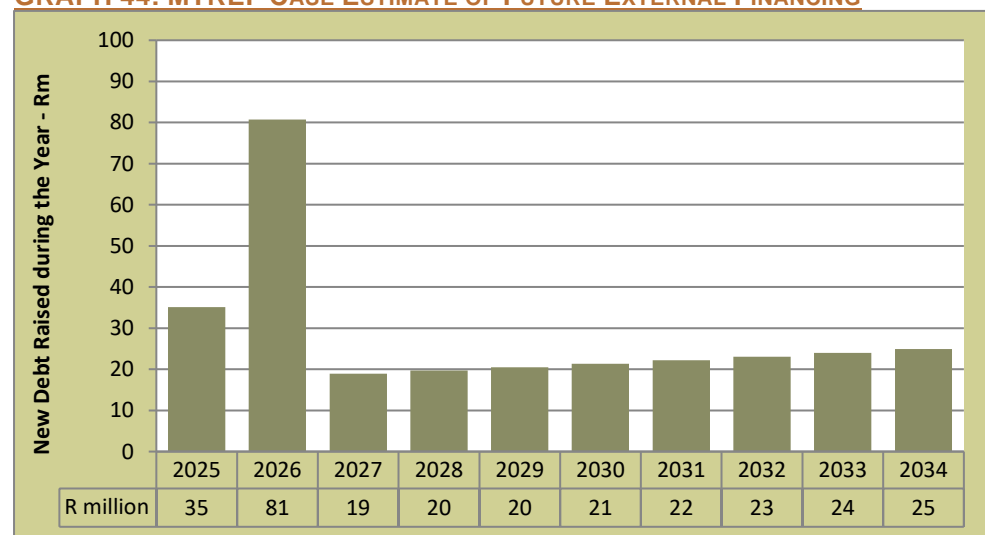
The MTREF Case capital investment programme is forecast to prove affordable, as evidenced by **GRAPH 43**. The Base Case assumptions, particularly the improved collection rate, underpin the affordability of the Base Case capital investment programme. It is essential that the Base Case collection rate target of 90% is achieved for the Base Case capital investment programme to be implemented in a sustainable manner. Failure to do so will render further reductions of capital investment necessary. The Base Case capital investment programme at an annual average of R152.7 million represents a notable acceleration of the historic capital investment programme (R89.2 million p.a.).

The MTREF Case capital investment programme and funding mix are presented by the graphs below:

GRAPH 43: MTREF CASE DISTRIBUTION OF FUTURE FUNDING

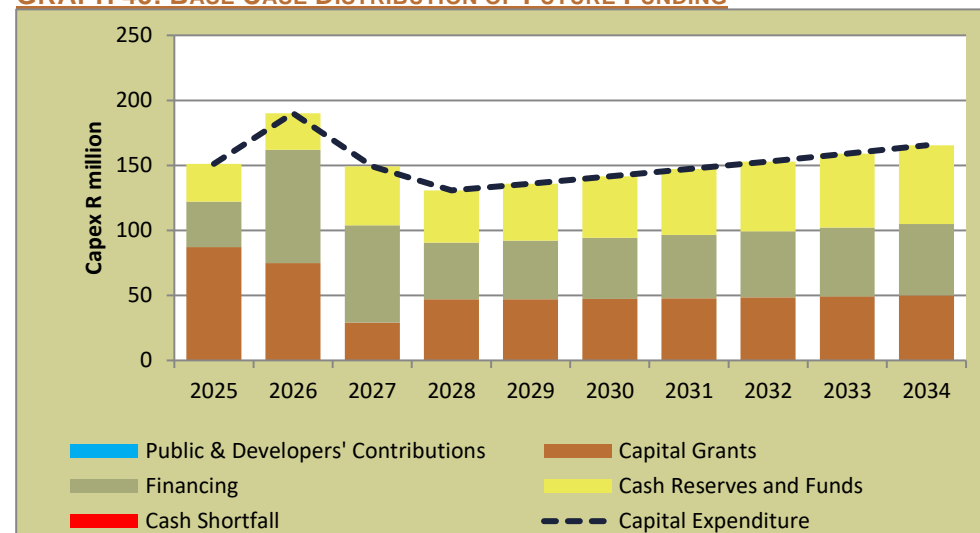


GRAPH 44: MTREF CASE ESTIMATE OF FUTURE EXTERNAL FINANCING



The Base Case's funding mix and annual borrowings are presented by the graphs below:

GRAPH 45: BASE CASE DISTRIBUTION OF FUTURE FUNDING



GRAPH 46: BASE CASE ESTIMATE OF FUTURE EXTERNAL FINANCING

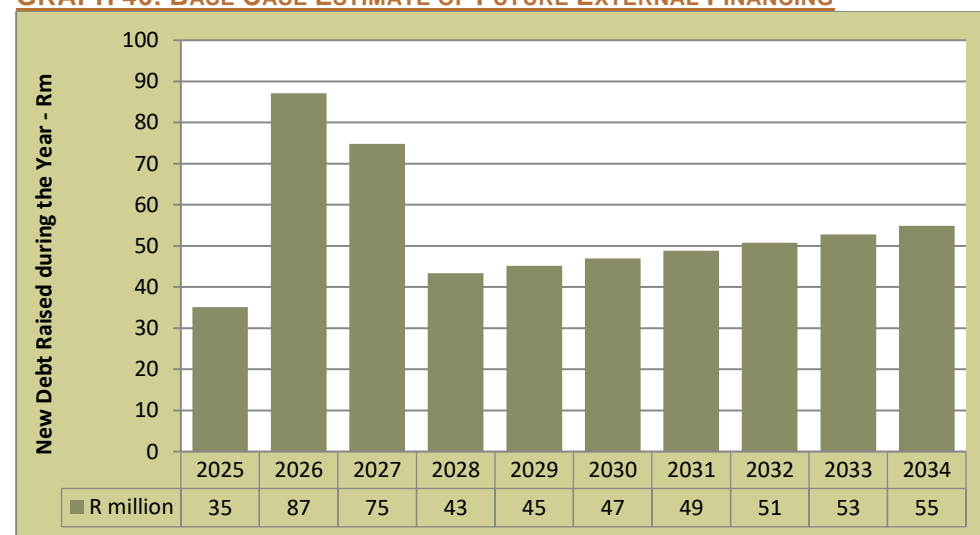


TABLE 13: MTREF CASE DISTRIBUTION OF FUTURE CAPITAL FUNDING (R'm)

R'm	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Public & Developers' Contributions	0	0	0	0	0	0	0	0	0	0	0
Capital Grants	552	87	75	48	47	48	48	49	50	50	51
Financing	290	35	81	19	20	20	21	22	23	24	25
Cash Reserves and Funds	444	29	43	35	39	42	45	48	51	54	58
Cash Shortfall	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	1 287	151	199	102	106	110	114	119	124	129	134

TABLE 14: BASE CASE DISTRIBUTION OF FUTURE CAPITAL FUNDING (R'm)

R'm	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Public & Developers' Contributions	0	0	0	0	0	0	0	0	0	0	0
Capital Grants	552	87	75	48	47	48	48	49	50	50	51
Financing	479	35	87	75	43	32	35	41	42	43	45
Cash Reserves and Funds	496	29	28	27	40	46	52	58	65	72	80
Cash Shortfall	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	1 527	151	190	149	131	125	135	148	156	166	175

LIQUIDITY AND CAPITAL REPLACEMENT RESERVE

The minimum liquidity levels cater for unspent conditional grants, cash-backed reserves, short-term provisions and 1-month's working capital (operating expenditure). The bank balance is forecast to show steady growth over the planning period. The minimum liquidity requirement of 1-month's opex will be met throughout the planning period. While the extent of own cash utilised to fund capex increases over the planning period, this does not hinder the improvement of the bank balance as this is underpinned by the improved collection rate and strengthened financial performance. It would be prudent to continue to consistently service a CRR in order to prepare for future capital expenditure. The annual depreciation charge is a good indicator for the amount that should be put into the CRR each year. The LTFM indicates that Bitou will be able to service a CRR consistently over the planning period, with a total contribution of R500.8 million over the planning period deemed affordable.

GEARING

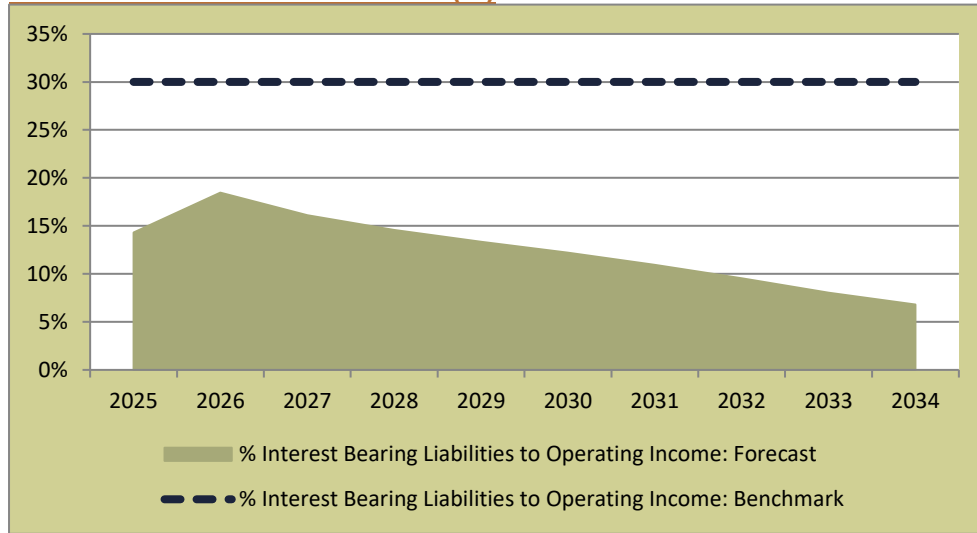
The MTREF Case includes the borrowing programme as presented in the Adjustment Budget with assumed annual growth thereafter being 4%. The assumed average loan tenor is 10 years. The borrowing programme is forecast to remain affordable as evidenced by the debt indicators remaining within their respective limits (**GRAPHS 47 & 48**). The gearing ratio is forecast to peak at 18.4% in FY2025/26 before reducing to 6.8% by the end of the planning period. The debt service to total expense ratio is forecast to peak at 4.8% in FY2025/26 before reducing to 3.5% at the end of the planning period.

The Base Case presents an accelerated borrowing programme over the MTREF period. Additionally, the average loan tenor has been extended to **13 years**. The consistent borrowing will enable the municipality to take advantage of the interest rate cutting cycle we have now entered. As evidenced by **GRAPHS 49 & 50** below, the Base Case borrowing programme remains affordable, whilst taking advantage of the opportunity to adequately leverage the debt profile. The gearing ratio is forecast to peak at 21.6% in FY2026/27 before reducing to 15.7% at the end of the planning period. The debt service to total expense ratio will peak at 5.1% in FY2026/27 & FY2032/33 and drop to 4.8% by the end of the planning period.

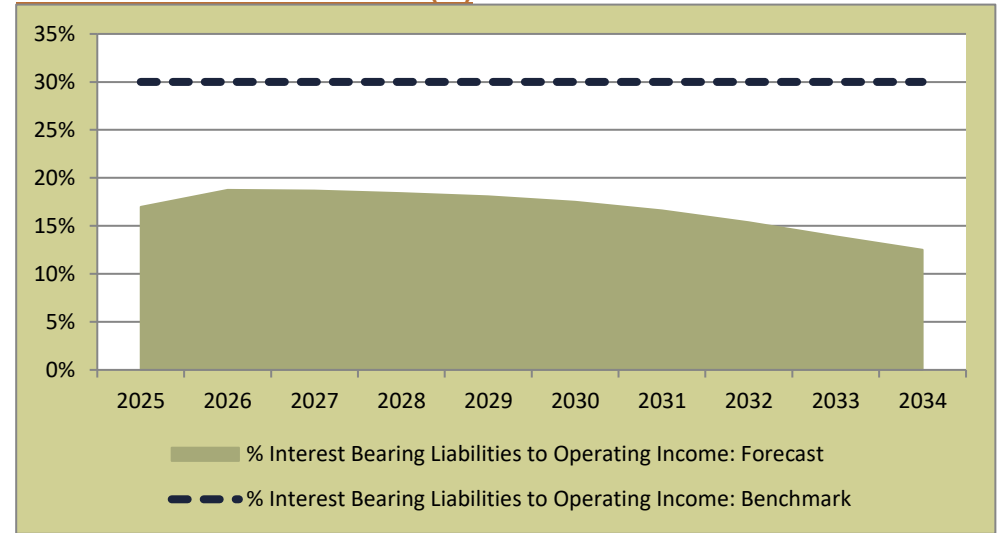
As mentioned, Base Case capital investment programme reflects an annual average capital outlay of R152.7 million. This is a notable acceleration on the historic annual average of R89.2 million. This will enable the municipality to tackle the excessive water distribution losses as well as enable investment in productive, revenue generating assets to occur.

Given the overall Base Case outcome, the capital investment programme is deemed affordable. It must be stated that the affordability of the Base Case capital investment programme is dependent on the achievement of the Base Case assumptions, the collection rate in particular. It would be beneficial for the municipality to consider breaking down the undertaking of borrowings into different periods of the year to fully take advantage of the interest rate cutting cycle.

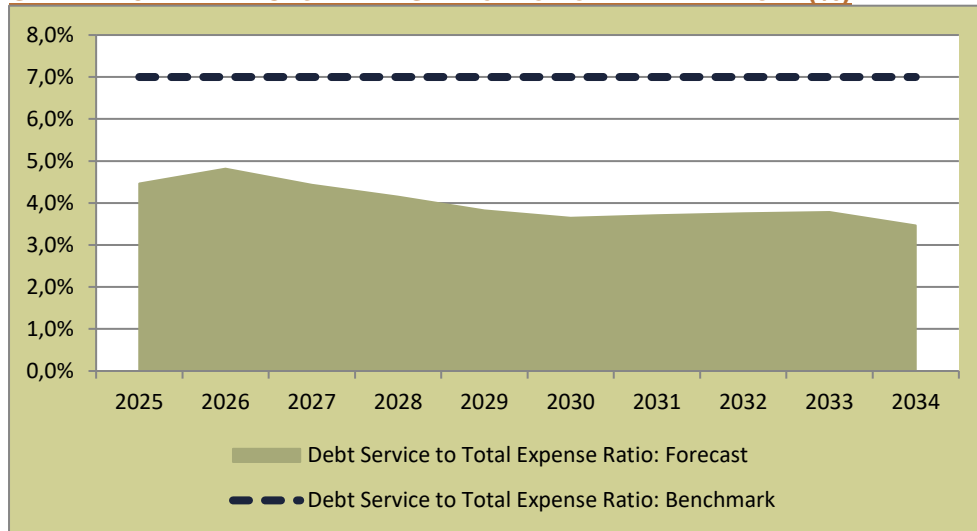
GRAPH 47: MTREF CASE GEARING (%)



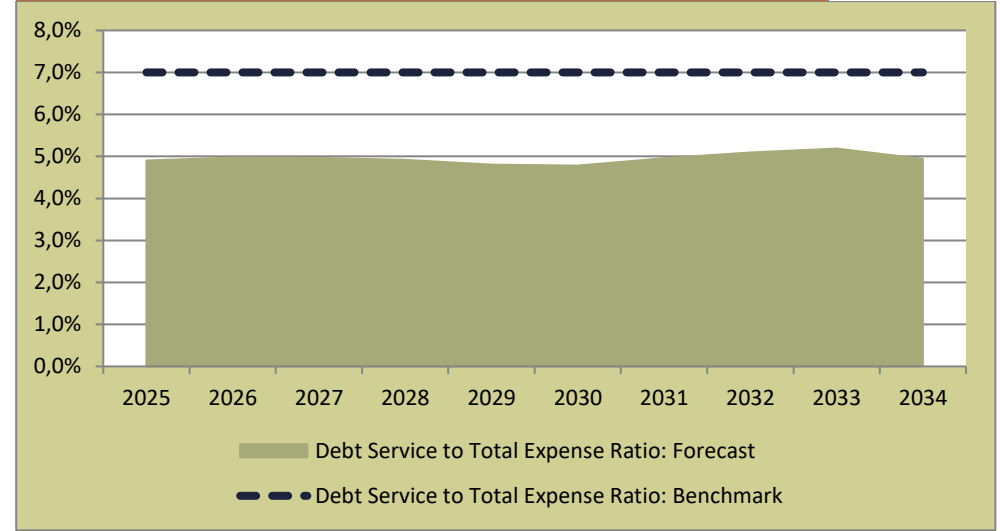
GRAPH 49: BASE CASE GEARING (%)

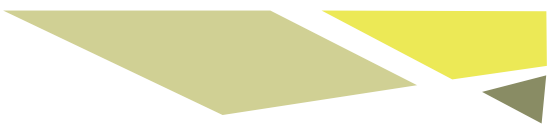


GRAPH 48: MTREF CASE DEBT SERVICE TO TOTAL EXPENDITURE (%)



GRAPH 50: BASE CASE DEBT SERVICE TO TOTAL EXPENDITURE (%)





1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

3 Updated Historic Financial Assessment

4 Long-Term Financial Model Outcomes

5 Future Revenues

6 Affordable Future Capital Investment

7 Scenario Analysis

8 Ratio Analysis

9 Conclusions



SCENARIOS ANALYSIS

Considering our analysis of the Adjustment Budget and the risks identified as part of this update, the following scenarios were run to indicate the potential outcomes. The main purpose of these scenarios is to assist the municipality in its strategic decision making and to serve as an input to the budget for FY2025/26.

1. To indicate the sensitivity of the collection rate on long-term financial sustainability:

- 1.1. A negative scenario reflecting the impact of the municipality failing to improve upon the current collection rate of 93.6%. All other input variables are assumed to be consistent with the Base Case.

SCENARIO 1: COLLECTION RATE SENSITIVITY ANALYSIS

The environment in which the municipality must operate is challenging. Factors such as the high inflationary environment, resultant high interest rates a burdensome cost of living crisis has put additional pressure on households to service their municipal bills. This has a direct impact on the municipality's ability to generate revenue and cash (MRRI). While it appears that we are beginning to move out of the high inflationary environment and are possibly moving into an expansionary monetary policy cycle, households remain under pressure due to the high cost of living. As such, it is a high possibility that the Base Case collection rate of 90% may not be achieved. Should this be the case, the Base Case outcomes will be impacted. As such, this scenario assesses the impact of the municipality failing to achieve the Base Case collection rate of 90%, with a collection rate of 88% assumed to be maintained throughout the planning period. The impact on the capital investment borrowing programmes are also assessed. This was done by reducing borrowing and capital investment to the extent necessary to achieve a largely similar outcome to that of the Base Case.

The reduced collection rate will result in a reduction of R123 million in cash generated by operations over the planning period. This would ordinarily translate into a reduced bank balance and liquidity position. However, the reduced borrowing and capital investment programmes counteract this. In order to maintain an equivalent cash position to that of the Base Case, a downward revision of R201 million in capital investment and R114 million in borrowing is deemed necessary.

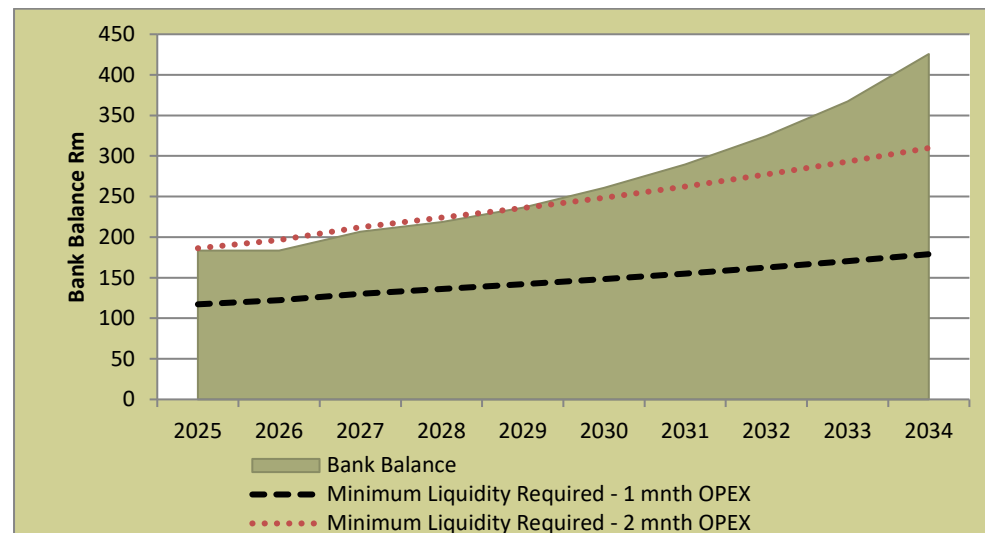
The Base Case outcomes are dependent on the achievement of this and failure to do so will significantly impact the municipality's financial position, rendering a reduction of capital investment a necessity.

TABLE 15: SCENARIO 1: COLLECTION RATE SCENARIO

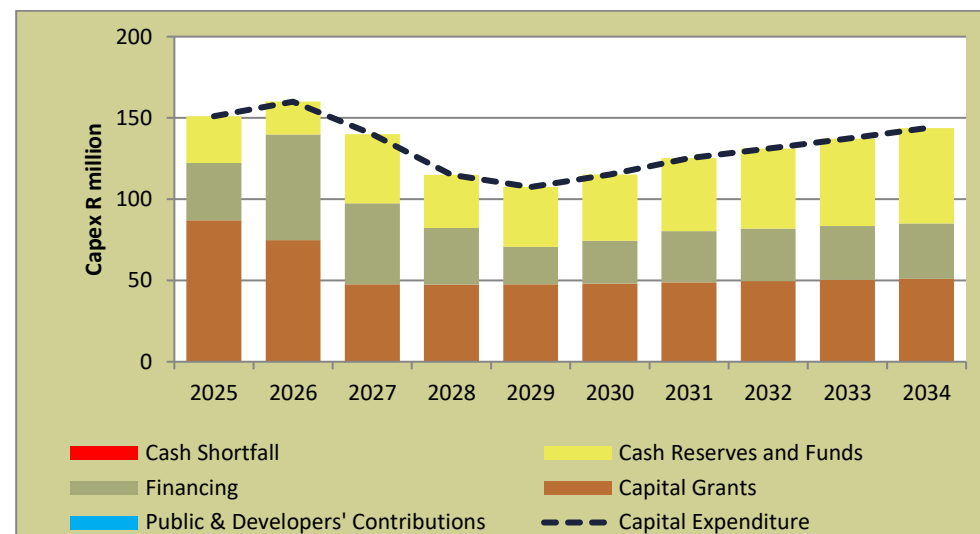
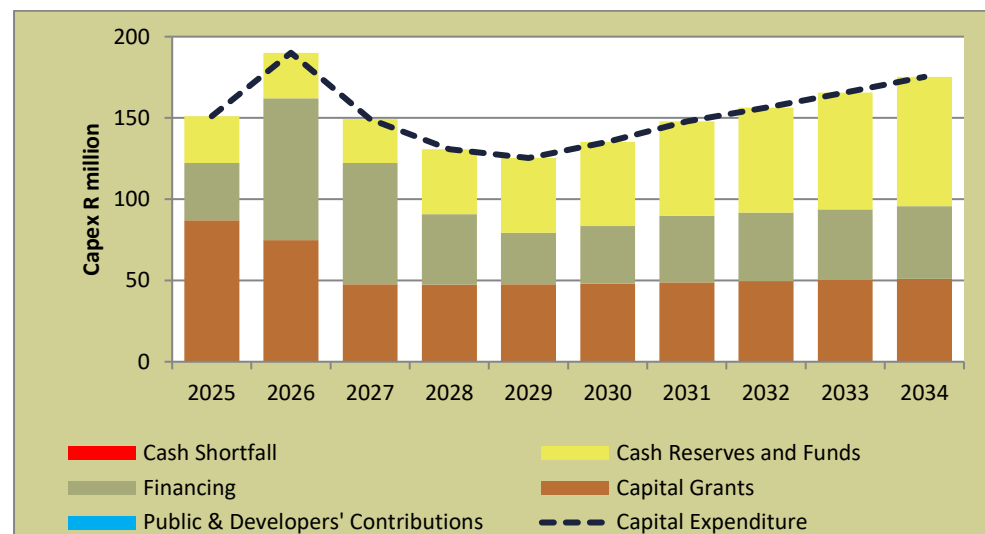
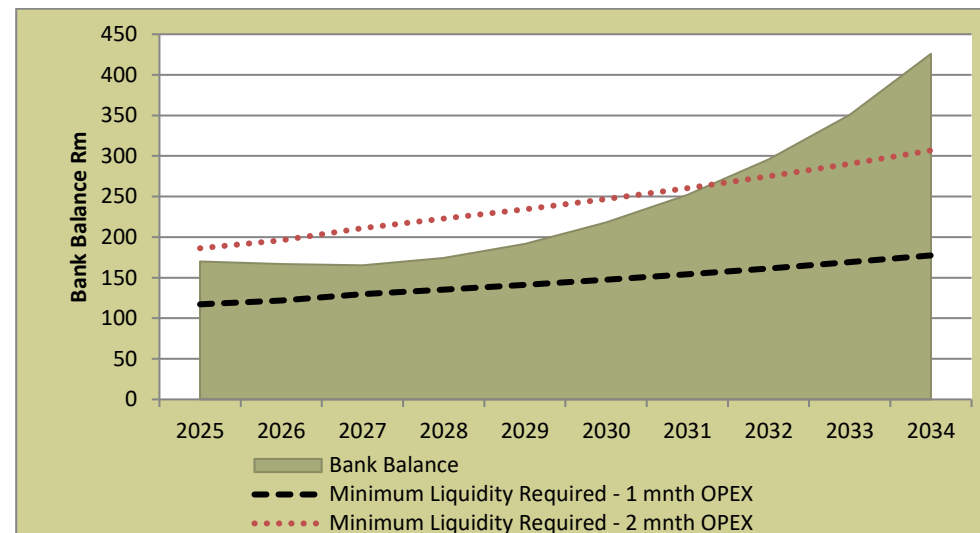
Outcome	Base Case	Reduced Collection Rate
Average annual % increase in Revenue	7,8%	7,8%
Average annual % increase in Expenditure	7,9%	7,9%
Accounting Surplus accumulated during Planning Period (Rm)	R 969	R 868
Operating Surplus accumulated during Planning Period (Rm)	R 416	R 316
Cash generated by Operations during Planning Period (Rm)	R 1 036	R 913
Average annual increase in Gross Consumer Debtors	12,0%	13,7%
Capital investment programme during Planning Period (Rm)	R 1 527	R 1 326
External Loan Financing during Planning Period (Rm)	R 479	R 365
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 426	R 426
No of Months Cash Cover at the end of the Planning Period (Rm)	3,3	3,3
Liquidity Ratio at the end of the Planning Period	2.7 : 1	2.9 : 1
Gearing at the end of the Planning Period	15,7%	11,8%
Debt Service to Total Expense Ratio at the end of the Planning Period	4,8%	3,9%


SCENARIO 1: COLLECTION RATE SENSITIVITY ANALYSIS

BASE CASE SCENARIO



REDUCED COLLECTION RATE SCENARIO





1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

3 Updated Historic Financial Assessment

4 Long-Term Financial Model Outcomes

5 Future Revenues

6 Affordable Future Capital Investment

7 Scenario Analysis

8 Ratio Analysis

9 Conclusions


FORECAST RATIOS

The Base Case forecast ratios are presented below. Although the model is not programmed to measure the ratios as required by National Treasury in all instances, it does provide comfort that the municipality is sustainable in future – on condition that it operates within the assumed benchmarks set in the financial plan.

		<u>N.T.</u> <u>NORM</u>	<u>2025</u>	<u>2027</u>	<u>2029</u>	<u>2031</u>	<u>2033</u>	<u>2034</u>	<u>COMMENTS</u>
FINANCIAL POSITION									
ASSET MANAGEMENT									
R29	Capital Expenditure / Total Expenditure	10% - 20%	13,3%	11,3%	8,6%	8,8%	8,6%	8,6%	CAPEX as a % of Total Expenditure will remain below the NT norm beyond the MTREF period.
R27	Repairs and Maintenance as % of PPE and Investment Property	8%	3,9%	4,1%	4,4%	4,6%	4,9%	5,0%	Repairs and maintenance as a percentage of PPE and IP will remain below the NT benchmark throughout the planning period.
DEBTORS MANAGEMENT									
R4	Gross Consumer Debtors Growth		14,8%	13,5%	12,0%	10,9%	10,2%	9,9%	The Collection Rate is assumed to be maintained at 90% throughout the planning period.
5	Payment Ratio / Collection Rate	95%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	
LIQUIDITY MANAGEMENT									
R49	Cash Coverage Ratio (excl Working Capital)		3.8 : 1	4.3 : 1	4.9 : 1	6 : 1	7.6 : 1	8.9 : 1	The bank balance will meet the minimum liquidity requirement throughout the planning period. The liquidity will reach a healthy 2.7:1 by the end of the planning period.
R50	Cash Coverage Ratio (incl Working Capital)		1.6 : 1	1.6 : 1	1.6 : 1	1.8 : 1	2.1 : 1	2.4 : 1	
R51	Cash Surplus / Shortfall on Minimum Liquidity Requirements		R 65,4 m	R 75,5 m	R 93,0 m	R 133,0 m	R 195,1 m	R 244,9 m	
R1	Liquidity Ratio (Current Assets: Current Liabilities)	1:1.5 - 1:2.1	1.5 : 1	1.5 : 1	1.6 : 1	1.9 : 1	2.3 : 1	2.7 : 1	
LIABILITY MANAGEMENT									
R45	Debt Service as % of Total Operating Expenditure	6% - 8%	4,5%	5,1%	4,8%	4,9%	5,1%	4,8%	The external financing programme is forecast to remain within the recommended benchmarks, throughout the planning period
R6	Total Debt (Borrowings) / Operating Revenue	45%	14,5%	21,6%	20,5%	19,0%	16,8%	15,7%	
R7	Repayment Capacity Ratio		1,08	2,94	2,93	2,48	1,96	1,72	
R46	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)		3.4 : 1	2 : 1	2.1 : 1	2.2 : 1	2.3 : 1	2.5 : 1	

		<u>N.T. NORM</u>	<u>2025</u>	<u>2027</u>	<u>2029</u>	<u>2031</u>	<u>2033</u>	<u>2034</u>	<u>COMMENTS</u>
SUSTAINABILITY									
	Net Financial Liabilities Ratio	< 60%	11,0%	18,1%	15,9%	11,9%	6,3%	2,8%	Net Financial Liabilities are below the benchmark, but the Operating Surplus Ratio remains below the recommended lower benchmark for the majority of the planning period. Asset Sustainability is not calculated but entered as an assumption in the model. The municipality must ensure that a greater proportion of CAPEX is spent on asset replacement should it be required.
	Operating Surplus Ratio	0% - 10%	-1,2%	1,1%	2,0%	3,4%	4,9%	5,7%	
	Asset Sustainability Ratio	> 90%	14,8%	21,7%	21,4%	21,9%	22,6%	23,0%	
FINANCIAL PERFORMANCE									
EFFICIENCY									
R42	Net Operating Surplus / Total Operating Revenue	>= 0%	-1,2%	1,1%	2,0%	3,4%	4,9%	5,7%	The net operating surplus is above 0% from FY2025/26 and improves to 5.7% by FY2033/34, an indication that the municipality should endeavour to maintain profitability by managing expenditure and maintaining the high-water surplus margins.
R43	Electricity Surplus / Total Electricity Revenue		13,0%	13,2%	13,6%	13,6%	13,6%	13,6%	
R44	Water Surplus / Total Water Revenue		98,9%	98,9%	98,9%	98,9%	98,9%	98,9%	
REVENUE MANAGEMENT									
R8	Increase in Billed Income p.a. (R'm)		R 59,1 m	R 73,9 m	R 69,7 m	R 84,0 m	R 100,3 m	R 109,3 m	Billed Revenue and Operating Revenue Growth is, for the most part, marginally above forecast CPI over the planning period. Cash generated from operations is expected improve throughout the planning period.
R9	% Increase in Billed Income p.a.	CPI	9,7%	9,9%	7,8%	8,1%	8,3%	8,3%	
R12	Operating Revenue Growth %	CPI	7,4%	11,4%	7,4%	7,7%	7,8%	7,9%	
R47	Cash Generated by Operations / Own Revenue		19,5%	13,2%	12,5%	13,1%	13,9%	14,4%	
R48	Cash Generated by Operations / Total Operating Revenue		15,8%	10,3%	9,8%	10,4%	11,1%	11,5%	

		<u>N.T.</u> <u>NORM</u>	<u>2025</u>	<u>2027</u>	<u>2029</u>	<u>2031</u>	<u>2033</u>	<u>2034</u>	<u>COMMENTS</u>
EXPENDITURE MANAGEMENT									
	Creditors Payment Period	30	120	107	93	80	67	60	Creditors' payment period is higher than the NT benchmark but forecast to reduce over the planning period.
R30	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	33,8%	31,1%	31,0%	30,2%	29,4%	29,1%	
	Contribution per expenditure item: Contracted Services	2% - 5%	8,6%	10,6%	10,9%	10,9%	10,9%	11,0%	Staff costs as a percentage of total expenditure is forecast to remain within the recommended benchmark throughout the planning period. Contracted services to total expenditure, however, is forecast to exceed the recommended benchmark. The combined impact breaches the maximum norm and must be reduced as far as possible.
GRANT DEPENDENCY									
R10	Total Grants / Total Revenue		25,8%	25,0%	24,0%	23,1%	22,2%	21,8%	The municipality can generate funds from its own sources and is not overly reliant on grants. This is positive to note, as the tightening of the national fiscus will result in a declining reliance on transfers from other spheres of government.
R11	Own Source Revenue to Total Operating Revenue		80,8%	78,0%	78,7%	79,3%	79,9%	80,2%	
	Capital Grants to Total Capital Expenditure		57,7%	31,9%	37,9%	33,0%	30,5%	29,2%	



1 Planning Process

2 Updated Perspectives (Demographic, Economic, Household Infrastructure)

3 Updated Historic Financial Assessment

4 Long-Term Financial Model Outcomes

5 Future Revenues

6 Affordable Future Capital Investment

7 Scenario Analysis

8 Ratio Analysis

9 Conclusions

CONCLUSION

OUTCOME OF THE INDEPENDENT FINANCIAL ASSESSMENT

Bitou's financial performance remained healthy during FY2023/24, with an operating surplus (excluding capital grants) of R35.6 million posted (FY2022/23: R42.2 million). The strong ability to generate cash from operations continued in FY2023/24, with R110.9 million in cash generated by operations (excluding capital grants). This was underpinned by an improved collection rate (88.2% vs 86.6% in the prior year) as well as the strong financial performance.

Electricity services revenue remained the predominant income contributor in FY2023/24, accounting for 25% of revenue in the current year. Other notable revenue streams include property rates and conditional operating grants. Looking at expenditure, electricity bulk purchases (20%), contracted services (9%) and staff costs (33%) were the main expenditure items during FY2023/24. The combined contribution of staff costs and contracted services totalled 42%, breaching the NT maximum norm of 40%. This is indicative of an unaffordable employee related expenditure profile. Repairs and maintenance expenditure was reduced from the prior year, down to 3.7% of PPE & IP from 4.0% in the prior year.

Capital expenditure has increased rapidly since FY2022/23, owing to the acceleration of the borrowing programme. While the additional loans undertaken in the last 2 years added leverage to the debt profile, the gearing and debt service to total expense ratios of 14.1% and 3.5% respectively remain affordable.

Bitou's liquidity position declined consistently between FY2016/17 and FY2020/21. It has since recovered well, improving to 1.56:1 as at FYE2023/24. This is positive to note and has coincided with the improved collection rate. The cash position has consistently improved over the same period, rising from a review period low of R58.5 million as at FYE2021/22 to a review period high of R165.4 million at the current year end. The municipality must be wary of delaying payment to trade creditors as a means of improving the cash position.

Despite the improved cash position, the municipality was unable to meet the minimum liquidity requirements at any point throughout the review period.

STRENGTHS

- Strong financial performance.
- Affordable debt profile.
- Ability to generate cash from operations.
- Improving liquidity position.

WEAKNESSES

- Sizable increase in creditors during FY2023/24.
- Inability to meet minimum liquidity requirements.
- Improving but insufficient collection rate (88.2% as at FYE2023/24).

OUTCOME OF THE FUTURE FORECASTS

An MTREF Case was developed utilising the unadjusted figures from the Adjustment Budget 2024/25-2026/27. The idea behind this is to reflect the model outcomes should the status quo be maintained. Poor financial performance and cash generation is forecast which will result in an unsustainable liquidity position and unaffordable capital investment programme. A key driver of the unsustainable outcome is the insufficient collection rate. In order to address these concerns, a Base Case was developed with realistic, achievable assumptions that aim to guide the municipality towards long-term financial sustainability. The key assumptions are listed below.

1. A collection rate of 90% (from 88.2%) is assumed to be met immediately and maintained for the remainder of the planning period.
2. An operating expenditure cut of 2% was assumed.
3. Tariff increases were included as provided by the municipality.
4. Creditors days were adjusted downwards to 45 days from 127 days mitigate the forecast rise in creditors.
5. The capital investment programme was modelled as discussed with the municipality:
 - FY2024/25: R151 million
 - FY2025/26: R190 million
 - FY2026/27: R149 million
 - FY2027/28: R131 million

Assumed growth in capital investment beyond FY2027/28 is 6% p.a.

6. The borrowing programme was modelled as discussed with the municipality:
 - FY2024/25: R35 million
 - FY2025/26: R87 million
 - FY2026/27: R75 million
 - FY2027/28: R43 million
7. The annual borrowing under this scenario was adjusted to an average of **13-year** amortising loans at a fixed interest rate equal to 7% over forecast CPI in any given year. Assumed annual growth beyond FY2028/29 is 4%.
8. Repairs and maintenance expenditure was increased to 5% (from 3.7%) of PPE & IP over 10 years.
9. Electricity distribution losses were maintained at 6.24%, while water distribution losses were reduced to 30.00% (from 37.88%) over 10 years.

The Base Case reflects a sustainable outcome. Financial performance is forecast to be initially poor over the MTREF period, while significant improvements are forecast thereafter. Cash is forecast to be generated by operations throughout the planning period. The bank balance is forecast to display steady growth, with the minimum liquidity requirements of 1-month's opex forecast to be met throughout the planning period. Liquidity will remain flat over the MTREF period but will improve to a healthy liquidity ratio of 2.7:1 by the end of the planning period. The assumptions can be viewed as recommendations for the municipality to implement to promote long-term financial sustainability.

SENSITIVITY ANALYSIS ON THE COLLECTION RATE

This scenario assesses the impact of the municipality achieving a collection rate of 88% rather than 90% as modelled in the Base Case. In order to maintain a healthy liquidity position, as in the Base Case, the capital investment and borrowing programmes will need to be considerably reduced by R201 million and R114 million respectively.

The outcomes of this scenario highlight the critical nature of maintaining a high collection rate. It is crucial for the municipality to ensure that the collection rate is improved to Base Case levels, with further improvements targeted thereafter.

CONCLUSION

In conclusion, this report provides a roadmap for the municipality to foster and preserve an environment of financial sustainability and resilience. It is the municipality's responsibility to consider the guidelines and recommendations in this report with the aim of improving its financial position, unlocking accelerated capital investment whilst remaining financially sustainable and resilient in a harsh economic environment littered with challenges and the potential for financial shocks that could impact the municipality. The above will allow for further investment in projects that create an enabling environment for economic growth and development, which in turn will aim to reduce unemployment and cater for investment in infrastructure that will improve the lives of the municipality's inhabitants.

ANNEXURE 1: PROJECTED FINANCIAL STATEMENTS

Municipal Financial Model Statement of Financial Position

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
<i>R thousands</i>											
Non-current assets:	1 333 926	1 443 046	1 588 201	1 687 164	1 763 709	1 831 706	1 907 039	1 992 095	2 082 842	2 179 776	2 283 438
Property, plant and equipment	1 319 839	1 428 958	1 574 113	1 673 076	1 749 621	1 817 618	1 892 951	1 978 007	2 068 754	2 165 688	2 269 350
Intangible assets	–	–	–	–	–	–	–	–	–	–	–
Investment properties	14 050	14 050	14 050	14 050	14 050	14 050	14 050	14 050	14 050	14 050	14 050
Investments	–	–	–	–	–	–	–	–	–	–	–
Long-term receivables	–	–	–	–	–	–	–	–	–	–	–
Other non-current assets	38	38	38	38	38	38	38	38	38	38	38
Current assets:	329 369	365 962	367 067	391 180	404 272	422 567	447 388	477 165	513 320	557 469	617 752
Inventories	15 845	17 371	18 413	19 283	20 732	22 241	23 903	25 737	27 735	29 893	32 215
Trade and other receivables	148 092	165 063	165 063	165 063	165 063	164 094	162 835	161 779	160 930	160 289	159 859
Cash & Short term investments	165 432	183 528	183 590	206 834	218 476	236 232	260 651	289 649	324 655	367 287	425 678
TOTAL ASSETS	1 663 296	1 809 009	1 955 267	2 078 344	2 167 981	2 254 273	2 354 427	2 469 260	2 596 162	2 737 245	2 901 190
Municipal Funds:	1 260 029	1 335 638	1 412 443	1 473 307	1 539 184	1 614 485	1 701 940	1 804 013	1 923 589	2 063 971	2 228 816
Housing development fund & Other Cash Backed Reserves	–	–	–	–	–	–	–	–	–	–	–
Reserves (Not Cash Backed)	76 681	76 681	76 681	76 681	76 681	76 681	76 681	76 681	76 681	76 681	76 681
Accumulated surplus	1 183 348	1 258 957	1 335 762	1 396 626	1 462 503	1 537 804	1 625 259	1 727 332	1 846 908	1 987 290	2 152 135
Non-current liabilities:	191 636	228 856	291 001	342 284	367 141	380 872	394 476	409 291	420 184	432 525	447 672
Long-term liabilities (Interest Bearing)	107 276	118 419	180 466	229 920	248 576	254 568	259 393	264 498	264 890	266 110	269 721
Non-current provisions	84 360	110 437	110 535	112 364	118 565	126 304	135 084	144 793	155 294	166 416	177 951
Current liabilities:	211 631	244 514	251 822	262 752	261 656	258 915	258 011	255 956	252 389	240 748	224 702
Consumer deposits	11 362	13 136	14 486	15 852	17 346	18 673	20 068	21 585	23 231	25 026	27 022
Provisions	47 936	48 075	48 081	48 089	48 089	48 089	48 089	48 089	48 089	48 089	48 089
Trade payables	162 727	160 312	164 181	173 457	171 476	166 281	159 310	150 485	139 364	125 541	108 629
Unspent conditional grants	(31 261)	–	–	–	–	–	–	–	–	–	–
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
	20 867	22 991	25 074	25 354	24 745	25 872	30 543	35 797	41 705	42 092	40 963
	1 663 296	1 809 008	1 955 267	2 078 344	2 167 981	2 254 272	2 354 427	2 469 260	2 596 162	2 737 245	2 901 190

Municipal Financial Model
Statement of Financial Performance

Model year
Financial year (30 June)
R thousands

	0	1	2	3	4	5	6	7	8	9	10
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Revenue											
Property rates	178 229	193 661	214 342	232 682	252 929	272 246	293 793	317 651	343 886	372 583	403 787
Service Charges	431 020	474 404	527 961	583 680	637 020	687 230	741 660	801 563	867 093	938 504	1 016 334
Service charges - electricity	230 904	255 022	291 664	329 913	364 198	394 720	427 529	463 703	503 354	546 651	593 980
Service charges - water	87 795	94 702	101 627	108 426	115 845	124 157	133 417	143 651	154 898	167 220	180 658
Service charges - waste water management	67 358	75 050	81 033	87 454	94 455	101 300	108 738	116 858	125 662	135 165	145 432
Service charges - waste management	44 964	49 630	53 638	57 887	62 522	67 053	71 976	77 351	83 179	89 468	96 264
Service charges - other	–	0	0	0	0	0	0	0	0	0	0
Rental from fixed assets	1 354	1 610	2 338	2 218	2 396	2 569	2 758	2 964	3 187	3 428	3 689
Interest	13 203	9 517	9 272	9 810	11 534	12 568	13 876	15 488	17 260	19 240	21 470
Interest earned from receivables	15 535	14 660	14 153	12 507	6 414	7 100	7 800	8 515	9 235	9 952	10 654
Dividends	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	60 451	52 397	52 038	53 743	58 045	62 252	66 823	71 813	77 223	83 062	89 372
Licences and permits	1 427	1 457	1 437	1 516	1 622	1 744	1 884	2 038	2 207	2 388	2 578
Agency services	2 498	2 840	2 971	3 104	3 353	3 596	3 860	4 148	4 461	4 798	5 163
Transfer and subsidies - Operational	166 503	187 363	208 662	260 111	275 570	291 613	308 949	327 700	347 813	369 255	392 080
Other revenue	39 504	35 133	28 773	23 496	25 377	27 216	29 214	31 396	33 761	36 314	39 073
Gains on disposal of Assets	–	3 950	–	–	–	–	–	–	–	–	–
Revaluation of assets gain / (loss)	–	–	–	–	–	–	–	–	–	–	–
Total revenue before Capital Grants	909 725	976 992	1 061 945	1 182 868	1 274 260	1 368 134	1 470 616	1 583 277	1 706 127	1 839 525	1 984 198
Transfers and subsidies - capital (monetary allocations)	50 307	87 112	74 842	47 549	47 400	47 561	48 067	48 806	49 633	50 421	51 066
Public & developers contributions	–	–	–	–	–	–	–	–	–	–	–
Total Revenue after Capital Grants	960 032	1 064 104	1 136 787	1 230 417	1 321 660	1 415 695	1 518 683	1 632 083	1 755 760	1 889 946	2 035 264
Operating expenditure											
Employee related costs	312 820	377 004	383 981	401 555	422 603	445 258	469 691	495 854	523 569	552 693	583 047
Remuneration of councillors	7 376	7 879	8 249	8 636	8 945	9 281	9 640	10 020	10 417	10 826	11 242
Debt impairment	111 763	105 536	112 433	120 773	131 264	141 280	152 207	164 218	177 335	191 599	207 097
Depreciation and amortisation	39 994	41 961	44 939	50 243	54 230	57 353	60 032	62 782	65 678	68 582	71 504
Interest	20 922	23 075	28 857	34 456	36 810	39 001	41 350	43 724	45 712	47 229	48 181
Bulk purchases - electricity	197 628	221 891	250 808	286 302	314 791	341 171	369 528	400 795	435 065	472 487	513 394
Inventory Consumed	16 652	18 942	20 141	21 522	23 511	25 761	28 393	31 433	34 855	38 639	42 759
Repairs and maintenance	–	–	–	–	–	–	–	–	–	–	–
Contracted services	77 655	98 038	109 166	139 944	150 039	160 130	171 066	183 013	195 863	209 640	224 426
Transfers and subsidies	9 208	10 844	13 148	14 124	15 048	15 985	16 995	18 090	19 267	20 527	21 875
Other expenditure	76 934	83 325	88 259	91 998	98 542	105 174	112 327	120 082	128 422	137 342	146 894
Losses on disposal of Assets	3 217	–	–	–	–	–	–	–	–	–	–
Total Expenditure	874 169	988 495	1 059 982	1 169 553	1 255 784	1 340 393	1 431 229	1 530 010	1 636 184	1 749 564	1 870 419
Suplus/ (Shortfall) for the year	85 863	75 609	76 805	60 864	65 876	75 302	87 454	102 073	119 576	140 382	164 845

Municipal Financial Model
Cash Flow Statement

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
<i>R thousands</i>											
Cash flows from Operating Activities											
Suplus/Deficit for the year including Capital Grants	85 863	75 609	76 805	60 864	65 876	75 302	87 454	102 073	119 576	140 382	164 845
Suplus/Deficit for the year excluding Capital Grants & Contributions		(11 503)	1 963	13 315	18 476	27 741	39 387	53 268	69 943	89 961	113 779
Capital Grants & Contributions		87 112	74 842	47 549	47 400	47 561	48 067	48 806	49 633	50 421	51 066
Adjustments for non-cash items:											
Depreciation, amortisation and impairment loss	39 994	41 961	44 939	50 243	54 230	57 353	60 032	62 782	65 678	68 582	71 504
Revaluation on investment property (gain) / loss	–	–	–	–	–	–	–	–	–	–	–
Increase / (Release from) current provisions & non-interest bearing liabilities	–	139	6	8	–	–	–	–	–	–	–
Increase / (Release from) other non-current provisions & non-interest bearing liabilities	–	26 077	98	1 829	6 201	7 739	8 779	9 709	10 501	11 122	11 535
(Increase) / Release from non-current interest bearing assets	–	–	–	–	–	–	–	–	–	–	–
Capitalised interest	–	–	–	–	–	0	–	–	(0)	–	(0)
Operating surplus before working capital changes:	125 857	143 786	121 848	112 944	126 307	140 394	156 266	174 565	195 755	220 085	247 884
Change in W/C Investment	–	10 348	2 827	8 407	(3 431)	(5 735)	(7 373)	(9 604)	(12 270)	(15 340)	(18 804)
(Increase)/decrease in inventories	–	(1 526)	(1 042)	(870)	(1 449)	(1 509)	(1 662)	(1 834)	(1 998)	(2 158)	(2 322)
(Increase)/decrease accounts receivable	–	(16 971)	(0)	0	(0)	969	1 260	1 055	849	641	430
Increase/(decrease) in trade payables	–	(2 415)	3 869	9 276	(1 981)	(5 195)	(6 970)	(8 825)	(11 121)	(13 823)	(16 912)
	–	31 261	–	–	–	–	–	–	–	–	–
Net cash flow from Operating activities	125 857	154 134	124 676	121 351	122 876	134 659	148 893	164 961	183 485	204 745	229 080
Cash flows from Investing Activities											
Capital expenditure	–	(151 081)	(190 093)	(149 206)	(130 775)	(125 349)	(135 366)	(147 838)	(156 425)	(165 516)	(175 166)
Decrease/(Increase) in non-current receivables	–	(0)	–	–	–	–	–	–	–	–	–
(Additions) / Disposals of investment property	–	0	–	–	–	–	–	–	–	–	–
Net cash flow from Investing activities	–	(151 081)	(190 093)	(149 206)	(130 775)	(125 349)	(135 366)	(147 838)	(156 425)	(165 516)	(175 166)
Cash flows from Financing Activities											
New loans raised	–	35 125	87 121	74 808	43 400	31 864	35 368	40 902	42 097	43 312	44 574
Loans repaid	–	(21 857)	(22 991)	(25 074)	(25 354)	(24 745)	(25 872)	(30 543)	(35 797)	(41 705)	(42 092)
(Decrease) / Increase in consumer deposits	–	1 774	1 350	1 365	1 495	1 327	1 395	1 517	1 646	1 795	1 996
Net cash flow from Financing activities	–	15 042	65 480	51 099	19 541	8 446	10 891	11 876	7 946	3 402	4 477
Change in Cash	125 857	18 095	62	23 244	11 643	17 756	24 419	28 998	35 006	42 632	58 391
Cash/(Overdraft), Beginning		165 432	183 528	183 590	206 834	218 476	236 232	260 651	289 649	324 655	367 287
Cash/(Overdraft), Ending	165 432	183 528	183 590	206 834	218 476	236 232	260 651	289 649	324 655	367 287	425 678

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mSCOA - Progress Implementation Report / Roadmap Bitou Municipality WC047

Action		Responsible official or organisation	Service provider	Due date	Progress
Planning	Appoint mSCOA Project Sponsor: Delegated from the MM to the CFO	mSCOA Project Sponsor			Complete
Planning	Appoint mSCOA Champion	mSCOA Project Sponsor			Complete
Planning	Appointment of a suitability qualified System Administrator	mSCOA Project Sponsor			Complete
Planning	Explain broad principles of mSCOA to the various Directorates	mSCOA Project Sponsor			Complete
Planning	Set-up engagement sessions with various directorates before each of the next Actions explaining to the detail regarding each Action after the ground work has been performed and requesting input in order take all departments along, otherwise resistance will be experienced.	mSCOA Project Sponsor			Complete
Planning	Compile and obtain approval for an implementation plan that provides guidance with regard to the actions, activities and processes in order to achieve readiness for implementation.				Complete
Planning	Commissioning of an mSCOA steering committee with at least quarterly meetings being conducted to monitor progress of the roadmap				Complete
Planning	Compiling TOR for steering Committee				Complete
Planning	Commissioning of an mSCOA Working committees for the various streams				Complete
Planning	Signing of TOR and code of ethics for working committee				Complete
Planning	<p>The following working committees were established and leads appointed (the 15 business processes where evaluated and included in the following committees:</p> <ul style="list-style-type: none"> - Corporate Governance - Municipal Budgeting, Planning and Financial Modelling: (IDP driven, project based main budget module that adhere to MFMA section 53 that as a minimum) - Financial Accounting - Costing and Reporting - Treasury and Cash Management - Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable - Grant Management - Full Asset Life Cycle Management including Maintenance Management - Real Estate and Resources Management - Human Resource and Payroll Management - Customer Care, Credit Control and Debt Collection - Valuation Roll Management - Land Use Building Control - Revenue Cycle Billing <p>This will be restructured to be aligned with the proposed structure of NT but to align it with MFMA Circular 80 the headings will still be based on the old classification, the new working committees will be as follow:</p> <ul style="list-style-type: none"> - Corporate Governance - Strategic and IDP Planning (new workstream) - Budgeting and financial planning - Financial Accounting - Costing Management and Reporting - Project Management and Reporting - Treasury and Cash Management - SCM, Procurement and Inventory Management - Asset Management and Maintenance - Human Resource and Payroll Management - Valuation roll, Real Estate, Land use and Building Control - Revenue and debt management - Contract Management (new workstream) 			Monthly meetings	Complete
Planning	ICT Architecture impact and considerations that effect the following:	Manager ITC			Complete
Planning	Development and adoption of the required IT policies and securities	Manager ITC			Complete
Planning	Establishment of data back-up and disaster recovery procedures	Manager ITC			Complete
Planning	Regular reporting on mSCOA implementation to Management and Executive Committees and Council	mSCOA Project Champion / Business leads		Quarterly	In progress
Planning	System Functionality : ERP modules and 3rd party systems used. These must give affect to the minimum business processes and system requirements as specified in MFMA Circular 80 must budget adequately to procure the required functionality and upgrade to the mSCOA enabling version of the ERP.	mSCOA Sponser / Champion and various business leads		30/06/2026	In progress
	<p>Business Process</p> <p>Sub-Process</p> <p>Legislative or Business Requirement</p> <p>B3 - Small Towns</p> <p>System / Applications minimum functionality</p> <p>Required by</p>	Responsible official or organisation	Service provider	Due date	Progress

1	Corporate Governance									
2	Internal Audit	Internal Audit	Approved Internal Audit Plan in existence and Risk Management Strategy in Place	B3	Ability to obtain base transactional information "View Only" ability.	Best Practice	G Gresse	Various		Complete
3				B3	Issue audit findings and risk registers and invoke consequence management procedures.	Best Practice	Internal Audit	BarnOwl / MS Office	30/06/2026	In Progress
4		External Audit	Public Audit Act, 2004	B3	Escalation and classification of matters influencing auditors opinion.	Best Practice	I Pretorius	MS OfficeBarn Owl	30/06/2026	In Progress
5				B3	Must support complex user profiles, with segregation of duties, in order to limit user rights beyond the transaction, but to also include content sensitive measures such as organisational structure, payroll, cost centre, project, source of funding, other segmented transactions or other system objects needed to ensure confidentiality of information and transactional integrity.	Legislation	Various business leads	Various systems	30/06/2026	In Progress
6		System Configurations	Access control of all systems and modules should as a minimum adhere to the following: Minimum Information Security Standards.	B3	Online approval and authorisation with electronic signature capabilities of transactions via integrated security systems and segregated functionality. This should be provided through application of appropriate security policies and internal service level agreements between various units.	Legislation	Various business leads	Various systems	30/06/2026	In Progress
7				B3	Comprehensive on-line audit trail of all transactions at a transaction level must be available. This is in order to identify date, time and the user who initiated, approved or amended any transaction, including workflow. The administrator must be able to customise this for enhanced analysis and reporting.	Legislation	Various business leads	Various systems	30/06/2026	In Progress
8				B3	Additionally the audit trail on all activities on the system, date, time and responsible user stamped. This must be done to the extent that an activity log can be drawn from the system, outlining a particular user's activities on the system for the entire workday.	Legislation	Various business leads	Various systems	30/06/2026	In Progress
9				B3	Monthly period closure and certification within the statutory reporting dates. No back-dating of transactions is allowed.	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
10				B3	Balancing of the sub-system with control accounts must be a condition of any period closure.	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
11				B3	Year-end closures period 12 as at 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year.	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
12				B3	Finalisation and submission of annual financial statements (AFS) period 13 results in <i>opening balance transactional transfer</i> of only the transactions of period 13.	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
13				B3	Audit periods with allowed audit approved journals occur in period 14 and result in <i>opening balance transactional transfer</i> of only the transactions of period 14.	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
14				B3	Accommodate a period 15 for prior period errors (GRAP 3).	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
15				B3	Any corrections of prior period error(s) result in opening balance transactions in the subsequent years.	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
16				B3	Period closing, finalisation and audit period corrections are <i>opening balance transactions</i> in the <i>current open period</i> as well as normal transactions in the <i>audit periods</i> .	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
17		Integration		B3	Sub-system(s) or ledgers must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system.	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
18				B3	Enable drill down from the general ledger (GL) to sub-system source transactions to transactional level.	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
19				B3	Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements).	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress
20		Help function user manual		B3	The System must include an online procedural manual facility that allows for the recording and updating of all relevant processes to aid the users of the system.	Best Practice	Various business leads	Various systems	30/06/2026	In Progress
21				B3	The manual must be context specific and accessible from any input screen in the system.	Best Practice	Various business leads	Various systems	30/06/2026	In Progress
22				B3	Functionality is required to permit a duly authorised user to maintain the user manual.	Optional	Various business leads	Various systems	30/06/2026	In Progress

23	Corporate Governance	Document and transaction control	B3	The solution must include the online recording of all transactions with a unique transactional identifier and a date/ time stamp format which records transactions in all systems.	Best Practice					
24			B3	It is important to note that no records are physically deleted. Deleting a record in the context of the Solution means to 'flagging as deleted', the record so that it is no longer visible or active and does not present 'clutter' to normal users.	Best Practice	Various business leads	Various systems	30/06/2026	In Progress	
25			B3	However, duly authorised users may view or report on logically deleted records.	Best Practice	Various business leads	Various systems	30/06/2026	In Progress	
26			B3	Logically deleted records MAY NOT be reactivated. (If a record was 'flagged for deletion' in error, it will require recapturing).	Best Practice	Various business leads	Various systems	30/06/2026	In Progress	
27		Training and Skills transfer	B3	End User Training which includes both theoretical as well as practical training.	Best Practice	Various business leads	Various systems	30/06/2026	In Progress	
28			B3	Complete Solution Hand Over to Municipal Project Team including full documentation.	Best Practice	Various business leads	Various systems	30/06/2026	In Progress	
29			B3	Deployment of an IT strategy for maintenance and future developments.	Best Practice	Various business leads	Various systems	30/06/2026	In Progress	
30		Back up and data recovery	B3	Data back up procedures must be continuous and roll back. Recovery should be at the maximum extent possible and not cause system down time "RAID configuration".	Best Practice					
31			B3	Disaster recovery sites are either off site at the municipality or cloud based solutions that are to be tested regularly.	Best Practice	G Gresse	Various			Complete
32			B3	Daily, weekly, monthly and yearly backups must be documented and signed-off.	Best Practice	G Gresse	Various			Complete
33			B3	The legislative framework lists the minimum information that should be placed on the municipality's website: Integrate from the core financial budget module; The annual and adjustments budgets and all budget-related documents; All budget-related policies; Annual financial statements (AFS) and Annual reporting tools BI modules; The annual report; Performance management, supply chain and asset management modules; section 57(1) of the Municipal Systems Act, 2000; All quarterly reports tabled in the council in terms of MFMA section 52(d).	Legislation	A Namntu	Service provider w/	Feedback at the next meeting	Not yet commenced	
34	Municipal Web Site	A municipal website that gives effect to MFMA section 75, the Municipal Budget and Reporting Regulations, 2009; the mSCOA Regulations, 2014 and section 21A of the Municipal Systems Act, 2000	B3	All performance agreements required in terms of : All service delivery agreements; All long-term borrowing contracts; All supply chain management contracts above a prescribed value; An information statement containing a list of assets over a prescribed value that have been disposed of in terms of MFMA section 14(2) or (4) during the previous quarter; Contracts to which MFMA section 33(1) apply, subject to section 33(3) of that section; Public-private partnership agreements envisaged in MFMA section 120; and Municipal Budget and Reporting Regulations (MBRR) and mSCOA Regulations reporting templates as generated by the Core Financial system.	Legislation	A Namntu	Service provider w/	Feedback at the next meeting	Not yet commenced	
35			B3	Billing module in addition to integrate: The A&B valuation roll publication as required by the Municipal Property rates Act, 2004; and The customer portal; and should as a minimum (if not hosted on the municipality's web site) be accessible or redirected from the website of the municipality.	Legislation	A Namntu	Service provider w/	Feedback at the next meeting	Not yet commenced	
36			B3	The report writer should have a user configurable application utility like Sequel server reporting server (SSRS). This must include sample reports configured as well as standard reports. This will allow for consistency in reporting and best of client base reports that can be shared in the whole-of-municipal environments;	Optional					
37	Reporting mechanisms	Business intelligence reporting solutions	B3	Alternatively an effective, flexible report-writing facility with access to the database dictionary is required;	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress	

38			B3	Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments;	mSCOA Regulation						
				<i>In addition, there should be a management dashboard that displays at the Municipal Manager's (accounting officer) and senior managers' offices, the key performance areas information in a continuous real time update. This should as a minimum:</i>		Various business leads	Various systems	30/06/2026	In Progress		
39											
40			B3	Allow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications.	mSCOA Regulation						
41		National Treasury Portal and other statutory submissions	B3	Statutory submission to the National Treasury local government Database (LG Database);	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress		
42				<i>mSCOA data extraction and upload to portal submissions with a dashboard configuration to allow the Municipal Manager (accounting officer) to verify the mSCOA data extracts before submitting them:</i>		Various business leads	Various systems	30/06/2026	In Progress		
43			B3	The annual procurement plan - actual versus budget;	mSCOA Regulation						
44			B3	The asset maintenance plan - actual versus budget;	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress		
45			B3	Annual Financial Statements (AFS);	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress		
46			B3	Annual report;	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress		
47			B3	National Energy Regulator SA (Nersa) and Department of Water Affairs and Sanitation (DWS) reports;	mSCOA Regulation	Various business leads	Various systems	30/06/2026	In Progress		
48			B3	VAT returns 201 reconciliations;	Legislation	Various business leads	Various systems	30/06/2026	In Progress		
49			B3	PAYE and 501 reconciliations;	Legislation	Various business leads	Various systems	30/06/2026	In Progress		
50			B3	IRP 5; and	Legislation	Various business leads	Various systems	30/06/2026	In Progress		
51			B3	Unemployment Insurance Fund (UIF) forms	Legislation	Various business leads	Various systems	30/06/2026	In Progress		
52 Municipal Budgeting, Planning and Financial Modelling: (IDP driven, project based main budget module that adhere to MFMA section 53 that as a minimum)											
53	Municipal Budgeting, Planning and Financial Modelling:	Main Budget	B3	Must have budgeting capabilities in that the budget are informed from the integrated development plan (IDP) and budget capturing occur across all the mSCOA segments as per the mSCOA Regulations, 2014.	mSCOA Regulation						
						T Henge	SAMRASMS Office	Feedback at the next meeting	In progress		
54			B3	System must support budgeting cycles across the medium term revenue and expenditure framework (MTREF) (3-year budget) of the municipality.	mSCOA Regulation						
55			B3	The system should be able to link budgeting to final integrated development plan (IDP) priorities.	mSCOA Regulation	C Payle	SAMRAS		Complete		
56			B3	Budgeting on the factual elements of typical work streams.	mSCOA Regulation	Henge	SAMRAS	Feedback at the next meeting	In progress		
57			B3	Budgeting on the factual elements of municipal operational and running cost.	mSCOA Regulation	C Payle together with Line managers	TBD	Feedback at the next meeting	In progress		
			B3	Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)).	Legislation						
58						C Payle	SAMRAS	30/06/2026	Not yet commenced		
59			B3	Incorporation of the sub module's elements.	Optional	C Payle	SAMRAS	30/06/2026	Not yet commenced		
60			B3	Tracking of the budget process plan and timetable.	Optional	C Payle	SAMRAS	30/06/2026	Not yet commenced		

61			B3	Automated workflow for departments' submissions as per budget guideline documents.	Optional	C Payle	SAMRAS	30/06/2026	Not yet commenced	
62			B3	Comparison capabilities for department budget submissions, scenario's & recommendations.	Optional	C Payle	SAMRAS	30/06/2026	Not yet commenced	
63			B3	Planning of secondary costing i.e.. Departmental charges, internal recoveries and activity based charges.	mSCOA Regulation	C Payle	SAMRAS	30/06/2026	In progress	
64			B3	The system should be able to link Expenditure and Revenue to All segments of mSCOA.	mSCOA Regulation	C Payle	SAMRAS		Complete	
65			B3	Track, compare and report on budget versus actual amounts for year 1 of the medium term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement.	mSCOA Regulation	C Payle	SAMRAS		Complete	
66			B3	Enable what-if inter-operability and modelling between the municipality's main budget module and the sub-budget modules.	Optional	C Payle	TBD	30/06/2026	Not yet commenced	
67				Ensure that the policies referred to in MFMA section 17 and the Municipal Budget and Reporting Regulation 7 are, via formal work flow, reviewed by the relevant municipality departments/ sections. Any amendments must be incorporated into the budget submission. These reviews, as a minimum, must include:						
68			B3	The statutory budget submission to the National Treasury local government Database (LG Database);	Legislation	C Payle	SAMRAS	30/06/2026	In Progress	
69			B3	Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local government Database (LG Database) portal.	mSCOA Regulation	C Payle	SAMRAS	Feedback at the next meeting	In Progress	
70	Human Resources (HR) /Payroll	A Human Resource (HR) budget/ payroll module that as a minimum:	B3	Allow the municipality to budget for its full organogram (organisational structure).	mSCOA Regulation	Thembekile Machelesi / C Payle / V Cunningham	Payday / SAMRAS	feedback at the next meeting	In Progress	
71			B3	Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.	mSCOA Regulation	Thembekile Machelesi / C Payle / V Cunningham	Payday / SAMRAS	30/06/2026	Not yet commenced	
72			B3	Provision to calculate new notch values within grades either as a percentage increase or by minimum value. These notch values are to be held on a temporary file and the user must be able to perform Various "what if" scenarios without affecting the live data.	Best Practice	Thembekile Machelesi / C Payle / V Cunningham	Payday	30/06/2026	In Progress	
73			B3	Ensure that the planned positions is budgeted for pro-rata to when the expected appointment can be done.	mSCOA Regulation	Thembekile Machelesi / C Payle / V Cunningham	Payday	30/06/2026	In Progress	
74			B3	Utilising historical trends, calculate the likely provision for leave and bonus provisions. This function should also be able to anticipate (if applicable) any long service allocations.	Best Practice	Vuyokazi Wakeni (Expenditure manager)	Payday / SAMRAS	30/06/2026	In Progress	
75			B3	Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.	mSCOA Regulation	Thembekile Machelesi / C Payle / V Cunningham	Payday / SAMRAS	feedback at the next meeting	In Progress	
76	Budget Management	Budget Management and Monitoring	B3	Allow the public to provide comments on the budget electronically via the municipality's website. These comments together with the comments received from public sessions to be populated/consolidated onto a tool that can be accessed by the public and councillors.	Best Practice	C Payle	TBD	30/06/2026	Not yet commenced	
77			B3	Automate the virement process as per the virement policy.	Best Practice	C Payle	TBD	30/06/2026	Not yet commenced	
78			B3	Provide the annual procurement plan.	Best Practice	C Payle	TBD	30/06/2026	Not yet commenced	
129 Costing and Reporting										
130	Costing and Reporting	Cost Planning	Incorporate a costing module	B3	A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs. Therefore it will be necessary to ensure direct link to Provisioning and payroll modules exist etc. through the application of internal billing departmental charges or activity based recoveries.	mSCOA Regulation	C Payle	SAMRAS	30/06/2026	Not yet commenced
131				B3	Management reporting on all charges should be available for reports as well as dashboard information.	mSCOA Regulation	C Payle	SAMRAS	30/06/2026	Not yet commenced
79 Financial Accounting										

80	Financial Accounting	General Ledger (Core Financials)	General Ledger (GL) that as a minimum	B3	Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments.	mSCOA Regulation		I Pretorius	SAMRAS		Complete	
81				B3	Is a central repository for accounting data transferred from all sub-ledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects etc.	mSCOA Regulation		I Pretorius	SAMRAS		Complete	
82				B3	Reflect transactions posted in the sub-ledgers immediately in the main ledger thereby ensuring the financial integrity of the entire system without the need for manual reconciliations between main and sub-ledgers.	mSCOA Regulation					In Progress	
83				B3	Non withstanding the above and due to probable packet loss a routine, is required to ensure that the general ledger and sub-ledger is in balance. This must be done by enforcing daily closing routines with subsequent blocking of opening routines if out of balance occurrence with control accounts is observed.	mSCOA Regulation		Line managers - (finance)	SAMRAS / various	30/06/2026	In Progress	
84				B3	Drill down to transactions from the general ledger (GL) to the sub-ledger or 3 rd party systems for an audit trail.	mSCOA Regulation		I Pretorius: Line managers - (finance)	SAMRAS	30/06/2026	In Progress	
85				B3	Journal capturing capabilities (including reversible and recurring journals) including electronic approval.	mSCOA Regulation		I Pretorius and line managers (finance)	Various / SAMRAS	30/06/2026	In Progress	
86				B3	Reporting functionality for all financial reports in the full mSCOA segmented transactions .	mSCOA Regulation		I Pretorius	SAMRAS	Feedback at the next meeting	In Progress	
87								I Pretorius and line managers (finance)	SAMRAS	30/06/2026	Not yet commenced	
88				Accounts Receivable	Transactions in debtors must reflect in the AR in mSCOA segmentation		Provide a debtor master record containing at least but not limited to:					
89						B3	Debtor classes and discount categories to ensure correct billing and rebates;	mSCOA Regulation		A Zindlu	SAMRAS	
90		B3	Trade, sundry and other debtor types to comply with mSCOA requirements;			mSCOA Regulation		A Zindlu	SAMRAS		Complete	
91		B3	Debtor levies in mSCOA segmentation to the Accounts Receivable;			mSCOA Regulation		A Zindlu	SAMRAS	30/06/2026	Not yet commenced	
92		B3	Receipt allocation to AR in the correct mSCOA segmentation;			mSCOA Regulation		A Zindlu	SAMRAS	30/06/2026	Not yet commenced	
93		B3	Daily balancing between sub-system and AR; and			Best Practice		A Zindlu	SAMRAS	30/06/2026	Not yet commenced	
94		B3	Month-end and year-end procedures to ensure correct disclosure of cash on hand and age analysis.			Legislation		A Zindlu	SAMRAS	30/06/2026	Not yet commenced	
95		B3	Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems.			mSCOA Regulation		A Zindlu	SAMRAS/Pay @/P	30/06/2026	Not yet commenced	
96		Integration of sundry systems	B3			Abattoir system.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
97			B3			Cemeteries system.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
98			B3		Fire and emergency services systems.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced	
99			B3		Fresh produce market systems.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced	
100			B3		Library system.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced	
101			B3		Nurseries systems.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced	
102		Accounts Payable	Supplier maintenance		B3	Pound system.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
103					B3	Traffic fines systems.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
104				B3	Transport services systems.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced	
105				B3	Weigh bridge system.	Optional		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced	
106	Accounts Payable	Supplier maintenance	B3	Creating a supplier database.	Legislation		A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced		
107			B3	Post supplier invoices, credit- and debit notes. Select documents to pay with payment dates.	Legislation		Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	In Progress		
108			B3	Make payments and part payments. Allow for future and scheduled payments.	Legislation		Vuyokazi Wakeni (Expenditure manager)	SAMRAS		Complete		
109			B3	Align suppliers with debtors and HR modules.	Best Practice		Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026	In Progress		
		Accounts Payable (AP)		AP must include, at a bare minimum but not limited to:			Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced		

110			B3	Goods received notes for full or partial deliveries aligned to authorised issued purchase orders. Goods return notes with debit and credit orders;	Legislation					Complete
111			B3	Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers;	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS			In Progress
112			B3	Selection of invoice payments on varied platforms. Bulk payment of invoices including direct linking to the banking sector. Producing of electronic remittance statements with automated distribution;	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026		Complete
113			B3	Direct invoice payment such as Eskom;	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026		In Progress
114			B3	Sundry payments generated from payroll, billing or manual S&T transactions;	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS / Payday	30/06/2026		Not yet commenced
115			B3	Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments;	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026		Not yet commenced
116			B3	Retention register with auto mated update, pay-out and balancing;	Best Practice	Vuyokazi Wakeni (Expenditure manager)Wa	SAMRAS	30/06/2026		In Progress
117			B3	A cession register linked to the PMU with automated allocations;	Best Practice	Project Manager	SAMRAS	30/06/2026		In Progress
118			B3	Age analysis of creditors with supporting reports;	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS			Complete
119			B3	Must be able to calculate accounts payable VAT reconciliations (including calculations on returns and discounts);	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026		In Progress
120			B3	The option to scan and store invoices and other documents on the supplier;	Optional	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026		Not yet commenced
121			B3	A web portal for suppliers to enquire on payment status and uploading/submitting of invoices.	Optional	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026		Not yet commenced
122		Cash Management	B3	Automated receipting of bank deposits received.	Best Practice	A Zindlu	SAMRAS			Complete
123			B3	Automated passing of journals for interest and other bank charges.	Best Practice	Emrald	SAMRAS			Complete
124			B3	Electronic payment of creditors and salaries.	Best Practice	Vuyokazi Wakeni	SAMRAS			Complete
125		Tax & VAT	B3	Fully integrated and approved VAT handling capabilities incorporating all statutory required documentation.	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	Feedback at the next meeting		In Progress
126			B3	Interface to SARS eFiling for automated reconciliations and submissions of disclosures.	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	Feedback at the next meeting		Not yet commenced
127		Fixed Asset Management	B3	Trace all financial asset transactions to the asset level.	Legislation	Warren Beazick (Asset / Liabilities and ins	SAMRAS			Complete
128			B3	Ensure that all asset transactions are aligned with mSCOA Regulations.	mSCOA Regulation	Warren Beazick (Asset / Liabilities and ins	SAMRAS	30/06/2026		In Progress
133	Treasury and Cash Management									
134	Treasury and Cash Management	Cash Management		Bank Reconciliation						
135			B3	Allow for multiple bank accounts and sweeping between accounts;	Best Practice	Vuyokazi Wakeni	SAMRAS			Complete
136			B3	Automated receipting of debtor payments and other monies received;	mSCOA Regulation	A Zindlu	SAMRAS			Complete
137			B3	Automated passing of journals for interest and other bank charges;	mSCOA Regulation	Emrald	SAMRAS			Complete
138			B3	Automated clearing of system generated transactions such as payments; and	mSCOA Regulation	Vuyokazi Wakeni	SAMRAS / Payday	Feedback at the next meeting		In Progress
139			B3	Automated clearing of cash received in the general ledger (GL) to the bank account;	mSCOA Regulation	A Zindlu / E Saayman	SAMRAS			Complete
140			B3	Automated reconciliation of bank statements to the ledger and supplying supporting documentation for management.	Best Practice	I Pretorius	SAMRAS	30/06/2026		In Progress
141			B3	Forecasting of cash must be available on a dashboard.	Best Practice	Vuyokazi Wakeni A Zindlu	SAMRAS	30/06/2026		Not yet commenced
142			B3	Support mSCOA segmentation in the cashbook module.	mSCOA Regulation	I Pretorius	SAMRAS			Complete

143		Petty cash	B3	A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA.	mSCOA Regulation					
144			B3	Internal cash receipt with drawdown of petty cash.	mSCOA Regulation	Vuyokazi Wakeni	SAMRAS	30/06/2026	In Progress	
145			B3	Automated payment requests with user authorisation and access control.	Best Practice	Vuyokazi Wakeni	SAMRAS	30/06/2026	In Progress	
146		Ad hoc: The Cash Management System must at least accommodate, but not be limited to:	B3	Interest Received and interest expense reconciliation.	mSCOA Regulation	Warren / I Pretorius	SAMRAS	Feedback at the next meeting	In Progress	
147			B3	Cash Flow Management which includes forecasting and analysis and full integration with the budget and financial accounting modules.	Optional	C Payle	SAMRAS	30/06/2026	Not yet commenced	
148			B3	Funds management and budget availability control.	Best Practice	C Payle	SAMRAS	30/06/2026	Not yet commenced	
149	Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable									
150	Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable	Supply Chain Management (SCM)		The supply chain module should as a minimum have the following functionality:						
151			B3	Allow for requisition from the annual procurement plan;	Best Practice	Ntho Maredi (Manager SCM) / Henge (IDP Manager) / Payle (Manager Budget)	SAMRAS	30/06/2026	Not yet commenced	
152			B3	Align requisition to be project based;	mSCOA Regulation	Refer to the Project Accounting Working committee	Refer to the Project Accounting working committee		Refer to the Project Accounting working committee	
153			B3	Supplier rotation management (parameter driven);	Legislation	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	In progress	
154			B3	Supply Chain Deviation Management Facility in terms of legislation;	Legislation	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	In progress	
155			B3	Adhere to the municipality's delegation of duties and authority levels;	Legislation	Ntho Maredi (Manager SCM) /HR Manager	SAMRAS		Complete	
156			B3	Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals;	Legislation	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	In progress	
157			B3	Electronically manage the invitation, bid closure and adjudication process with a full document management server unpinning the cycle;	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	feedback at the next meeting	In progress	
158			B3	Record and electronically store the bid adjudication committee's meeting minutes and store the minutes on the document management server;	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	feedback at the next meeting	In progress	
159			B3	Ensure the service level agreement (SLA) and allocation letters are electronically archived prior to any payment being made;	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	feedback at the next meeting	In progress	
160			B3	Enforce where applicable retention enforcement and manage retention registers;	Best Practice	Warren / Project owners	SAMRAS	30/06/2026	In progress	
161			B3	Ensure tax clearance management for the duration of the contract;	Legislation	Ntho Maredi (Manager SCM)	SAMRAS	feedback at the next meeting	In progress	
162			B3	Integrate with the asset management system;	Legislation	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	In progress	
163			B3	Ensure that all payments are made within 30 days of receipt of an invoice therefore; and	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026	In progress	
164			B3	Ensure that full accrual is done at month-end and year-end cut-off periods.	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	30/06/2026	In progress	
165		Contract Management that gives effect to MFMA section 116.	B3	Contract management through workflow and audit trail.	Legislation	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	In progress	
166		Requisitions	B3	Different requisition origination such as online, manual, stores and other modules.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS		Complete	
167			B3	Project based requisition forms.	mSCOA Regulation	Refer to the Project Accounting Working committee	Refer to the Project Accounting working committee		Refer to the Project Accounting working committee	
168			B3	mSCOA segmented capturing.	mSCOA Regulation	Ntho Maredi (Manager SCM)	SAMRAS		Complete	
169			B3	Ability to attach documents to online requisitions such as drawings or specifications.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS		Complete	
170			B3	Must support full work flow and electronic signatures.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS		Complete	
171		Supplier Evaluation	B3	Evaluate supplier performance in accordance with contract deliverables.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	In progress	

172			B3	Update incentives and penalties to supplier database.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
173			B3	Automate notification alerting relevant system users when a supplier's BEE certificate and tax certification reach expiry dates.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
174		Request for quote, quotations and Request for proposals	B3	Maintain a Request for quote, quotations and proposals database linked to suppliers.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
175			B3	Automated notification of price differences outside of approved variance.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
176			B3	Automated evaluating of quotations with parameters.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
177			B3	Comparative tables for allocation of bids.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
178			B3	Automated notification and ordering system.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
179			B3	Workflow and document management in quotation process.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
180		Purchase Order Processing(PO)	B3	Allow for automated purchase orders from approved requisitions.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
181			B3	Electronic authorising and signing of purchase orders (PO's) through workflow process.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS		Complete
182			B3	Automated sending of purchase orders (PO's) to supplier through email and/or fax.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
183			B3	Processing of partial order deliveries with automated reminders of outstanding items.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
184			B3	Automated transfers of outstanding orders to future periods with budget controls.	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
185			B3	Align purchase order (PO) deliverables to the annual service delivery- and budget implementation plan (SDBIP).	Best Practice	Ntho Maredi (Manager SCM)	SAMRAS	30/06/2026	Not yet commenced
186	Inventory	Inventory / Stores sub system	B3	All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc.	mSCOA Regulation	Ntho Maredi (Manager SCM)	SAMRAS	feedback at the next meeting	In Progress
187			B3	In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow management to control the consumable items in an effective and controlled manner.	mSCOA Regulation	Ntho Maredi (Manager SCM)	SAMRAS	feedback at the next meeting	In Progress
188			B3	The stores module must seamlessly integrate and balance with the core financial system.	mSCOA Regulation	Ntho Maredi (Manager SCM)	SAMRAS	feedback at the next meeting	In Progress
189			B3	Where a full stores module is operational, high value items should annually be measured to establish whether any of these items should be capitalised as 'assets'.	Legislation	Ntho Maredi (Manager SCM) & Warren	SAMRAS	feedback at the next meeting	In progress
190			B3	Normal functions should be included as standard best practice and should include but not be limited to: Warehouse management; Acquisitions; Stock Level Management; Disposals; Automated consumable stores stock count sheets (departmental stores).	mSCOA Regulation	Ntho Maredi (Manager SCM) & Warren	SAMRAS	feedback at the next meeting	In Progress
191 Grant Management									
192	Grant Management	Subsidies	B3	Provide for a grant register linked to ledger accounts.	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	V Wakeni: Breakdown of projects: feedback at the next meeting Solvem: Date to be confirmed	In Progress
193			B3	Automate receipt allocation of grants.	Best Practice	TBD	SAMRAS	Solvem: Date to be confirmed	Not yet commenced
194			B3	Automate payment allocations.	Best Practice	TBD	SAMRAS	Solvem: Date to be confirmed	Not yet commenced
195			B3	Link to mSCOA funding source with budget control.	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	V Wakeni: Breakdown of projects: feedback at the next meeting Solvem: Date to be confirmed	In Progress
196			B3	Provide for reporting in accordance with the mSCOA Regulation and internal control.	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS	V Wakeni: Breakdown of projects	In Progress
197 Full Asset Life Cycle Management Including Maintenance Management									

	Full Asset Life Cycle Management including Maintenance Management	Asset Management	Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements:		<p>An asset and liabilities subsystem that gives effect to MFMA section 63:</p> <p>Assets classes with its associated asset types to manage the accounting policy statements in the financial statements as well as give overall control of all assets within asset classes with its associated useful lives and its associated SCOA reporting framework.</p> <p>It should also include the NERSA Regulatory Reporting Manual (RAM) classification as well as the Department of Water Affairs (DWA) in order for the municipality to comply with NERSA and DWA requirements.</p> <p>All asset transaction types must be accommodated in a flexible manner to accommodate future expansion within the SCOA framework.</p> <p>An audit Trail, with an enquiry facility into the audit trail, of all movement within these files is a requirement.</p> <p>The 'asset management system' module should:</p>					
199				B3	Manage the full asset life cycle;	Legislation	Warren Beazick (Asset / Liabilities and insurance) / Gwyn / Technical departments	SAMRAS / Hydroc	Feedback at the next meeting	In Progress
200				B3	Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work-in-progress (WIP);	Legislation	Warren Beazick (Asset / Liabilities and insurance)	SAMRAS	30/06/2026	In Progress
201				B3	Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components;	mSCOA Regulation	Warren Beazick (Asset / Liabilities and insurance)	SAMRAS	30/06/2026	In Progress
202				B3	Enable table-to-floor inspection sheets (electronic devices are preferred) as well as floor-to-table look-up methodologies;	Legislation	Warren Beazick (Asset / Liabilities and insurance)	SAMRAS	30/06/2026	In Progress
203				B3	Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP);	Legislation	Warren Beazick (Asset / Liabilities and insurance)	SAMRAS	30/06/2026	In Progress
204				B3	Compile and monitor expenditure against the asset maintenance plans;	Best Practice	Please refer to project management	SAMRAS / EDAMS	30/06/2026	In Progress
205				B3	Integration to billing systems to monitor investment properties and valuation inconsistencies;	Best Practice	Refer to Real estate	TBD	30/06/2026	Not yet commenced
206				B3	Utilise the billing system functionality to ensure ownership of land and buildings to the deeds register;	Best Practice	Refer to land use working committee	TBD	30/06/2026	Not yet commenced
206 Human Resource and Payroll Management										
209	Human Resource and Payroll Management	Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	B3	Travel claims Management.	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	Payday / Samras	30/06/2026	In Progress
210				B3	Payroll and Benefits Management.	Optional	Vuyokazi Wakeni (Expenditure manager) / HR Manager	Payday / Samras	30/06/2026	In Progress
211				B3	Automated reconciliation at predetermined intervals.	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS / Payday	30/06/2026	In Progress
212				B3	Overtime claims Management/ Time off in lieu.	Legislation	Vuyokazi Wakeni (Expenditure manager) / Thembekile Machelesi (Snr HR Manager)	Payday / Samras	30/06/2026	In Progress
213				B3	Special Allowance Management (e.g. acting, secondments, etc.).	Legislation	Thembekile Machelesi (Snr HR Manager)	Payday / Samras	30/06/2026	In Progress
214				B3	Refunds to staff in respect of over-deductions and ad hoc payments.	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS / Payday	30/06/2026	In Progress
215				B3	Deductions and payments to third parties (e.g. medical aids, SARS, union contributions, etc.).	Legislation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS / Payday	30/06/2026	In Progress
216				B3	Ad hoc payroll runs must reflect in the Financial Management System.	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS / Payday	30/06/2026	Not yet commenced
217				B3	Must cater for pensioners' benefits.	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager) / A Zindlu	SAMRAS / Payday	30/06/2026	In Progress
218				B3	Provision to record allowance details against a post and employee (e.g. Telephone Allowance, categories, amounts, telephone number etc.).	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager) / HR Manager	SAMRAS / Payday		Complete
219				B3	The system must cater for all requirements of the South African Revenue Services (SARS).	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
220				B3	Must provide a facility to automate the update of tax tables whenever changes occur.	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete

221			B3	History of previous tax tables must be retained on the system for an indefinite period.	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
222			B3	The system must be flexible so as to cater for any legislative changes to UIF, Workman's Compensation, Unions, etc..	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
223			B3	The system must be able to cater for more than 1 payroll type (e.g. Staff, Pensioners, etc.).	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
224			B3	Narrative type pay slips must be provided (Hard copy and electronically).	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
225			B3	Accumulations of all deductions to be printed on pay slip if required (Pension, tax, housing allowance, motor car allowance, etc.).	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
226			B3	Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT).	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
227			B3	Provide a payment hold facility.	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday and SAMR	feedback at the next meeting	In Progress
228			B3	Third Party deduction and payments in terms of schedules or ad hoc basis.	Best Practice	Vuyokazi Wakeni (Expenditure manager)	Payday and SAMR	30/06/2026	In Progress
229			B3	Variance reporting.	Best Practice	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
230			B3	The ability to calculate back pay across tax periods and increment periods must be provided for.	Best Practice	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
231			B3	The system must allow for dummy validation pay runs to be carried out prior to running the final run.	Best Practice	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
232			B3	All temporary staff (e.g. seasonal workers, learner ship programs, contract workers, etc.) to be controlled via Budget availability.	Best Practice	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
233			B3	Provision to maintain (add, amend, delete) conditions of service pertaining to specific posts.	Best Practice	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
234			B3	Budget control and management of virement requirements.	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager) / C Payle	Payday / Samras	feedback at the next meeting	In Progress
235			B3	Report and create the workflow for collection of all employees and councillors with arrear accounts.	Legislation	A Zindlu / Vuyokazi Wakeni (Expenditure manager)	SAMRAS / Payday	30/06/2026	In Progress
236			B3	Provide the financial statements with regulated reporting requirements regarding the municipal councillors' outstanding debtor account details.	Legislation	A Zindlu	SAMRAS	30/06/2026	In Progress
237			B3	Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control.	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS / Payday		Complete
238				Create the clearing transactions that clear the integration control, these transactions include:					
239			B3	Electronic funds transfer (EFT) to employee's bank accounts into the core financial systems cashbook awaiting approval;	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
240			B3	Creation of "invoices" for 3 rd parties; SARS (PAYE, VAT, etc.), UIF, Medical aid and pension funds;	mSCOA Regulation	Vuyokazi Wakeni (Expenditure manager)	SAMRAS / Payday	feedback at the next meeting	Not yet commenced
241		Payroll	B3	Must be able to easily integrate with banks. Seamless upload of payroll information.	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
242			B3	Support multiple payrolls with different pay structures.	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday		Complete
243			B3	Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation.	mSCOA Regulation	C Payle / Vuyokazi Wakeni (Expenditure manager) / HR	Payday and SAMR	30/06/2026	In Progress
244			B3	Ability to submit statutory reporting to SARS for all taxes.	Legislation	Vuyokazi Wakeni (Expenditure manager)	Payday / SAMRAS		Complete
245	Customer Care, Credit Control and Debt Collection								
246	Customer Care, Credit Control and Debt Collection	Credit Control		The system should enable the municipality to manage an end-to-end debt collection process and must:					
247			B3	Provide for SMS, email and hand delivered late payment notifications;	Best Practice	A Zindlu	Cab Holdings - email statements, SMS, no hand MS Office - email	30/06/2026	In Progress
248			B3	Provide for parameter based disconnection list generation;	Best Practice	A Zindlu	SAMRAS		Complete

249		B3	Manage re-connection and arrangements with integrated notes on the debtor master file and workflow with technical services;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
250		B3	Integrated clearance applications and calculations;	Best Practice	A Zindlu	Lexis Nexis, SAMRAS	30/06/2026	In Progress
251		B3	Final demand and summons issuing; and	Best Practice	A Zindlu	Cab Holdings - email statements, SMS, no hand MS Office - email	30/06/2026	In Progress
252		B3	Management of attorney actions on an integrated level.	Best Practice	A Zindlu	Pannel of debt collectors	30/06/2026	In Progress
253		B3	If the module is a 3 rd party solution – it must as a minimum integrate the fees as well as the action history to the billing sub-ledger. This integration must be seamless.	mSCOA Regulation	A Zindlu	Cab Holdings - email statements, SMS, no hand MS Office - email SAMRAS and Debt collectors	30/06/2026	In Progress
254	Debtor Classification and Categorisation	B3	Indigent Management (Assistance-to-the-Poor).	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
255		B3	<i>Indigent Register must be accommodated in a work flow of various administration processes including, but not limited to:</i>	Best Practice				
256		B3	House visit;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
257		B3	Capturing of details;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
258		B3	Verification of details, Test against Central Supplier Database;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
259		B3	Authorisation of application;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
260		B3	Automated Subsidy, Write Off and reversals thereof.	mSCOA Regulation	A Zindlu	SAMRAS	30/06/2026	In Progress
261	Arrear Arrangements		<i>Arrear arrangement functionality must be accommodated in a work flow of various administration processes including, but not limited to:</i>					
262		B3	Online Application;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
263		B3	Authorisation of application;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
264		B3	Automated arrangement financials;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
265		B3	Automated Default process;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
266		B3	Irrecoverable Debt Write Off process;	mSCOA Regulation	A Zindlu	SAMRAS	30/06/2026	In Progress
267		B3	Restriction and Reinstatement of Credit and prepaid meters;	Best Practice	A Zindlu	SAMRAS Utilities	30/06/2026	In Progress
268		B3	Meter Tampering Management;	Best Practice	A Zindlu	Utilities SAMRAS Routemaster	30/06/2026	In Progress
269		B3	Management facility to monitor Debtors that are also Service Providers (creditors) set off Management;	Best Practice	A Zindlu	Utilities SAMRAS Routemaster	30/06/2026	In Progress
270		B3	Management of staff arrear set off.	Best Practice	A Zindlu	SAMRAS / Payday		Complete
271	Legal Process	B3	Up to the Default Judgement.	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
272		B3	Debit Order Payments.	Best Practice	A Zindlu	SAMRAS		Complete
273		B3	Councillor Arrear Management.	Legislation	A Zindlu	SAMRAS	30/06/2026	Not yet commenced
274		B3	Specialised Functionality for Third Party Interfaces (e.g. Staff Arrear Set Offs, Prepaid Vending Arrear Set Offs, Prepaid meter blocking/set offs, etc.)	Legislation	A Zindlu	SAMRAS	30/06/2026	Not yet commenced

246	Customer Care, Credit Control and Debt Collection	Credit Control	A credit control and debt collection system that integrate with the revenue management system and that gives effect to Chapter 9		The system should enable the municipality to manage an end-to-end debt collection process and must:						
253				B3	If the module is a 3 rd party solution – it must as a minimum integrate the fees as well as the action history to the billing sub-system	mSCOA Regulation	A Zindlu	See exchange email statements, SMS, no hand	30/06/2026	In Progress	
260				B3	Automated Subsidy, Write Off and reversals thereof.	mSCOA Regulation	A Zindlu	SAMRAS	30/06/2026	In Progress	
261				Arrear Arrangements	Arrear arrangement functionality must be accommodated in a work flow of various administration processes including, but not						
266					B3	Irrecoverable Debt Write Off process;	mSCOA Regulation	A Zindlu	SAMRAS	30/06/2026	In Progress
271				Legal Process				A Zindlu	SAMRAS	30/06/2026	In Progress
273					B3	Councillor Arrear Management.	Legislation	A Zindlu	SAMRAS	30/06/2026	Not yet commenced
274					B3	Specialised Functionality for Third Party Interfaces (e.g. Staff Arrear Set Offs, Prepaid Vending Arrear Set Offs, Prepaid	Legislation	A Zindlu	SAMRAS	30/06/2026	Not yet commenced
275	Valuation Roll Management										
276	Valuation Roll Management		Valuations Module to give effect to the Municipal Property Rates Act, 2004, and as a minimum:	B3	Seamlessly integrate with the revenue management module.	Legislation	A Zindlu	SAMRAS / DDP	30/06/2026	In Progress	
277				B3	Integrate with the building control system used in the municipality to ensure completion of additions and new buildings get immediately updated on the billing sub-system.	Best Practice	A Zindlu / Building Control			In Progress	
278				B3	Integrate with the land use system to ensure appropriate tariffs is timeously applied.	Best Practice		AFLA system / SAMRAS	30/06/2026	In Progress	
279				B3	Integrate with the Surveyor General (SG) database and town planning systems in use at the municipality.	Best Practice	A Zindlu / Building Control	AFLA system / SAMRAS	30/06/2026	In Progress	
280				B3	Integrate with the deeds registry and monitor actual sales with current valuations as well as ownership against the billing system.	Best Practice				Not yet commenced	
281				B3	Validate and report anomalies in the asset register on municipal owned properties.	Best Practice	A Zindlu	Deeds office / DDP	30/06/2026	In Progress	
282				B3	Provide the municipal website with the Municipal Property Rates Act, 2004 required A&B valuation rolls.	Legislation	Warren	SAMRAS	30/06/2026	Not yet commenced	
283				Managing and calculation of property rates, special rating areas and service charges on a property subject to a number of requirements including but not limited to:	B3	The valuation of property will be performed in the separate (Computer Assisted Mass Appraisal) system and the individual property values and relevant property attributes passed to the Solution via an interface with valuation module. Data to be validated and managed within the Solution in compliance with legislation policies and business rules to enable calculation of property rates.	Legislation	A Zindlu / A Namntu	Website		Complete
284			B3		Property Rates and service charges are calculated at different tariffs depending on various criteria such as the category of the property.	mSCOA Regulation	A Zindlu	SAMRAS and DDP	30/06/2026	In Progress	
285			B3		Functionality is required to exempt certain categories of property and/ or certain categories of property owners from rates.	Legislation		SAMRAS		Complete	
286			B3		Functionality is required to calculate a rebate or a reduction in rates in compliance with the requirements of legislation and/ or business rules.	Legislation	A Zindlu	SAMRAS		Complete	
287			B3		Functionality is required for the phasing in of rates in compliance with legislation.	Legislation	A Zindlu	SAMRAS		Complete	
288			B3		Clearance Certificate Management to be online and comply with Section 118 of the Municipal Systems Act, 2000.	Legislation	A Zindlu	SAMRAS / Lexis Nexis	30/06/2026	Not yet commenced	

289	Land Use Building Control									
290	Land Use Building Control	Land use	Property maintenance	B3	Property register providing for all land in the municipal area.	Legislation	James Sijama / A Zindlu / IT / Town planning	SAMRAS / ESRI / D	feedback at the next meeting	Not yet commenced
291				B3	Town, township, suburb, street, erf, subdivision and sectional title detail must be aligned to the deeds office and Demarcation Board specifications.	Legislation	A Zindlu	SAMRAS / ESRI / D	30/06/2026	Not yet commenced
292				B3	Integration with billing and valuation systems.	Legislation	A Zindlu	SAMRAS / ESRI / D	30/06/2026	In Progress
293				B3	Alignment of ownership must be verifiable with the deeds office.	Legislation	A Zindlu	SAMRAS / Deeds o	30/06/2026	In Progress
294				B3	Property transfers, subdivisions, consolidations and zoning changes must be system process with work flow and document management driven.	Legislation	A Zindlu / Town planning	SAMRAS / AFLA	30/06/2026	In Progress
295		Special	Integration with external stakeholders	B3	Must be able to align property register with the Surveyor General register.	Best Practice	TBD	SAMRAS / ESRI / D	30/06/2026	Not yet commenced
296				B3	Where a 3rd party GIS system is used integration should be seamless.	Best Practice	TBD	SAMRAS / ESRI / D	30/06/2026	Not yet commenced
297				B3	Integration with the asset register for municipal properties.	Best Practice	TBD	SAMRAS / ESRI / D	30/06/2026	Not yet commenced
298		Building Control	Integration to the Town Planning function	B3	Building plan submission and approval.	Best Practice	Manager Building Control	AFLA / SAMRAS /	30/06/2026	In Progress
299				B3	Document management for building plans and zoning certificates.	Best Practice	Manager Building Control	AFLA / SAMRAS /	30/06/2026	In Progress
299.1		Capital contributions: Augmentation fees / Development charges	Additional	Additional	Capital contributions: Augmentation fees / Development charges	Additional	Technical Department (PMU) M Meiring/Felton	SAMRAS	30/06/2026	Not yet commenced
300	Revenue Cycle Billing									
301	Revenue Cycle Billing	Billing	Revenue management module that give effect to MFMA section 64 that also incorporatea:		<i>Additionally to the standard minimum functionality in the MFMA the billing system must:</i>					
302				B3	Measure and flag anomalies of the current database transaction (all services) against alternative information sources such as Surveyor General (SG), Deeds and valuation rolls to ensure completeness of actual billing;	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
303				B3	Calculate and account monthly for the provision of bad debt;	mSCOA Regulation	A Zindlu	SAMRAS	30/06/2026	Not yet commenced
304				B3	Integration of Prepaid at a minimum of a 'debtor per tariff' - code per region, monthly bill the consolidation sales amount and daily receipt the sales;	mSCOA Regulation	A Zindlu	SAMRAS/Utilities w	Feedback at the next meeting	Not yet commenced
305				B3	Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services;	Best Practice	A Zindlu	Pay@, Easy pay, utilities, cashier points, EFT		Complete
306				B3	Provide adequate information for spatial analysis in a GEOGRAPHICAL INFORMATION SYSTEM (GIS) system;	Best Practice	A Zindlu Gavin, Town Planning (Chris)	Esri (AFLA) / SAMR	30/06/2026	In Progress
307				B3	Create and Maintain Regional Structure;	mSCOA Regulation	A Zindlu	SAMRAS	Feedback at the next meeting	In Progress
308				B3	Integrate with valuation and property systems;	Best Practice	A Zindlu	DDP / SAMRAS	Feedback at the next meeting	In Progress
309				B3	Allow for multiple billing cycles;	Best Practice	A Zindlu	SAMRAS		Complete
310				B3	Create and maintain a tariff structure to comply with mSCOA Regulations;	mSCOA Regulation	A Zindlu	SAMRAS	Feedback at the next meeting	In Progress
311				B3	Produce monthly invoices to debtors and group accounts;	Legislation	A Zindlu	SAMRAS		Complete
312				B3	Allow for rebates and penalty levies.	mSCOA Regulation	A Zindlu	SAMRAS		Complete
313			Specific but not limited requirements	B3	Must have report writing capabilities for standard & Ad hoc reporting (daily, monthly & annual).	mSCOA Regulation	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
314				B3	Maintenance of tariffs as per the tariffing section.	Legislation	A Zindlu	SAMRAS	Feedback at the next meeting	In Progress
315				B3	Integrate with debt collection for disconnections and reconections.	Best Practice	A Zindlu	SAMRAS / Utility w	30/06/2026	In Progress
316				B3	Integration into 3rd party software for receive readings taken.	Best Practice	A Zindlu	SAMRAS / Routemaster		Complete

317		B3	Must be able to store infrastructure (metering) diagrams which will show the physical location of meter in order to be able to drill down to all of the relevant information concerning the meter in question.	Best Practice	A Zindlu	Routemaster (1) SA	30/06/2026	In Progress
318		B3	Must have a full process and document flow for terminations and re-connections of services and the relevant documentation.	Best Practice	A Zindlu	SAMRAS / Utility w	30/06/2026	In Progress
319		B3	Must integrate with the Geographical Information System (GIS) to the extent that reticulation of services can be viewed as a layer at any point in time within the context of the current property being worked on.	Best Practice	A Zindlu	Routemaster (1) SA	30/06/2026	In Progress
320	Billing Reporting and Tariff Maintenance	B3	Must be able to do consolidated billing of properties (all services and rates into one bill): As Municipalities are working within the determination of the Municipal Property Rates Act, 2004, a property relational database design is critical. The respective debtor is secondary to that.	Legislation	A Zindlu	SAMRAS		Complete
321		B3	Generate statements at any point in time and consolidate at customer level.	Best Practice	A Zindlu	SAMRAS	30/06/2026	In Progress
322		B3	Flexible tariff building structure and design. System must be capable of inclining block tariffs based on daily, monthly, or annual rate scales.	mSCOA Regulation	A Zindlu	SAMRAS	Feedback at the next meeting	In Progress
323		B3	Must allow for the maintenance of tariffs as per the tariffing section.	mSCOA Regulation	A Zindlu	SAMRAS	Feedback at the next meeting	In Progress
324		B3	Customer must be able to nominate between mailing, MMS or e-mailing of monthly statement.	Best Practice	A Zindlu	SAMRAS		Complete
325	Revenue receipting	B3	Must adhere to applicable legislation and by-laws.	Legislation	A Zindlu	SAMRAS		Complete
326		B3	Allow for all accepted payment methods at cashiers, including automated payment and clearing of card payments.	Best Practice	A Zindlu	SAMRAS		Complete
327			To accommodate fully automated processing of multiple receipting streams including but not limited to:					
328		B3	Payroll;	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
329		B3	Third Party vendors (e.g. Absa, Easy Pay, Prepaid Vendor, etc.);	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
330		B3	Cash Offices;	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
331		B3	Traffic;	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
332		B3	Other Municipal Directorates (e.g. Fresh Produce Market, Libraries, etc.).	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
333		B3	To cater for multiple bank accounts.	Best Practice	A Zindlu	SAMRAS		Complete
334		B3	Processing of payments at supervisor controlled cash offices to accommodate cashier opening, balancing and closing.	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
335		B3	Multiple daily and monthly online and automated reconciliations.	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
336		B3	Receipting to be online.	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	Not yet commenced
337		B3	Cash payments must be able to be processed during database server and network downtime.	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	In Progress
338		B3	All pay points and receipting streams to be uniquely identifiable in the sub ledger and general ledger.	Best Practice	A Zindlu	SAMRAS	Feedback at the next meeting	In Progress
339		B3	Receipting to also accommodate specialised payment types e.g. Rates Clearance, Arrear Debt arrangements, Assistance-to-the-Poor, Service Deposits, etc.	Best Practice	TBD	SAMRAS	Feedback at the next meeting	In Progress
340		B3	To accommodate the correction of erroneous and/or rejected receipts.	Best Practice	TBD			Not yet commenced
341		B3	Facility to reverse "refer to drawer"(R/D) for Cheques, debit orders and IVR payments.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
342		B3	To facilitate debit orders.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
343		B3	Printing and re-printing (marked as "Copy Receipt") of receipts.	Legislation	A Zindlu	SAMRAS	30/06/2026	In progress
344		B3	Interface with barcode scanner to scan account numbers from the statements.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced

345		B3	Recording of cheque details.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
346		B3	Reversal of receipt and associated interest where applicable.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
347		B3	While the billing process itself follows standard accounting practices for raising debit and credit transactions, the tariffs of charges and the business rules that govern the selection of the Appropriate tariff are complex. The Solution will provide functionality to calculate the amounts due for services and levies in accordance with the determined tariffs and business rules.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
348		B3	Calculate the income due to the municipality for services and/or products or property, on a regular, user defined and maintainable basis.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
349		B3	Generate invoices and/or statements for the amounts payable to the municipality on a regular, user defined and maintainable basis.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
350		B3	Group accounts into one or more 'billing cycles' based on user defined criteria.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
351		B3	Provides the facility to charge interest on arrears amount subject to certain user defined provisions and according to user maintainable rates.	mSCOA Regulation	A Zindlu	SAMRAS		Complete
352			Functionality is required to raise debit and credit transactions which are updated to a Debtor account. The functionality must provide for the following transaction sources:					
353		B3	Calculated transactions - these transactions will be the result of a calculation that is subject to user defined business rules to determine the tariff to be used, special conditions that may apply to be used, discounts or rebates to be applied etc.;	mSCOA Regulation	A Zindlu	SAMRAS		Complete
354		B3	Manually Input transactions - these transactions are captured by a user and will reflect all the details of the transaction;	mSCOA Regulation	A Zindlu	SAMRAS		Complete
355		B3	Electronic transactions - these transactions are received electronically, which then must be identified and raised to the relevant Debtor account.	mSCOA Regulation	A Zindlu	SAMRAS	30/06/2026	Not yet commenced
356		B3	Transactions will be classified by type e.g. billing transaction, receipt transaction, journal transaction etc. The definition of a transaction type must be user maintainable.	mSCOA Regulation	A Zindlu	SAMRAS		Complete
357		B3	All transactions, regardless of type and origin, must be date/time stamped and have the user/origin included in the record. A narration / description field must be available whereby a short description of the transaction can be recorded.	mSCOA Regulation	A Zindlu	SAMRAS		Complete
358		B3	Functionality is required to correct and recalculate incorrect accounts with full audit trail of actions taken to rectify the error. This could include the recalculation of interest over different financial periods at different rates. (MSA section 95f).	mSCOA Regulation	A Zindlu	SAMRAS	30/06/2026	Not yet commenced
359		B3	Account maintenance functionality is required to generate the necessary transactions to correct accounts which are in error by an authorised user with a full audit trail and maintenance report of actions taken to rectify the error. (MSA section 95f).	mSCOA Regulation	A Zindlu	SAMRAS		Complete
360		B3	Account maintenance functionality must produce 'hard copy' of all transactions generated to rectify the account to enable the user to verify and 'sign off' the action taken.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
361		B3	Functionality is required to categorise Debtors and Properties by a set of user defined parameters. The categories are used to create subsets of the Debtor Master for reporting, to establish appropriate tariffs and to determine billing cycles (MPRA section 3(3)(i)).	mSCOA Regulation	A Zindlu	SAMRAS		Complete
362		B3	Functionality is required to process different Debtor and property categories according to different business rule or time frames.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
363		B3	Tariffs are stored by effective date from inception and all history is retained to enable recalculation of accounts even over different tariff periods.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced

364		B3	Functionality is required for the system to automatically apply new tariffs from the effective date specified in the tariff record. At this time the 'current' tariff will receive a status of 'expired' and the 'new' tariff becomes 'current'.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
365		B3	It is important to note that in all areas of revenue calculation, rebates and/ or exemptions may be applied based on a single or on multiple criteria which may be applied to the Debtor account in an 'and/ or' context. The Solution must provide the required level of flexibility to cater for these variations.	Legislation	A Zindlu	SAMRAS	Feedback at the next meeting	In Progress
366		B3	Miscellaneous Charges: Certain miscellaneous charges may be raised at regular intervals (monthly, quarterly, annually) and fixed periods whilst others are raised on an ad hoc basis with automated escalation dates and percentages.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
367	Meter Management (credit and prepaid)	B3	Functionality is required to link the numbered meter that is used to measure the consumption of services to the er/ property on which the meter is installed. It is important to note that there may well be more than one meter per er/ property.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
368		B3	Functionality is required to categorise meters.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
369		B3	The Solution must be able to record the relationship of each meter to the property and track meter readings and relevant history of each meter individually.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
370		B3	Functionality is required to link the Debtor to the numbered meter that is used to measure the Debtor consumption of services. It is important to note that a Debtor may well be linked to a number of meters. (E.g. a landlord with a number of leased properties). (MSA section 95d).	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
371		B3	Functionality is required to create and maintain practical and efficient meter reading routes.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
372			Functionality is required to capture and record the meter reading and the date on which the meter was read. At least the following methods of capture must be provided, namely:		TBD	TBD	30/06/2026	Not yet commenced
373		B3	Capture via standard keyboard entry;	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
374		B3	Receiving meter readings electronically from a third party interface. Automated uploading and validation will be required.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
375		B3	Meter readings must be retained at a transaction level and may not be overwritten, deleted or adjusted. Errors must be rectified by entering a cancelling entry and entering the correct reading.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
376		B3	Functionality is required to calculate charges for services consumed according to user defined algorithm which may contain a number of variable factors in order to determine the correct tariffs to apply.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
377		B3	Functionality is required to raise the charges against a debtor's account according to a user defined billing cycle (which may coincide with the meter reading cycle for an area).	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
378		B3	In the event of a meter being read 'out of cycle' the charges may be raised to the debtors account on an 'ad hoc' basis. These charges raised must be visible on the debtor's account immediately, but will not generate an invoice immediately as it will be included on the standard invoice/ statement generated during the next billing cycle.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
379		B3	In the event that a meter reading is not received, functionality is required to calculate an estimated consumption, according to a user maintained algorithm.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
380		B3	Functionality is required to recalculate an account from all meter transaction history, taking into account any tariff changes, or from a specific starting point in the history on an ad hoc basis with the option to accept or discard the result. (i.e. the recalculation will be regarded as a 'what if' with the option to make it 'live').	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
381		B3	Meter management system must be integrated/ interfaced with the Billing Component.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
382			Prepaid electricity meters:					

383				B3	Functionality that is an integral part of the Billing interface to its prepaid vendor;	mSCOA Regulation	A Zindlu	SAMRAS and utility	30/06/2026	Not yet commenced
384				B3	Automated blocking and arrear set off functionality is required.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
385				B3	Water inventory managing.	mSCOA Regulation	A Zindlu / E Oosthuizen	TBD	30/06/2026	Not yet commenced
386				B3	Functionality is required to manage an inventory of Water Meters. This to be work flowed as certain steps are dependent on others.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
387					<i>Reports/ extracts including but not limited to:</i>		TBD	TBD	30/06/2026	Not yet commenced
388				B3	Water Meter maintenance management;	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
389				B3	Various statistical extracts and reports.	Best Practice	TBD	TBD	30/06/2026	Not yet commenced
390	Real Estate									
391	Real Estate	Rental	Rent out		Maintain a rent register for rental properties.	Optional	James Sijama	SAMRAS	30/06/2026	Not yet commenced
392					Holiday resort systems.	Optional	James Sijama	SAMRAS	30/06/2026	Not yet commenced
393					Automated rent renewals with workflow and document management.	Optional	James Sijama	SAMRAS	30/06/2026	Not yet commenced
394					Link to debtors system for collection of rent.	Optional	James Sijama	SAMRAS	30/06/2026	Not yet commenced
395					Link to valuation system.	Optional	James Sijama	SAMRAS	30/06/2026	Not yet commenced
396					Link to asset register.	Optional	James Sijama	SAMRAS	Feedback at the next meeting	Not yet commenced
397			Facilities		Facilities rental module updated from receipting with workflow refunds.	Optional	James Sijama	SAMRAS	30/06/2026	Not yet commenced
398			Rent in		Lease register with work flow and document management.	Optional	James Sijama	TBD	30/06/2026	Not yet commenced
399					Automated payment scheduling.	Optional	James Sijama	TBD	30/06/2026	Not yet commenced
400		General Processes	Maintenance		Maintenance module for properties and facilities.	Optional	James Sijama	SAMRAS	30/06/2026	Not yet commenced
401					Facilities Management (Maintenance).	Optional	James Sijama	SAMRAS	30/06/2026	Not yet commenced
402	Project Accounting									
	Project Accounting	Project Creation & Planning			A comprehensive project module that allows for integrated development plan (IDP) objectives to be transferred into the project module for planning, budgeting and ultimately reporting purposes.	Best Practice				In Progress
403							T Henge	SAMRAS	30/06/2026	
404					The municipal budget module must be aligned to the project module.	Best Practice				In Progress
405					Projects registered in the project module must be aligned to the mSCOA Project segment.	Best Practice	C Payle	SAMRAS	30/06/2026	In Progress
							Project owners	SAMRAS	30/06/2026	
406					All segmentation of mSCOA must be incorporated into the project module, whereby a project based budget is produced, informed by the integrated development plan (IDP) and giving input to the annual service delivery- and budget implementation plan (SDBIP).	Best Practice				In Progress
							Project owners	SAMRAS	30/06/2026	
407					Capital acquisition, maintenance and replacements must be driven from the project module.	Best Practice				In Progress
							Project owners	SAMRAS	30/06/2026	
408							Project owners	SAMRAS	30/06/2026	
409		Project Management	Project Management Unit (PMU)		Project management and stakeholder inputs must be controlled by clear business processes and user access controls.	Best Practice				Not yet commenced
							Project owners	TBD	30/06/2026	
410					Projects not completed within a financial year must be carried over and work-in-progress (WIP) items registered.	Best Practice				Not yet commenced
							Project owners	TBD	30/06/2026	
411					Project managers should have full access to their projects within the limitations of the budget and internal policies.	Best Practice				Not yet commenced
							Project owners	TBD	30/06/2026	
412					Workflow processes must assist in project maintenance.	Best Practice				Not yet commenced
							Project owners	TBD	30/06/2026	

413			Strict budget control as per the approved integrated development plan (IDP) must be maintained.	Best Practice	Project owners	TBD	30/06/2026	Not yet commenced
414			A Safety, Health and Environmental (SHE) module to comply with general Health and Safety Regulations should be incorporated within the system. (For example the Construction Regulations, the Occupational Health and Safety (OHS) Act, 1993, General Administrative Regulations, General Safety Regulations and the National Environmental Management Act, 1998)	Best Practice	Project owners	TBD	30/06/2026	Not yet commenced
415			Regulatory Safety, Health and Environmental (SHE) documentation must be available in a document management tool with defined check lists and milestones.	Best Practice	Project owners	TBD	30/06/2026	Not yet commenced
416			Health and safety incidents must be recorded and managed on the system and reported as per legislation.	Best Practice	Project owners	TBD	30/06/2026	Not yet commenced
	User proficiency and training (Consideration should be given to training in the establishment of user support groups and the availability of user manuals on the system)				mSCOA Champion		As needed	Continuous
	Change management initiatives to ensure that mSCOA is institutionalised as an organisational reform				mSCOA Champion		As needed	Continuous
417	Maintain queries log				mSCOA Champion / System analyst		Feedback at the next meeting	Continuous
418	Monitoring of implementation				mSCOA Champion		Feedback at the next meeting	Continuous
419	Updating of risk register				mSCOA Champion		Feedback at the next meeting	Continuous
420	Sign-off implementation plan - keep proof for audit file				mSCOA Steering Committee		Feedback at the next meeting	Not yet commenced

BITOU DEMAND MANAGEMENT PLAN FOR 2025 / 2028

#	Tender Number	Project Description	Directorate	Funding Source	2024/2025 (Value in Rand)	2025/2026 (Value in Rand)	2026/2027 (Value in Rand)	Local SMME Target	
1	SCM/2024/45/ENG	Construction of Engineering Services for Ebenezer (Phase 3, Portion 2) - 300 sites for the period ending 30 June 2027.	COMM	HSDG	29 000 000,00	23 125 000,00	-	Yes	30%
2	SCM/2024/46/ENG	Construction of Engineering Services for Ebenezer (Phase 3, Portion 3) - 211 sites for the period ending 30 June 2027.	COMM	HSDG	34 500 000,00	-	-	Yes	30%
3	SCM/2023/128/ENG	Supply and Delivery of Pump Station Equipment for the period ending 30 June 2027.	ENG	AFR	2 092 516,00	2 608 752,00	-	No	
4	SCM/2024/10/ENG	Upgrading of Stormwater in Bitou Areas	ENG	CAPEX	11 600 000,00	-	-	Yes	30%
5	SCM/2024/95/COMM	Collection of Recyclable Waste Services for the period ending 30 June 2027.	COMM	OPEX	1 340 000,00	1 450 000,00	1 550 000,00	Yes	20%
6	SCM/2023/128/ENG	Supply and Delivery of Pump Station Equipment for the period ending 30 June 2027.	ENG	AFR	2 500 000,00	2 500 000,00	-	No	
7	SCM/2024/101/ENG	Provision and Maintenance of SCADA and Protection System for the period ending 30 June 2027.	ENG	AFR	850 000,00	900 000,00	950 000,00	Yes	30%
8	SCM/2025/44/FIN	Supply and Delivery of Hygiene Products for the period ending 30 June 2027.	FIN	OPEX	1 700 000,00	1 800 000,00	1 900 000,00	Yes	100%
9	SCM/2025/46/FIN	Supply and Delivery of Municipal Refuse Bags for the period ending 30 June 2027.	FIN	OPEX	2 000 000,00	2 200 000,00	2 400 000,00	Yes	100%
10	SCM/2025/52/FIN	Supply and Delivery of Municipal Cleaning Materials for the period ending 30 June 2027.	FIN	OPEX	1 200 000,00	1 400 000,00	1 500 000,00	Yes	100%
11	SCM/2025/53/FIN	Supply and Delivery of Municipal Tools & Equipment for the period ending 30 June 2027.	FIN	OPEX	1 500 000,00	1 600 000,00	1 800 000,00	Yes	100%
12	SCM/2024/104/ENG	Natures Valley Bulk Water Supply Phase 2: Replacement of Reservoir.	ENG	BORROWINGS	4 500 000,00	-	-	Yes	20%
13	SCM/2024/119/ENG	Supply and Delivery of New Vehicles for the period ending 30 June 2027.	ENG	CAPEX / GRANT & BORROWINGS	6 490 000,00	15 300 000,00	9 400 000,00	No	
14	SCM/2025/12/COMM	Request for Propasal for the lease of a Portion of Erf R/237 Moby Dick's for a Period of 30 years.	COMM	INCOME	-	-	-	No	
15	SCM/2025/13/COMM	Request for Propasal for the lease of Restaurant Premises (Currently known as Grand Africa) Situate at Lookout Beach for a Period of 10 years.	COMM	INCOME	-	-	-	No	

BITOU DEMAND MANAGEMENT PLAN FOR 2025 / 2028

#	Tender Number	Project Description	Directorate	Funding Source	2024/2025 (Value in Rand)	2025/2026 (Value in Rand)	2026/2027 (Value in Rand)	Local SMME Target	
16	SCM/2025/15/ENG	Plant and Machinery Hire for the period ending 30 June 2027.	ENG	OPEX	1 400 000,00	1 500 000,00	1 600 000,00	No	
17	SCM/2025/02/CORP	Provision of Learner and Driver License Training for a Period Ending 30 June 2027.	CORP	OPEX	180 000,00	200 000,00	230 000,00	No	
18	SCM/2025/03/CORP	Provision of Occupational Health and Safety Training for a Period Ending 30 June 2027.	CORP	OPEX	150 000,00	170 000,00	190 000,00	No	
19	SCM/2025/04/CORP	Provision of Supervisory Skills Training for a Period Ending 30 June 2027.	CORP	OPEX	1 450 000,00	1 450 000,00	1 450 000,00	No	
20	SCM/2025/05/CORP	Provision of Small Plant Machinery Training for a Period Ending 30 June 2027	CORP	OPEX	334 870,70	368 375,00	405 192,70	No	
21	SCM/2025/06/COMM	Provision of Security Services fixed term cotract for a Period Ending 30 June 2028.	COMM	OPEX	11 000 000 ,00	11 300 000 ,00	11 500 000 ,00	No	
22	SCM/2025/80/FIN	Supply and Delivery of Municipal Office Supplies for the Period Ending 30 June 2027.	FIN	OPEX	1 500 000,00	1 600 000,00	1 700 000,00	Yes	100%
23	SCM/2025/27/ENG	Perform Electrical Installation, Maintenance and Repair Work on the HV, MV and LV Network for the period ending 30 June 2027.	ENG	OPEX / CAPEX	22 010 000,00	-	-	N/A	N/A
24	SCM/2025/29/CORP	Inoculation of employees in High Risk Areas for a period ending 30 June 2027.	CORP	OPEX	100 000,00	120 000,00	160 000,00	N/A	N/A
25	SCM/2025/40/CORP	Provision of Municipal Website System Support Services for the period ending 30 June 2030.	CORP	OPEX	56 700,00	59 535,00	62 512,00	No	N/A
26	SCM/2025/89/ENG	Supply and delivery of 2 x raw water pumps at the Roodefontein Raw Water Pumpstation.	ENG	CAPEX	2 092 516,00	-	-	N/A	N/A
27	SCM/2025/91/EDP	Re-advertisement of Demolition of Existing Partially Completed Building Structure on ERF 156, Plettenberg Bay.	EDP	OPEX	3 500 000,00	-	-	N/A	N/A
28	SCM/2025/87/MM	Provision of Forensic Investigation services for a period ending 30 June 2027.	MM	OPEX	1 000 000,00	1 000 000,00	-	N/A	N/A
29	SCM/2025/35/ENG	Resurfacing, rehabilitation and automated pothole patching of roads, for the period ending 30 June 2027.	ENG	CAPEX	8 000 000,00	8 000 000,00	8 000 000,00	No	N/A
30	SCM/2025/36/ENG	Project on the Construction of Pine Trees and Bossisgif link road	ENG	CAPEX	-	500 000,00	6 500 000,00	Yes	30%

BITOU DEMAND MANAGEMENT PLAN FOR 2025 / 2028

#	Tender Number	Project Description	Directorate	Funding Source	2024/2025 (Value in Rand)	2025/2026 (Value in Rand)	2026/2027 (Value in Rand)	Local SMME Target	
31	SCM/2025/37/ENG	Commissioning of New High Mast Lights for the period ending 30 June 2025.	ENG	AFR	680 000,00	700 000,00	720 000,00	Yes	30%
32	SCM/2025/38/ENG	Upgrading of Sand Filter: Plett WTW for the period ending 30 June 2027.	ENG	AFR	1 500 000,00	4 000 000,00	1 000 000,00	Yes	10%
33	SCM/2025/39/CORP	Supply, Delivery and Commissioning of Plotters and Plotter Maintenance, as well as Servicing and Repairsfor the period ending 30 June 2030.	CORP	OPEX / CAPEX	100 000,00	100 000,00	100 000,00	No	N/A
34	SCM/2025/41/COMM	Supply and Delivery of Tools and Loose Gear: Fire Services for the period ending 30 June 2027.	COMM	CAPEX	500 000,00	350 000,00	250 000,00	Yes	20%
35	SCM/2025/42/COMM	Supply and Delivery of HazMat Specialised Tools for the period ending 30 June 2027.	COMM	CAPEX	350 000,00	500 000,00	350 000,00	Yes	20%
36	SCM/2025/43/ENG	Construction of Plettenberg Bay Clearwater Pump Station and Treatment Works for the period ending 30 June 2027.	ENG	MIG	4 442 655,65	-	-	Yes	10%
37	SCM/2025/45/FIN	Supply and Delivery of Fleet Oil, Lubricants and Consumables for the period ending 30 June 2027.	FIN	OPEX	2 000 000,00	3 000 000,00	5 000 000,00	Yes	100%
38	SCM/2025/47/COMM	Supply & Delivery of Fire Fighting Foams for the period ending 30 June 2027.	COMM	OPEX	150 000,00	175 000,00	200 000,00	No	
39	SCM/2025/48/ENG	Perform Electrical Installation and Maintenance Work within Bitou for the period ending 30 June 2027	ENG	OPEX	11 000 000,00	13 000 000,00	15 000 000,00	YES	30%
40	SCM/2025/49/ENG	Supply and Delivery of Construction Material for the period ending 30 June 2027.	ENG	OPEX	1 050 000,00	1 150 000,00	1 200 000,00	Yes	100%
41	SCM/2025/55/ENG	Project on Bitou Water Pipeline Replacement for the period ending 30 June 2027.	ENG	AFR	2 000 000,00	3 000 000,00	-	Yes	30%
42	SCM/2025/56/CORP	Supply and Delivery, as well as the Maintenance of Fire Hoses and Extinguishers and Fire Buckets for the period ending 30 June 2027.	CORP	OPEX	500 000,00	600 000,00	800 000,00	No	
43	SCM/2025/57/CORP	Supply and Delivery of First Aid Kits for the period ending 30 June 2027.	CORP	OPEX	300 000,00	400 000,00	500 000,00	Yes	100%
44	SCM/2025/106/COMM	Supply and Delivery of Aerial Fire Fighting Services	COMM	OPEX	500 000,00	-	-	No	
45	SCM/2025/59/ENG	Supply & Delivery of Workshop Tools & Equipment for the period ending 30 June 2027.	ENG	AFR	100 000,00	100 000,00	100 000,00	No	

BITOU DEMAND MANAGEMENT PLAN FOR 2025 / 2028

#	Tender Number	Project Description	Directorate	Funding Source	2024/2025 (Value in Rand)	2025/2026 (Value in Rand)	2026/2027 (Value in Rand)	Local SMME Target	
46	SCM/2025/60/COMM	Bulky Waste Disposal for the period ending 30 June 2027.	COMM	CAPEX	500 000,00	600 000,00	700 000,00	Yes	100%
47	SCM/2025/104/COMM	Supply & Delivery of Cooked Meals for Emergency Personnel for the period ending 30 June 2027.	COMM	OPEX	150 000,00	180 000,00	195 000,00	Yes	100%
48	SCM/2025/62/COMM	Project on Bitou Replacement of Fire Services Vehicles for the period ending 30 June 2027.	COMM	CAPEX + GRANT	3 000 000,00	3 500 000,00	4 000 000,00	Yes	20%
49	SCM/2025/63/COMM	Project on Alterations and Upgrades at Bitou Fire Stations for the period ending 30 June 2027.	COMM	CAPEX	900 000,00	500 000,00	-	Yes	100%
50	SCM/2025/64/COMM	Provision of Indigent / Pauper Burial Services for the period ending 30 June 2027.	COMM	OPEX	350 000,00	400 000,00	450 000,00	Yes	100%
51	SCM/2025/65/COMM	Upgrading and Repairs to Rented Municipal Houses.	COMM	CAPEX	300 000,00	-	-	Yes	100%
52	SCM/2025/66/ENG	Provision of Security at Key Sites for the period ending 30 June 2027.	ENG	AFR	200 000,00	200 000,00	200 000,00	No	
53	SCM/2025/67/CORP	Provision of Public Advertisement Agency Services for the period ending 30 June 2027.	CORP	OPEX	800 000,00	900 000,00	1 000 000,00	Yes	100%
54	SCM/2025/68/FIN	Supply and Delivery of Municipal Printing Paper for the Period Ending 30 June 2027.	FIN	OPEX	2 000 000,00	2 200 000,00	2 400 000,00	Yes	100%
55	SCM/2025/69/FIN	Supply and Delivery of Maintenance and Building Materials for the period ending 30 June 2027.	FIN	OPEX	1 500 000,00	1 700 000,00	2 000 000,00	No	
56	SCM/2025/70/ENG	Towing services as and when required for priod ending 30 June 2027	ENG	OPEX	70 000,00	80 000,00	90 000,00	Yes	100%
57	SCM/2025/71/EDP	Provision, Supply and Delivery of Security Services and Equipment against Land Invasion (Erf.....)	EDP	GRANT (DPW)	10 000 000,00	-	-	No	
58	SCM/2025/72/ENG	Project on Cleaning of Roads, Stormwater Channels, and Manholes in Bitou Residential Areas for the period ending 30 June 2027.	ENG	OPEX	1 200 000,00	1 200 000,00	1 200 000,00	Yes	100%
59	SCM/2025/73/ENG	Clearing of Waste Pipes and Blockages to Remedy Algae and Smell in Kwanokuthula, along N2.	ENG	OPEX	2 000 000,00	-	-	No	
60	SCM/2025/74/COMM	Clearing of Illegal Dumping Spots for the period ending 30 June 2027.	COMM	OPEX	500 000,00	600 000,00	700 000,00	Yes	100%

BITOU DEMAND MANAGEMENT PLAN FOR 2025 / 2028

#	Tender Number	Project Description	Directorate	Funding Source	2024/2025 (Value in Rand)	2025/2026 (Value in Rand)	2026/2027 (Value in Rand)	Local SMME Target	
61	SCM/2025/75/ENG	Construction of Security Fencing at Waste Water Treatment Plants for the period ending 30 June 2027.	ENG	BORROWINGS	2 000 000,00	3 000 000,00	1 000 000,00	Yes	30%
62	SCM/2025/76/ENG	Project on Replacement of Electrical Assets in Plettebnerg Bay for the period ending 30 June 2027.	ENG	AFR	1 200 000,00	3 499 200,00	4 102 675,00	No	
63	SCM/2025/77/COMM	Safe-Keeping of Stray / Impounded Animals for the period ending 30 June 2027.	COMM	OPEX	50 000,00	150 000,00	250 000,00	No	
64	SCM/2025/78/COMM	Handling, Removal, Transportation and Cremation of Dead Seals / Animal Carcasses, as well as Hazardous Waste for the period ending 30 June 2027.	COMM	OPEX	100 000,00	200 000,00	300 000,00	Yes	100%
65	SCM/2025/79/COMM	Maintenance and Refurbishment of Kurland Village-Waste-Drop-Off Facility for the period ending 30 June 2027.	COMM	CAPEX	1 800 000,00	2 000 000,00	2 200 000,00	Yes	30%
66	SCM/2025/81/ENG	Project on Bitou Replacement of Faulty MV Meter Units for the period ending 30 June 2027.	ENG	AFR	850 000,00	900 000,00	950 000,00	No	
67	SCM/2025/82/ENG	Supply, Delivery and Commissioning of a New 20MVA / 11KV Transformer and all Related Equipment in Brakkloof for the period ending 30 June 2027.	ENG	BORROWINGS	7 661 000,00	8 165 000,00	-	Yes	30%
67	SCM/2025/83/CORP	Provision of Telkom/BCX Fibre & Telephony Services for the period ending 30 June 2030.	CORP	OPEX / CAPEX	1 500 000,00	1 600 000,00	1 700 000,00	No	
69	SCM/2025/116/COMM	Supply & Delivery of Fire Fighters Protective Gear for the period ending 30 June 2027.	COMM	OPEX	500 000,00	525 000,00	550 000,00	No	
70	SCM/2025/114/COMM	Supply & Delivery of Fire Fighters Uniform for the period ending 30 June 2027.	COMM	OPEX	250 000,00	275 000,00	300 000,00	No	
71	SCM/2025/18/COMM	Supply, Maintenance, Repairs and Testing of Self-Contained Breathing Apparatus and Accessories for the period ending 30 June 2027.	COMM	OPEX	150 000,00	175 000,00	190 000,00	No	
72	SCM/2025/19/FIN	Provision of Banking Services for the period ending 30 June 2030.	FIN	OPEX	5 000 000,00	6 500 000,00	7 400 000,00	No	
73	SCM/2025/22/ENG	Supply and Delivery of Electrical Machinery and Equipment for the period ending 30 June 2027.	ENG	AFR	201 523,00	1 492 048,00	200 000,00	No	
74	SCM/2025/23/ENG	Upgrading of O/H to U/G Network (LV) in Plettenberg Bay for the period ending 30 June 2027.	ENG	BORROWINGS	2 000 000,00	2 000 000,00	2 000 000,00	Yes	30%
75	SCM/2025/24/CORP	Provision of Fire Suppression Services for the period ending 30 June 2030.	CORP	OPEX / CAPEX	15 750,00	16 538,00	17 364,00	No	N/A

BITOU DEMAND MANAGEMENT PLAN FOR 2025 / 2028

#	Tender Number	Project Description	Directorate	Funding Source	2024/2025 (Value in Rand)	2025/2026 (Value in Rand)	2026/2027 (Value in Rand)	Local SMME Target	
76	SCM/2025/25/ENG	Project on Replacement of Faulty Electricity Cables in Wittedrift for the period ending 30 June 2027.	ENG	BORROWINGS	1 040 000,00	-	-	Yes	30%
77	SCM/2025/26/ENG	Upgrading of Electricity Network in Keurbooms for the period ending 30 June 2027.	ENG	BORROWINGS	1 100 000,00	1 900 000,00	-	Yes	30%
78	SCM/2025/28/COMM	Supply and delivery of Bullet proof vests for a period ending 30 June 2027.	COMM	CAPEX	260 000,00	-	-	No	N/A
79	SCM/2025/30/COMM	Supply and delivery of Hand guns, registration and licensing for a period ending 30 June 2027.	COMM	CAPED	200 000,00	-	-	No	N/A
80	SCM/2025/98/CORP	Provision of Operational ICT Maintenance , Support, Services, Equipment and Software Renewals for the period ending 30 June 2030.	CORP	CAPEX	4 137 108,00	4 557 963,00	4 785 861,00	No	N/A
81	SCM/2025/32/ENG	Construction of Culdesac Streets for the period ending 30 June 2027.	ENG	CAPEX	1 000 000,00	1 500 000,00	2 500 000,00	Yes	30%
82	SCM/2025/51/FIN	Supply & Delivery of Protective Clothing for a Period Ending 30 June 2024.	FIN	OPEX	3 500 000,00	4 000 000,00	5 000 000,00	Yes	50%
83	SCM/2025/33/CORP	Crowd Control Management and Public Order Training for a Period Ending 30 June 2027.	CORP	OPEX	300 000,00	400 000,00	500 000,00	No	N/A
84	SCM/2025/34/FIN	Provision of Financial Management Services for the period ending 30 June 2030.	FIN	OPEX	1 700 000,00	1 900 000,00	2 100 000,00	No	N/A
85	SCM/2025/122/CORP	Municipal Minimum Competency Levels Training Programme for a Period Ending 30 June 2028.	CORP	OPEX	450 000	470 000	490 000	No	N/A
86	SCM/2021/55/CORP	Supply and Support Bulk SMS and Unified Messaging Platform Software and Service for the period ending 30 June 2030.	CORP	OPEX	200 000,00	240 000,00	280 000,00	No	N/A
87	740 CONTRACT	Business Agreement between Bitou & SITA for the period ending 30 June 2030.	CORP	OPEX / CAPEX	750 000,00	600 000,00	800 000,00	No	N/A
88	SCM/2025/146/FIN	Supply and Delivery of Fleet Tyres for the period ending 30 June 2027.	FIN	OPEX	4 000 000,00	5 000 000,00	6 000 000,00	Yes	N/A
89		Project on Bitou Sewer Pipeline Replacement for the period ending 30 June 2027.	ENG	AFR	2 000 000,00	3 000 000,00	-	Yes	N/A
90	SCM/2023/28/ENG SCM/2021/61/ENG	Upgrading of Kranshoek Sportfield Floodlighting for the period ending 30 June 2027.	COMM	MIG	2 955 255,00	-	-	Yes	20%

BITOU DEMAND MANAGEMENT PLAN FOR 2025 / 2028

#	Tender Number	Project Description	Directorate	Funding Source	2024/2025 (Value in Rand)	2025/2026 (Value in Rand)	2026/2027 (Value in Rand)	Local SMME Target	
91	SCM/2025	Supply and Delivery of Maintenance and Building Materials for the period ending 30 June 2028	COMM	OPEX	4 648 210,79	6 126 195,12	6 215 452,06	No	
92	SCM/2025	Social Cohesion through Recreation, Sports, Arts, and Culture for the period ending 30 June 2028	COMM	OPEX	430 000,00	-	-	Yes	100%
93	SCM/2025	Removal of Hazardous Waste for the period ending 30 June 2028	COMM	OPEX	872 500,00	937 881,25	920 840,00	No	
94	SCM/2025	Provision of Alien Vegetation Control for the period ending 30 June 2028	COMM	OPEX	730 000,00	750 000,00	776 600,00	Yes	100%
95	SCM/2025	Pest Control and Fumigation for the period ending 30 June 2028	CORP	OPEX	560 600,00	651 236,00	700 000,00	Yes	100%
96	SCM/2025	Design, supply, installation, and maintenance of various types of signage for the period ending 30 June 2028	CORP	OPEX	656 500,00	773 326,00	798 190,40	Yes	100%
97	SCM/2025	Provision of Corporate Branding for period ending 30 June 2028	CORP	OPEX	3 363 112,22	3 533 480,44	3 668 704,70	Yes	100%
98	SCM/2025	Supply and Delivery of Corporate Clothing for the period ending 30 June 2028	CORP	OPEX	3 363 112,22	3 533 480,44	3 668 704,70	Yes	100%
99	SCM/2025	Provision of Indigent and Pauper Funeral Services for the period ending 30 June 2028	COMM	OPEX	130 000,00	138 000,00	132 000,00	Yes	100%
100	SCM/2025	Provision of Maintenance of Equipment and Machinery for the period ending 30 June 2028	COMM	OPEX	2 646 950,00	2 769 821,50	2 432 080,00	Yes	100%
101	SCM/2025	Provision of Courier Services for the period ending 30 June 2028	CORP	OPEX	57 630,00	60 317,60	54 226,50	Yes	100%
102	SCM/2025	Provision of Recycling Services for the period ending 30 June 2028	COMM	OPEX	380 000,00	-	-	Yes	100%
103	SCM/2025	Litter Picking and Steet Services for the period ending 30 June 2028	COMM	OPEX	100 000,00	100 000,00	100 000,00	Yes	100%
104	SCM/2025	Greenwaste chipping and provision of dumping facility for the period ending 30 June 2028	COMM	OPEX	250 000,00	250 000,00	250 000,00	Yes	100%
105	SCM/2025	Removal of Structures and Illegal Signs for the period ending 30 June 2028	EDP	OPEX	2 045 000,00	110 000,00	117 000,00	Yes	100%

BITOU DEMAND MANAGEMENT PLAN FOR 2025 / 2028

#	Tender Number	Project Description	Directorate	Funding Source	2024/2025 (Value in Rand)	2025/2026 (Value in Rand)	2026/2027 (Value in Rand)	Local SMME Target	
106	SCM/2025	Business and Advisory: Commissions and Committees for the period ending 30 June 2028	COMM	OPEX	245 000,00	250 000,00	255 000,00	No	
107	SCM/2025	Municipal Outrich Programmes for the period ending 30 June 2028	COMM	OPEX	350 000,00	-	-	Yes	100%
108	SCM/2025	Panel of Service Providers for Provision of Stage, Sound, Catering, and Event Management Services for the period ending 30 June 2028	FIN	OPEX	650 000,00	-	-	Yes	100%
109	SCM/2025	Supply and Delivery of Municipal Office Supplies for the period ending 30 June 2028	FIN	OPEX	10 612 581,19	11 319 384,48	9 704 412,58	No	
110	SCM/2025	Panel of Service Providers for Provision of Transport Services for the period ending 30 June 2028	MM	OPEX	144 972,40	87 850,74	65 708,39	Yes	100%

Public Input on the draft budget

The input received as part of the public participation process is summarised hereunder:

Input/Objection 1

Objection received from attorneys Messrs. Pearce, du Toit & Moodie on behalf of the owner of Erf 50 Plettenberg Bay, J Farr Trust.

In summary, the objection relates to the definition of a business unit as per the municipal tariff policy and the interpretation and application of the municipal tariff policy in respect of the of the unitary charge made applicable to each business units for water and sanitation where a property is supplied with water and sanitation services through a single connection. It is the submission of the objector that only one charge for water and sanitation should be applied irrespective of the fact that the subject property consists of 21 shops varying from 37 to 312 square meters in extent. The principle of fairness in application of the Tariff is questioned as well as the principles of tariff setting as prescribed in the legislative framework.

The complete objection document is not included in the budget documents as it contains further arguments and information not relevant to the budget process.

Response to Input/Objection 1

The tariff Policy

The tariff policy was amended by expanding on the definition of "Business unit", it did not change the essence of what a business unit entails and therefore the reference of a section of the building representing a business unit still remain.

A Business unit is therefore, for clarity defined as follows: "Business unit". in relation to any premises, means a building or section of a building or containers, occupied or used for shops, offices, hotel rooms accommodation establishments, caravan parks etcetera."

Various definitions and interpretations of the term business units, through a simple internet search confirm the principle that a business unit is construed as a unit with common features of a specific purpose composed of people with different skills and knowledge having their own goals and objectives, which is confirmed by yourselves in the listing of shops and businesses accommodated in the various portions of the premises in question.

The Municipality therefore maintain that the definition, interpretation and application of the principle whereby a business unit is defined, is relevant and appropriate for the application of the tariffs as per the tariff listing.

A Basic Charge is defined in the tariff policy as follows:

"Basic charge", is a charge intended for the recovery of the fixed and overhead cost components associated with a service, irrespective of the extent to which a service is consumed or used, it covers inter-alia cost associated with distribution, maintaining the reticulation network and other infrastructure and equipment and billing-related costs, institutional cost, and other administrative costs , plus the cost of the meter, servicing and reading the meter, mailing the bills and maintaining customer records.

The essence of the term has not changed, and the amendment only serves to provide additional information on the purpose of the basic charge.

The purpose of the basic charge is not limited to the cost of reading and maintain the meter, it relates to the overhead cost of the water and sanitation service, the maintaining of the network and associated infrastructure, staffing cost, etcetera.

The guidelines for compulsory national standards issued in supporting the Regulations issued under Section 10 of the Water Services Act, (Act 108 of 1997), determine the following respect of Service Tariffs with specific reference to fixed charges “ Any tariff set by a water services institution for the supply of water services to a consumer may include a fixed charge regardless of the amount of water that is consumed or effluent that is disposed of, there are fixed costs that are incurred by a water services institution that must be recovered. This includes for example, the costs of employing staff, maintaining equipment and infrastructure, metering, billing and running offices.

In the case of Bitou Municipality these fixed charges are billed to customers as the basic charge. As per the above extract these charges relate to both water and sanitation charges.

The Municipal Water Bylaw, promulgated on 20 October 2009, in Provincial Gazette 6668, Section 32(8) reads as follows ” Where in the opinion of the municipality it is not reasonably possible or cost effective to measure water supplied to each consumer within a determined zone, the municipality may in terms of its tariff policy determine a basic tariff or charge to be paid by each consumer within that zone irrespective of actual consumption.”

The Bylaw, under paragraph 5 further determines the following in respect of fixed charges for water Services:

5. Fixed charges for water services

(1) The municipality may, in addition to the tariffs or charges prescribed for water services actually provided, levy a monthly fixed charge, annual fixed charge or once-off fixed charge in respect of the provision of water services in accordance with—

(a) its tariff policy;

(b) any by-law in respect thereof; and

(c) any regulations in terms of Section (10) of the Act.

(2) Where a fixed charge is levied in terms of Subsection (1), it shall be payable by every owner or consumer in respect of water services provided by the municipality to him, her or it, whether or not water services are used by him, her or it.

Sewer Charges

Similar to the acknowledgement of the objector that the individual shops have water connections, it is assumed that they generate effluent that is disposed of in the municipal wastewater system. Effluent in accordance with the Department of Water and Sanitation, Norms and Standards, 2015, schedule 2, point 2 (d) includes wastewater arising from domestic and commercial activities and premises, which may contain sewage. In addition, thereto the municipal sanitation Bylaw defines sewage as follows; “sewage” means wastewater, industrial effluent, standard domestic effluent and other liquid waste, either separately or in combination. It is therefore not a requirement that a toilet must be present to generate effluent disposed in the wastewater system of the municipality.

Like the determination of fixed charges for water services, the Department of Water and Sanitation, Norms and Standards, 2015 defines fixed charges as “a constant charge levied for any determined period irrespective of the amount of effluent discharged or disposed of”

The Bitou Municipality, Sanitation Bylaw Section 51(2) determines that Charges shall be payable in terms of the municipality’s tariff policy when the service is rendered which fact is not in dispute, and Section 54 determine the liability in respect of multiple customers on the same premises whereby the owners, or the persons having charge, or management of the premises, as the case may be will be liable to the municipality for the tariffs and charges for all sewage disposed from the premises through such a single connecting sewer, irrespective of the different quantities disposed by the different consumers served by such connecting sewer.

There is an acknowledged that the shops/business units in question, indeed have on-premises water connections and do generate wastewater effluent that is connected to the water-borne sewer system of the municipality.

This confirms the position of the municipality in accordance with the Chapter 1, general provisions of the water By-law, specifically paragraph 2 wherein it is stated as follows in respect of the application of services:

“Where a premises or consumer are provided with water services, it shall be deemed that an agreement in terms of subsection (1) exists, Section (1) refers to the access to the water supply system and the sewage disposal system.

It is the position of the municipality that it is justified to charge each individual tenant a basic sewer charge as the individual shops or business units are indeed provided with water connections and do generate effluent disposed into the sewer system of the municipality, the effluent generated is not limited to toilets alone and effluent generated through any wastewater system or process is therefore taken into account.

The sanitation By-law paragraph 51 (2) confirms that Charges shall be payable in terms of the municipality’s tariff policy when the service is rendered.

The Local Government Municipal Systems Act, (Act 32 of 2000)

The tariff policy does contain the principle of equity, as all similar customers are treated the same in respect of the applicability of the tariff to customers where multiple business units are situated on one premises. The tariff policy is applied consistently to all similar categories of consumers in the entire area of jurisdiction of Bitou municipality confirming the fairness in the application thereof.

Although Section 74(2)(b) refers to payment in proportion to the usage of the service, the By-law, tariff policy, norms and standards etcetera, allow the municipality to charge a fixed/basic charge irrespective of the extent to which the service is used, the charge thus levied represents the minimum charge applicable to all similar categorised customers.

The municipality needs to reiterate that it does not differentiate or discriminate against any customer type as all similar customers are treated the same way in the application of tariffs and charges.

The municipality would like to reiterate that the tariff policy and tariffs are applied uniformly and fairly to all customers throughout the municipal region.

Upon considering the question of fairness of application of the tariff policy, consideration cannot be limited to certain client categories, as not only are all similar customers treated the same, but if a comparison is made between business units and a small household or even a RDP house (40m²) where the household income barely exceed R5000 per month indigent threshold, it should be clear that the RDP household is charged excessively more for services when compared to a shop measuring between 37m² and 312m² when both properties are charged a singular tariff for access to basic services being water and sewerage.

The tariff policy indeed underlines the principle and objective of equality, reasonability and fairness to specific categories of consumers and is consistently applied throughout the area as such, furthermore it does provide reliable, sustainable and affordable services to all, as all business units are expected to contribute equally to the revenue basket of the municipality, it would indeed be unfair and inequitable to exclude 21 shops from this contribution or reduce their contribution to one unit whereas all single residential properties and single business units are expected to contribute in a similar manner.

Input 2

Kranshoek is Gatvol Campaign through Mr M Jooste raised the following matters:

1. Maintenance of gravel roads and tarring of new roads for a combined amount of R6.4 million
2. Housing in Kranshoek including the upgrade of RDP houses and applying for funding for new RDP houses from the Department of Human Settlements.

Response to Input 2

Maintenance of gravel roads is provided on the municipal budget and will proceed in accordance with the priorities of the maintenance program of the roads division, the request for new roads will be included in the IDP document for consideration in future budget cycles. It is unavoidable to point out that the Kranshoek area has an average monthly debtors payment rate of less than 10% and owe a combined debt in excess of R111 million. Roads continue to be a rates funded service and if the payment rate were comparable with any other average paying area, sufficient cashflow would have been available to immediately address the need. The municipality unfortunately do not have the resources available to address these needs over the MTREF period and provision would need to be made after the outer year of the MTREF when cash flow becomes available to fund it from own resources if possible.

The municipal Housing pipeline do include Kranshoek but it is currently in the planning phase and it is always subject to the availability of funding from the department of Human Settlements.

Input from ward meetings

The input from wards received through the public participation process is summarised hereunder, a response to the issues raised are provided in *RED, Italic* in **BOLD** lettering for ease of reference.

Ward 1 – Green valley and Kurland

- Sports Facilities: *Item has been addressed by adding a capital item for the upgrade of sports fields and the maintenance budget for work in all wards has been topped up.*
 - Both areas reported a lack of proper sports infrastructure.
 - Rugby fields do not meet SWD Rugby requirements due to poor maintenance and inadequate infrastructure
 - The Craggs soccer field lacks fencing and lighting, making it unusable in the evenings and vulnerable to roaming animals.
 - Netball courts in both areas are in poor condition due to substandard workmanship by a previous contractor.
 - The Craggs cricket club appealed for a basic concrete slab to practice on.
 - Housing Development: *Part of the Capital budget is outer year (2027/28) civil work planned for Kurland 1500 households which is the 1st step in the housing project. Therefore, this is in the plans of the municipality*
 - Communities expressed frustration over the slow pace of housing developments.
 - Road Infrastructure: *The Municipality will liaise with Provincial Government in the concerns raised, where the municipality can assist, budgetary provision for maintenance of roads has been made.*
 - Green valley residents raised concerns about the poor condition of the entrance road, Pine Street.
 - There is growing frustration over the condition and lack of attention to the provincial road through Green valley.
 - Other Service Delivery Concerns: *The Municipality will liaise with ESKOM on the matter and will revert any communication back to the community.*
 - Ongoing dissatisfaction with the quality of Eskom service delivery in Bitou.
 - The condition and functionality of the Kurland community hall was raised as a concern.
-

Ward 2

- Maintenance and Basic Services: *Budget has been made available for the below as it is part of the normal operating budget*
 - Residents expressed general satisfaction.
 - Minor complaints were raised regarding the upkeep of taxi rank ablution facilities, grass cutting, and bush clearing.

Ward 3

- Basic Infrastructure: ***Budget has been made available for the below for the maintenance as it is part of the normal operating budget.***
 - Shared concerns with Ward 1 about poor maintenance of public ablution facilities.
 - The slow progress of housing projects remains a key issue.
 - Other Infrastructure Needs: ***Bus shelters have been budgeted for the capital budget. Bitou to liaise with the department of Education regarding the matter.***
 - Requests for improved bus shelters and attention to maintenance.
 - The community enquired about the status of the request to the Department of Education for the establishment of a primary school.
-

Ward 4

- General Maintenance: ***Budget has been made available for the below for the maintenance as it is part of the normal operating budget.***
 - Most feedback related to street cleaning and general maintenance.
 - Housing and Governance:
 - Housing-related concerns were common.
 - Some complaints reflected broader political frustrations within the ward.
-

Ward 5

- Maintenance and Basic Services: ***Budget has been made available for the below for the maintenance as it is part of the normal operating budget. Sewer upgrades and high mast as well as streetlights have been budgeted for.***
 - Residents expressed concerns over lighting in the area or lack thereof as well as maintaining the current infrastructure in the area
 - Land for small scale farming a continues concern vs the availability of land
 - Sewer infrastructure maintenance and sewer upgrades a continuous concern as the stench in the air is unhealthy
-

Ward 6

- Maintenance and Basic Services: ***Budget has been made available for the below for the maintenance as it is part of the normal operating budget. Sewer upgrades and high mast as well as streetlights have been budgeted for. Sewer reticulation concerns will also be attended to as part of the next housing phase in the area.***
 - Residents expressed concerns over lighting in the area or lack thereof as well as maintaining the current infrastructure in the area
 - Land for small scale farming a continues concern vs the availability of land
 - Sewer infrastructure maintenance and sewer upgrades a continuous concern as the stench in the air is unhealthy
 - Housing and Facilities: ***Part of the Capital budget is outer year (2027/28) civil work planned for Kwanokuthula, which is the 1st step in the housing project. Thus, this is on the plans of the municipality. It must be pointed out that the municipality remains subjected to the availability of funding from the department of Human Settlements.***
 - Communities expressed frustration over the slow pace of housing developments.
-

Ward 7

- Road and Sanitation Issues: ***Budget has been made available for the below for the maintenance as it is part of the normal operating budget. Sewer upgrades are part of the Capital budget as well as stormwater upgrades.***
 - Gravel roads remain a major challenge.
 - Sewerage spills caused by illegal connections and inadequate infrastructure were reported.
 - Stormwater drainage issues were also raised.
- Housing and Facilities: ***The Municipality will take it up with Provincial housing department and give feedback to the community once an answer is received.***
 - Calls for inclusive housing developments that cater to the marginalised within the community.
 - Maintenance and condition of the community hall was a key concern. ***Budget has been made available for the maintenance as it is part of the normal operating budget.***

Natures Valley SRA NPC Budget for the year 1 July 2025 to 30 June 2026.

Attached please find all the supporting schedules 1 to 5 for the Natures Valley SRA NPC budget for the year 1 July 2025 to 30 June 2026.

Summary

The 2025/26 budget expenses are R 1 547 240 which converts to a tariff rate of R0.00092. The previous year was R1 464 007. This budget is 5.7% more than the previous year. Due to surplus cash at the end of 2024 and forecast to 30 June 2025 we have been able to identify expenses which were not made in 2025 but which we shall use in 2025/26. This has meant that the budget increase has been kept to a minimum. Due to the total rateable value of Natures Valley increasing by 36% the tariff rate is lower than the R0.00118, which we hope will translate into lower levies for those with lower valued properties.

Assumptions

The budget has been prepared on the same basis as the previous year. The detailed assumptions are contained in the excel spreadsheet which is attached.

The calculation of the SRA Levy has been calculated using the Total Rateable Value as shown in the Bitou Municipality General Valuation Roll for the years 1 July 2025 to 30 June 2029.

Forecast to 30 June 2025.

For the year to 30 June 2025, we are anticipating that there will be an under spend of approximately R350 000 which is partially made up from the cash flow surplus that we had at 30 June 2024 R 256 993 and the balance from the current year. There are three expenses that we have identified that will be used in 2025/26 to utilise the surplus cash. These are Baboon Collaring Programme R 100 000 an additional security camera R 150 000 and the requirement to increase baboon monitoring shifts by 3 hours in the summer R 95 000. These items expenses have been included in Schedule 5 and shown as funded from 2025 surplus so they are not in the budget.

Conclusion.

We trust that you will find our 2025/26 budget acceptable. Should there be any questions please contact James Martin 083 662 8223 or Rob Nicol 082 934 7411.



Prepared and submitted by JF Martin Director Finance NVSRA NPC on behalf of the company on 27th February 2025.

2025/26 BUDGET for NATURES VALLEY SPECIAL RATING AREA (NVSRA).

Prepared 27 Feb 2025

NATURES VALLEY SRA 2025/2026 5 YEAR BUDGET

Financial years 1 July to 30 June.	Budget Year 1 2025/2026 R	Budget Year 2 2026/2027 8,00% R	Budget Year 3 2027/2028 8,00% R	Budget Year 4 2028/2029 8,00% R	Budget Year 5 2029/2030 8,00% R
INCOME					
Estimated Levies	1 547 240	1 861 012	2 212 881	2 166 741	2 555 029
Less Bitou Admin fee 3%	(46 402)	(50 114)	(54 124)	(58 453)	(63 130)
Less Non payment provision 2%	(30 935)	(33 410)	(36 082)	(38 969)	(42 086)
Net Income receivable	<u>1 469 903</u>	<u>1 777 488</u>	<u>2 122 676</u>	<u>2 069 318</u>	<u>2 449 813</u>
EXPENDITURE					
PROJECTS					
BABOON MONITORING	937 385	1 212 989	1 332 016	1 404 407	1 541 748
SECURITY	45 576	56 122	228 612	71 941	252 656
VERGE CLEANING	257 475	274 053	295 977	319 655	345 228
Sub-total	<u>1 240 436</u>	<u>1 543 164</u>	<u>1 856 606</u>	<u>1 796 003</u>	<u>2 139 632</u>
NVSRA ADMINISTRATION					
Office Manager	81 739	88 278	95 340	102 967	111 205
Administration	147 728	146 046	170 730	170 348	198 976
Sub-total	<u>229 467</u>	<u>234 324</u>	<u>266 070</u>	<u>273 316</u>	<u>310 181</u>
EXPENDITURE BEFORE FEES	<u>1 469 903</u>	<u>1 777 488</u>	<u>2 122 676</u>	<u>2 069 318</u>	<u>2 449 813</u>
Add Admin and nonpayment fees	77 337	83 524	90 206	97 422	105 216
NV SRA BUDGET Total	<u>1 547 240</u>	<u>1 861 012</u>	<u>2 212 881</u>	<u>2 166 741</u>	<u>2 555 029</u>

NATURES VALLEY SRA 5 Year Detailed Budget

Prepared 27 Feb 2025

Schedule 2

Budget for the Years 1 July to 30 June	Year 1 2025/2026 R	Year 2 2026/2027 R	Year 3 2027/2028 R	Year 4 2028/2029 R	Year 5 2029/2030 R
EXPENDITURE					
BABOON MONITORS					
Monitors Wages	437 376	597 379	645 169	696 783	752 526
Transport	85 523	92 365	99 754	107 734	116 353
Repairs to bicycles	12 000	12 960	13 997	15 117	16 326
Paint ball guns ammunition	13 000	14 040	15 163	16 376	17 686
Paint ball gun gas	15 500	16 740	18 079	19 526	21 088
Airtime	2 160	2 333	2 519	2 721	2 939
Uniforms	25 200	27 216	29 393	31 745	34 284
Radio Rental	10 626	11 476	12 394	13 386	14 457
Baboon Supervisor	306 000	330 480	356 918	385 472	416 310
Baboon Collaring Programme	-	108 000	111 629	115 548	119 781
BABOON MONITORS TOTAL	<u>937 385</u>	<u>1 212 989</u>	<u>1 332 016</u>	<u>1 404 407</u>	<u>1 541 748</u>
SECURITY					
Cameras	-	-	162 000	-	174 960
Monthly monitoring	45 576	56 122	66 612	71 941	77 696
Security Total	<u>45 576</u>	<u>56 122</u>	<u>228 612</u>	<u>71 941</u>	<u>252 656</u>
VERGE CLEARING					
Wages	197 475	205 173	221 587	239 314	258 459
Uniforms	9 000	9 720	10 498	11 337	12 244
Fuel & spares for equipment	27 000	29 160	31 493	34 012	36 733
Equipment	24 000	30 000	32 400	34 992	37 791
Verge Clearing Total	<u>257 475</u>	<u>274 053</u>	<u>295 977</u>	<u>319 655</u>	<u>345 228</u>
Administration					
Admin Manager	81 739	88 278	95 340	102 967	111 205
Bank charges	1 800	1 944	2 100	2 267	2 449
Office rental	22 500	24 300	26 244	28 344	30 611
OM Telephone and airtime	7 908	8 541	9 224	9 962	10 759
Website	2 420	2 074	2 239	2 419	2 612
Printing & Stationery	4 800	5 184	5 599	6 047	6 530
Office equipment laptop printer	12 000	-	13 000	-	15 000
Payroll Preparation	22 272	24 054	25 978	28 056	30 301
Monthly accounts preparation	26 448	28 564	30 849	33 317	35 982
Annual Audit	29 580	31 946	34 502	37 262	40 243
Insurance Camera and equipment	18 000	19 440	20 995	22 675	24 489
Sub-total	<u>147 728</u>	<u>146 046</u>	<u>170 730</u>	<u>170 348</u>	<u>198 976</u>
ADMINISTRATION TOTAL	<u>229 467</u>	<u>234 324</u>	<u>266 070</u>	<u>273 316</u>	<u>310 181</u>
Admin Fee Bitou 3% of budget	46 402	50 114	54 124	58 453	63 130
Non payment provision 2%	30 935	33 410	36 082	38 969	42 086
Admin and non payment fees Total	<u>77 337</u>	<u>83 524</u>	<u>90 206</u>	<u>97 422</u>	<u>105 216</u>
TOTAL NV SRA	<u>1 547 240</u>	<u>1 861 012</u>	<u>2 212 881</u>	<u>2 166 741</u>	<u>2 555 029</u>

NATURES VALLEY SRA BUDGET

Prepared 26 February 2025

Schedule 3

Calculation of Number of Erven in Natures Valley and Additional Rate Tariff

Prepared from the Bitou Municipality General Valuation Roll for the period 1 July 2025 to 30 June 2029.

Total number of erven in Natures Valley per Valuation Roll	Erven 428	
Total Current Rateable Value		R 1 726 784 000
Deduct non residential, Municipal, Public Open spaces, contractual & island properties		

Description	Erf no	Nos	Sq area	Value R
Phyl Martin Park	429	1	0,5677	2 271 000
Part of Contractual area on Lagoon	434	1	0,2743	686 000
Part of Contractual area Dunes	444	1	20,1196	403 000
Vac Mun	460	1	0,8521	4 687 000
Municipal house	226	1	0,1581	3 953 000
Pbo Church Hall	379	1	0,2862	4 866 000
State WTS	335 to 337	3	0,3393	6 549 000
Vac Pop St Georges	380 to 382	3	7,0137	8 350 000
Vac state Island	353 to 373	21	1,8917	6 220 000
Sub-total		33		37 985 000

Total Erven & Rateable Value	395	1 688 799 000
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Average Municipal Value of 395 erven	R 4 275 441
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Calculation of increase due to SRA	
Current Tariff on Residential properties	0,00638
Current Monthly rates payable on average value of property	2 273

Average additional rate (see below)	0,00092	326
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		Additional Tariff Rate	Per year	Per month
NV SRA Budget	R 1 547 240	R 0,00092	R 3 917	R 326

Split				
Baboons	937 385	61%	0,00056	2 373
Security	45 576	3%	0,00003	198
Verge Clearing	257 475	17%	0,00015	115
Administration	306 804	20%	0,00018	652
				777

CALCULATION OF ESTIMATED MONTHLY SPECIAL RATE

Financial impact

As per the Bitou Municipality General Valuation Roll at 7 February 2025 there are 395 rateable properties in Natures Valley.

The additional monthly rate payment for NVSRA will be determined by the property's Municipal valuation and will amount to 0.00092 cents in the Rand per Annum. The table below gives an indication of how much property owners would be required to pay according to the municipal valuation.

This would generate an income of approximately R 1 547 240 for NVSRA in 2025/2026.

Municipal Valuation	Estimated Monthly Special Rate					
	Residential		Business		Vacant	
	From	To	From	To	From	To
R2 000 000 - R2 500 000	R153	R191			R199	R248
R2 500 000 - R3 000 000	R191	R229			R248	R298
R3 000 000 - R3 500 000	R229	R267	R383	R446	No properties in the ranges valued above R3 000 000	
R3 500 000 - R4 000 000	R267	R305				
R4 000 000 - R4 500 000	R305	R344	R510	R574		
R4 500 000 - R5 000 000	R344	R382				
R5 000 000 - R5 500 000	R382	R420				
R5 500 000 - R6 000 000	R420	R458	R701	R765		
R6 000 000 - R6 500 000	R458	R496				
R6 500 000 - R7 000 000	R496	R534				
R7 000 000 - R7 500 000	R534	R573				
R7 500 000 - R8 000 000	R573	R611				

Estimated Income per month

R128 937	R124 474	R1 734	R2 729
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Information taken from Approved 2020-21 Bitou document

			Effective rate
Residential	Cent in rand	1:1	0,00092
Vacant land	Cent in rand	1:1.3	0,00119
Business & Commercial	Cent in rand	1:1.67	0,00153

Calculation of Estimated Monthly Income

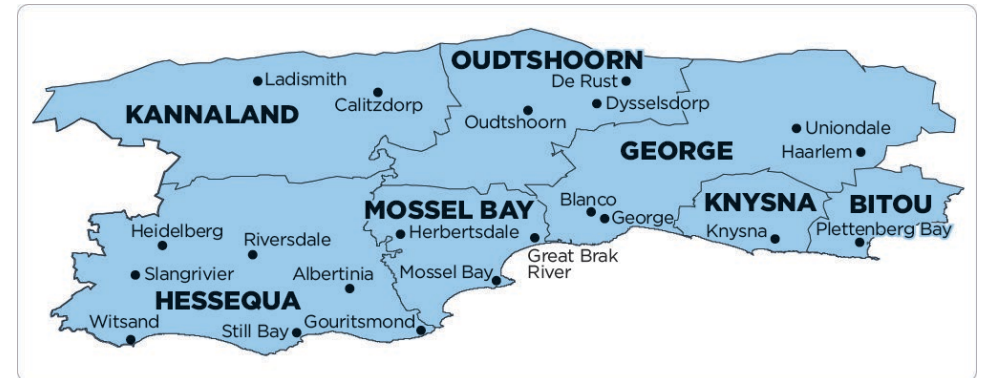
Total Budget	1 547 240
Divided by 12 to give monthly	128 937
Deduct Vacant stands & Business properties	(4 463)
Residential Properties	124 474

	Jul 2025	Aug	Sep	Oct	Nov	Dec	Jan 2026	Feb	Mar	Apr	May	Jun	Total
EXPENDITURE													
BABOON MONITORS													
Monitors Wages	33 948	33 948	33 948	33 948	33 948	33 948	63 948	33 948	33 948	33 948	33 948	33 948	437 376
Monitors additional shift				15 836	15 836	15 836	15 836	15 836	15 836				95 013
Funded out of 2025 surplus				(15 836)	(15 836)	(15 836)	(15 836)	(15 836)	(15 836)				(95 013)
Transport	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	85 523
Equipment bicycles	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	30 000
Repairs to bicycles	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	12 000
Paint ball guns ammunition	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	13 000
Paint ball guns gas	1 292	1 292	1 292	1 292	1 292	1 292	1 292	1 292	1 292	1 292	1 292	1 292	15 500
Airtime	180	180	180	180	180	180	180	180	180	180	180	180	2 160
Uniforms	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	25 200
Radio Rental	886	886	886	886	886	886	886	886	886	886	886	886	10 626
Baboon Supervisor	25 500	25 500	25 500	25 500	25 500	25 500	25 500	25 500	25 500	25 500	25 500	25 500	306 000
Baboon Collaring Programme	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	100 000
Funded out of 2025 surplus	(8 333)	(8 333)	(8 333)	(8 333)	(8 333)	(8 333)	(8 333)	(8 333)	(8 333)	(8 333)	(8 333)	(8 333)	(100 000)
BABOON MONITORS TOTAL	75 615	75 615	75 615	75 615	75 615	75 615	105 615	75 615	75 615	75 615	75 615	75 615	937 385
SECURITY													
Cameras and mast	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	150 000
Funded out of 2025 surplus	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(150 000)
Monthly monitoring	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	45 576
Security Total	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	3 798	45 576
VERGE CLEARING													
Wages 3 casuals	15 831	15 831	15 831	15 831	15 831	15 831	23 331	15 831	15 831	15 831	15 831	15 831	197 475
Uniforms	750	750	750	750	750	750	750	750	750	750	750	750	9 000
Fuel & spares for equipment	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	27 000
Equipment	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	24 000
Verge Clearing Total	20 831	20 831	20 831	20 831	20 831	20 831	28 331	20 831	20 831	20 831	20 831	20 831	257 475
ADMINISTRATION													
Office manager	6 812	6 812	6 812	6 812	6 812	6 812	6 812	6 812	6 812	6 812	6 812	6 812	81 739
Bank charges	150	150	150	150	150	150	150	150	150	150	150	150	1 800
Office rental	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	22 500
OM Telephone and airtime	659	659	659	659	659	659	659	659	659	659	659	659	7 908
Website	160	160	160	160	660	160	160	160	160	160	160	160	2 420
Printing & Stationery	400	400	400	400	400	400	400	400	400	400	400	400	4 800
Office equipment	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	12 000
Payroll Preparation	1 856	1 856	1 856	1 856	1 856	1 856	1 856	1 856	1 856	1 856	1 856	1 856	22 272
Monthly accounts preparation	2 204	2 204	2 204	2 204	2 204	2 204	2 204	2 204	2 204	2 204	2 204	2 204	26 448
Preparation Annual A/cs & Audit	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	18 000
Insurance	16 616	16 616	16 616	16 616	17 116	16 616	16 616	16 616	16 616	16 616	16 616	16 616	229 467
Admin & non Payment fees													
Bitou Admin fee 3% R 1 547 240	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	46 402
Non payment prov 2% R 1 547 240	2 578	2 578	2 578	2 578	2 578	2 578	2 578	2 578	2 578	2 578	2 578	2 578	30 935
	6 445	6 445	6 445	6 445	6 445	6 445	6 445	6 445	6 445	6 445	6 445	6 445	77 337
TOTAL NV SRA	123 305	123 305	123 305	123 305	123 805	123 305	160 805	123 305	123 305	123 305	123 305	152 885	1 547 240



Strategic Integrated Municipal Engagement (SIME 2) 2025

Garden Route District
Bitou Municipality



BITOU MUNICIPALITY

INTEGRATED PLANNING AND BUDGETING ASSESSMENT: ANALYSIS OF MUNICIPAL IDP, SDF AND BUDGET

Western Cape Government

APRIL/MAY 2025

BITOU MUNICIPALITY DIAGNOSTIC AND SUMMARY OF KEY RECOMMENDATIONS

Integrated Development & Spatial Planning	<ul style="list-style-type: none"> Establish an integrated economic recovery and tourism task team to fast-track stalled/delayed initiatives and unlock local tourism potential; Implement a real-time infrastructure delivery tracker, focusing on budget utilisation and physical progress of milestones; Undertake a comprehensive skills audit to identify gaps in technical, managerial, and financial capabilities, prioritise the filling of critical vacancies and strengthen human resource development plans; and Address the issues raised by sector departments in 2.1.2 of this report, dealing with IDP alignment.
Economic Sustainability	<ul style="list-style-type: none"> Bitou Municipality has laid important groundwork for economic sustainability through improved infrastructure investment and prudent financial management. However, gaps in operational capacity, project implementation, and long-term infrastructure planning threaten to undermine these gains. To secure a sustainable economic future, Bitou must now focus on: <ul style="list-style-type: none"> Accelerating infrastructure delivery, Strengthening institutional capacity (especially technical departments), Adopting integrated master plans, And aligning capital and operational budgets with demographic and environmental realities.
Revenue and Expenditure	<ul style="list-style-type: none"> The 2025/26 MTREF budget has been tabled as funded, with an increasing operating surplus projected over the MTREF period, signalling improving financial health. There is an upward trend in indigent support allocations; however, indigent registers require validation and targeting mechanisms must be strengthened to ensure appropriate and efficient support delivery. 2025/26 budget reflects affordability challenges — basic electricity charges remain high impacting household affordability while collection rates fall short of the 95 per cent NT benchmark placing revenue sustainability at risk. Revenue from waste management remains stagnant, failing to cover operational costs, highlighting a need for tariff review and operational efficiency improvements. Continued implementation of enhanced credit control and debt collection measures is necessary, particularly focusing on outstanding debt exceeding 90 days. Align budgeted revenue for fines and penalties with historical actuals and only adjust upward where supported by credible enforcement improvements or automation. The Municipality should maintain its commitment to stringent cost containment measures to support long-term financial stability.
Capital Budget & Infrastructure	<ul style="list-style-type: none"> Future capital budgets should be more closely aligned with historical spending trends to enhance budget credibility and mitigate the risk of underperformance. Historical underperformance in capital expenditure is acknowledged, with implementation rates falling below 90 per cent, largely due to procurement and planning delays. Close monitoring of the municipality's dependence on borrowings is necessary, with appropriate measures to mitigate associated risks. Planning and cash flow management for CRR-funded projects must be strengthened to ensure that expenditure is supported by actual cash availability, thereby avoiding overcommitment against projected revenue. Repairs and maintenance funding should be prioritised to preserve asset integrity and reduce reliance on reactive or short-term financial recovery interventions.

mSCOA Compliance	<ul style="list-style-type: none"> Data Credibility: Discrepancies have been identified between the A1 Schedule tabled in Council and the corresponding mSCOA data strings (A7 and A8), raising concerns regarding the accuracy and consistency of financial reporting. Challenges persist in the preparation and accuracy of balance sheet and cash flow budgeting, requiring strengthened financial planning and integration. Non-compliance with VAT accounting regulations has been noted and must be urgently addressed to ensure adherence to legislative requirements. The Municipality is commended for the inclusion of a comprehensive roadmap outlining corrective actions and associated timelines. This proactive approach not only enhances governance practices but also provides a clear framework for addressing identified issues in a structured and timely manner.
Strategic Procurement	<ul style="list-style-type: none"> Contract Register and Asset Register not submitted for analysis High volumes of infrastructure-related procurement emanating from IDP projects necessitate good governance in infrastructure procurement Unable to determine whether Contract Register influences Procurement Plan and/or Budget Unable to determine whether Asset Register informs the IDP and/or Procurement Plan and/or Budget

TABLE OF CONTENTS

SECTION 1:	INTRODUCTION	7
SECTION 2:	INTEGRATED PLANNING	9
SECTION 3:	ECONOMIC and FINANCIAL SUSTAINABILITY	21
SECTION 4:	REVIEW OF THE HISTORICAL FINANCIAL INFORMATION	55
SECTION 5:	CONCLUSION	60

LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CAPEX	Capital Expenditure
CBA	Critical Biodiversity Areas
CBD	Central Business District
CMP	Coastal Management Programme
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEA&DP	Department of Environmental Affairs and Development Planning
Dol	Department of Infrastructure
DLG	Department of Local Government
DM	District Municipality
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlements Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ISDF	Integrated Strategic Development Framework
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
IYM	In-year Monitoring
JOC	Joint Operations Centre
Kl	kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour (1000-watt hours)
LED	Local Economic Development
LTFP	Long Term Financial Plan

LUPA	Land Use Planning Act
MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MER	Municipal Energy Resilience
MFMA	Municipal Finance Management Act
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan
MISA	Municipal Infrastructure Support Agency
MMP	Maintenance Management Plan
MTREF	Medium Term Revenue and Expenditure Framework
MVA	Megavolt Amperes (1Million volt amperes)
MWh	Megawatt hour (1Million watt hours)
NDHS	National Department of Human Settlements
NRW	Non-revenue Water
NT	National Treasury
O&M	Operations and Maintenance
OPEX	Operating Expenditure
PMS	Performance Management Systems
RMP	Road Management Plan
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

SECTION 1: INTRODUCTION

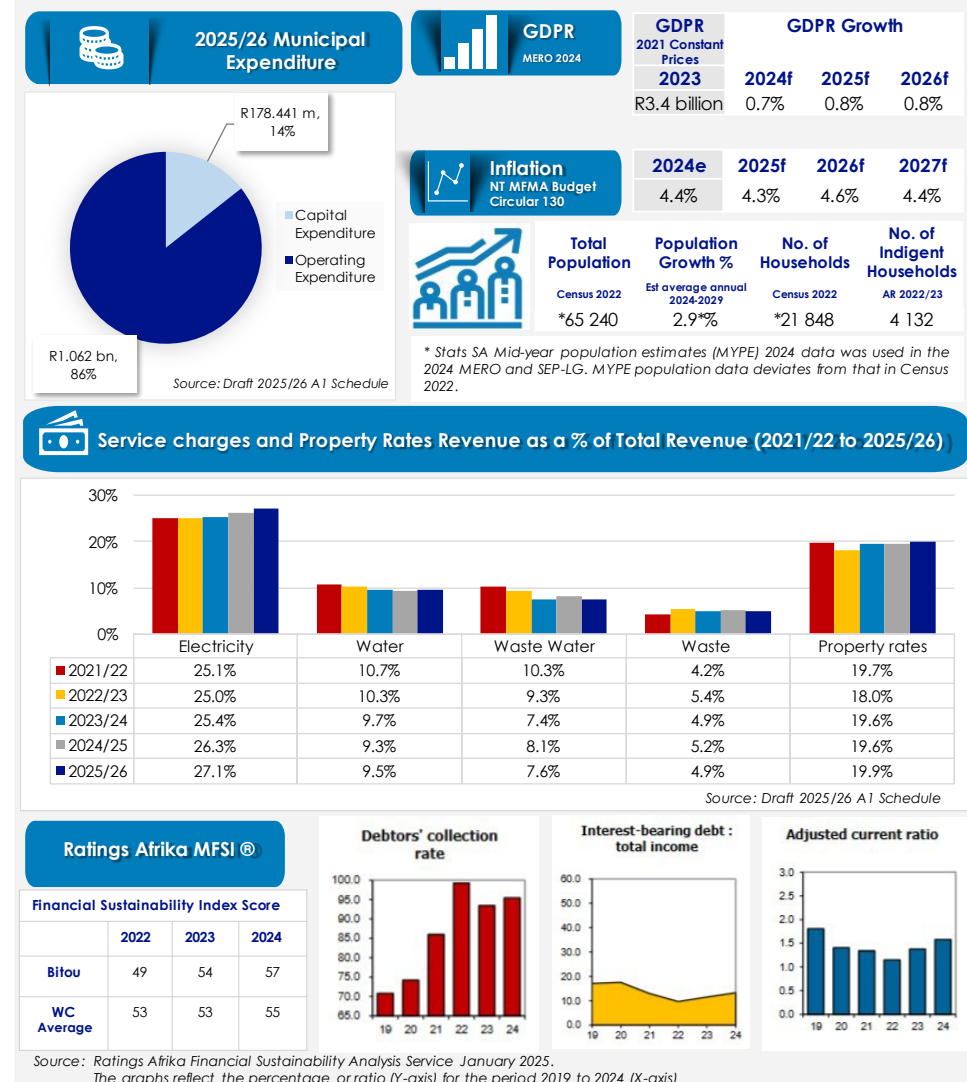
The 2025 SIME assessment summarises comments by the Western Cape Government (WCG) on the draft 2025/26 MTREF Budget, 2025/26 Integrated Development Plan (IDP), Spatial Development Framework (SDF) and other relevant policies and documents.

The assessment covers the following key areas; conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR); an integrated, spatial and environmental planning analysis of the IDP and SDF and the responsiveness, credibility and sustainability of the tabled budget.

The WCG intends meeting the executives of your Municipality in May 2025, where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as presented in the draft budget, IDP, LED, SDF and as well as other strategic matters for discussion between the two spheres of government. All the information related to the assessment and analysis of the draft annual budget, IDP and SDF are found in the report below.

The budget snapshot below provides a high-level overview of key socio-economic and financial indicators of the **Bitou Municipality** in relation to the regional economy.

BUDGET SNAPSHOT



SECTION 2: INTEGRATED PLANNING

2.1 INTEGRATED DEVELOPMENT PLANNING

The Municipal Systems Act 32 of 2000 (MSA) requires that every municipal council must review its IDP annually in accordance with an assessment of its performance measurements and to the extent that changing circumstances demand. Further provision is made for every municipal council to amend such IDP following a prescribed process outlined in Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations of 2001 (MSA Regulations). During the 2024/25 financial year, the Bitou Municipality (the Municipality) has conducted the annual review of its IDP, which is the third review of the 2022 - 2027 IDP and resolved to adopt an amended IDP in May 2025.

2.1.1 IDP Compliance

The core components of an IDP are outlined in Section 26 of the MSA and Regulation 2 of the MSA Regulations. Sections 28 and 29 of the MSA require municipalities to adhere to an established process when reviewing or amending their IDPs. The compliance of the amended IDP with legislative requirements and the process followed were assessed using a compliance checklist. The assessment was shared and discussed with the Municipality.

2.1.2 IDP Alignment

Section 32(2) of the MSA provides for the MEC for local government to decide whether to make proposals to a municipal council to adjust an IDP if such plan or amendment conflicts or is not aligned or negates any of the development strategies of other affected municipalities or organs of state. Section 26 of the MSA further requires that IDPs must be aligned with and not negate the national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

The proposed amendments to the IDP highlight the importance of and demonstrate alignment between the Municipality's strategic objectives (SOs) to relevant global, national, provincial and district policy directives and strategies.

Economic Development

The Municipality has a Local Economic Development (LED) Strategy, which is currently being reviewed. The current LED Strategy identifies specific needs of the municipal area and outlines projects, and implementation plans that are designed to address these needs. However, the sustainability of the plans can be strengthened with realistic targets, indicators and implementation planning. Economic projects earmarked for implementation include necessary resource allocation and reflect alignment with the strategic priorities outlined in the amendments to the IDP.

The Municipality has demonstrated the use of intergovernmental relations as a mechanism for economic development by working with all spheres of government, agencies and local businesses. To create opportunities for extended partnerships and resource leveraging, it is recommended that the LED Strategy align with national and provincial economic policies that have an impact on municipal economic plans.

The amendments to the IDP reflect key projects such as the "Support to Small-scale Farming" as part of its LED initiatives. Notably, the amendments to the IDP under SO2 propose five specific interventions to stimulate and grow the agricultural sector. The Municipality is encouraged to attend to the previous recommendations made by the Department of Agriculture in relation to strengthening the aspects around rural safety and climate change in future reviews of the IDP.

Municipal Infrastructure, Human Settlements and Transport

The Municipality's SO2 supports economic empowerment through suitable housing opportunities and aligns with the Spatial Development Framework (SDF) objective 4, which focuses on sustainable human settlements. The SDF outlines actions such as identifying strategic land for development, enabling diverse housing typologies, and applying Smart Growth principles. Moreover, the IDP promotes clustering of services in Multi-Purpose Community Centres and appropriately locating regional social facilities, which supports integration of social infrastructure with settlement planning. The Municipality is encouraged to maintain and strengthen this alignment to enhance the liveability, inclusiveness, and sustainability of its communities.

The proposed amendments to the IDP reflect a commitment to asset management and infrastructure sustainability. It confirms the existence of an Asset Management Policy and recognises the importance of investing in neglected infrastructure, particularly in rural areas. Furthermore, the Long-Term Financial Plan includes an asset replacement cost model, which supports a life cycle planning approach.

The proposed amendments to the IDP identify infrastructure-related risks, including ageing infrastructure, water losses, and fleet shortages, and outline mitigation measures such as consequence management and improved planning alignment. The Municipality is encouraged to strengthen infrastructure condition assessments, adopt lifecycle costing in investment planning, and integrate risk mitigation more explicitly within its asset management framework. The Department of Infrastructure recommends that regular reporting on infrastructure performance and maintenance backlogs be included in future reviews of the IDP.

The Department of Mobility (WCMD) is in the process of developing the Western Cape 2023/24 – 2027/28 Provincial Land Transport Framework (PLTF) as the new five-year strategic transport planning document. The PLTF will guide all transport and land-use related provincial decision making with respect to transport infrastructure development, management and investment, public transport, non-motorised transport, freight transport, land transport safety, as well as guide district-wide and local integrated transport planning.

The WCMD notes that a service provider for the overhaul of the Garden Route District Integrated Transport Plan (DITP) 2024 - 2029 is intended to be approved by the District's executive council in due course. It is essential that the Municipality's Local Integrated Transport Plan (LITP) is aligned with the DITP once adopted by the District. Furthermore, future reviews of the IDP should consider integration of the LITP to align with the strategic vision and transport agenda as captured in the DITP.

Health, Social Services and Amenities

In accordance with the Prevention of and Treatment for Substance Abuse Act 70 of 2008, Chapter 10, a local municipality must establish a Local Drug Action Committee to give effect to the Mini Drug Master Plan (MDMP). The Mayor of a municipality must appoint members to this committee whose objective will be to successfully implement the MDMP to respond to the challenges related to substance abuse. Future reviews of the IDP should provide a clear indication of how the Municipality intends to respond to the broader social development challenges facing the municipal area. The Department of Social Development recommends that the adopted IDP include the social development challenges and the Municipality's strategies to address them.

Safe and Cohesive Communities

The proposed amendments to the IDP indicate that a Disaster Management Plan was adopted for the period June 2023 to July 2025 and will be reviewed again in July 2025. Critical aspects from a Disaster Management perspective to be included in the adopted 2025/26 IDP relate to:

- Whether the Municipality has the capacity to implement its Disaster Management Plan and its related functions;
- The status regarding a Disaster Risk Assessment, given the listed hazards;
- The status of Disaster Risk Reduction measures that are being implemented; and
- The status regarding the development of contingency plans.

The proposed amendments to the IDP cover issues of safety to a satisfactory level. The Municipality's recent introduction of an additional directorate that will focus on public safety reflects alignment with the portfolio for safety as one of the provincial objectives in the 2025 – 2030 Provincial Strategic Plan. The proposed amendments to the IDP identify the key safety focus areas, namely: Public Safety; Fighting crime through technology; Drones – "The Bitou Eye"; 360 Surveillance cameras of Main Street; CCTV cameras on all major entrances and exit roads in all wards and Surveillance Patrols. While the Department note these and the need for a satellite police station, the Municipality is encouraged to reflect the budget allocations of the Department in the adopted IDP namely; R572 000 – 2025/26, R580 000 – 2026/27, R588 000 – 2027/28.

2.1.3 IDP Implementation

Section 41 of the MSA provides for a municipality in accordance with its performance management system, to set performance measures with regard to its development priorities and objectives set out in the IDP. In addition, section 41 provides for the monitoring of the performance, measure and review performance at least once per year, implement steps to improve the performance, and set a regular reporting system. This section thus reflects on whether the Municipality might be at risk of not achieving its strategic objectives, noting that this is the third review cycle of the 2022 – 2027 IDP.

The Municipality's adopted 2022 – 2027 IDP had seven SOs, which were adjusted to five during the 2023/24 IDP review process. These five SOs were further refined during the subsequent review process in 2024 when the Municipality proposed amendments to adopt the 2024/25 IDP. The proposed amendments to the 2025/26 IDP reflect that the Municipality's SOs will remain unchanged, as set out in the figure below:

SO1: Provide excellent and sustainable services to all residents.

SO2: Facilitate growth and expand economic opportunities to empower communities.

SO3: Achieve long-term financial sustainability.

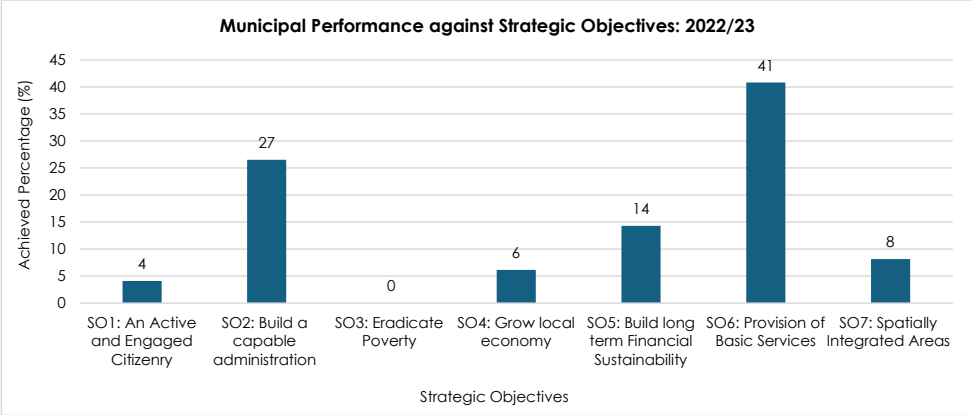
SO4: Build a capable, developmental, transformed, and productive workforce.

SO5: Adhere to and implement effective and efficient governance processes.

In conducting an assessment of IDP implementation over the current term of office, the following documents were consulted:

- 2022 - 2027 IDP and subsequent reviews and amendments;
- 2022/23, 2023/24, and 2024/25 Service Delivery and Budget Implementation Plans (SDBIPs);
- 2022/23 and 2023/24 Annual Reports; and
- 2024/25 Technical Integrated Municipal Engagement (TIME) Report.

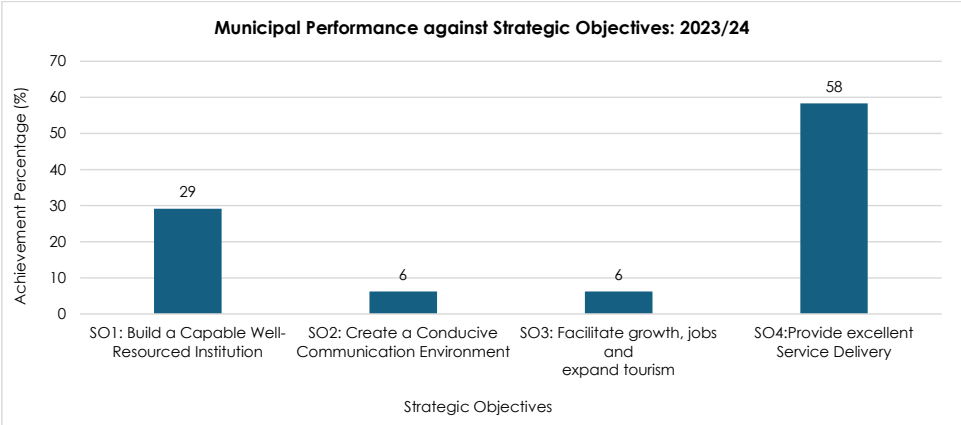
The Top Layer SDBIP in the 2022 – 2027 IDP included 36 key performance indicators (KPIs) which aligned with the initial seven SOs mentioned above. The council subsequently adopted a revised SDBIP in 2022/23 to measure 49 KPIs for the implementation of the seven SOs.



The figure presented above illustrates the overall performance trajectory in relation to the council's SOs for the 2022/23 financial year. The data indicates the following results:

- A generally slow performance trend in respect of SO1, SO4, and SO7 is noticeable.
- It is noteworthy that the KPIs associated with SO3 were not included for measurement in the 2022/23 Annual Report.
- Conversely, stronger performance levels were observed for SO2 and SO6, with achievement rates of 27 per cent and 41 per cent, respectively.

In May 2023, the 2022 – 2027 IDP was amended. As part of the review process, the original seven SOs were revised to five SOs, reflecting a refined focus and alignment with the Municipality's strategic priorities. Additionally, the revised Top Layer SDBIP incorporated a total of 51 KPIs, of which 46 were subjected to performance measurement and reporting in the 2023/24 Annual Report. The performance data associated with these 46 KPIs was subsequently assessed to determine the overall performance trajectory of progress achieved during the 2023/24 financial year.

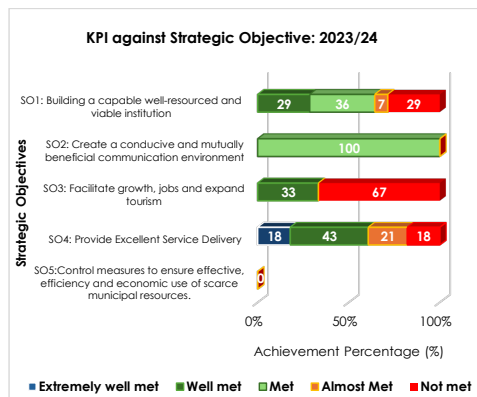
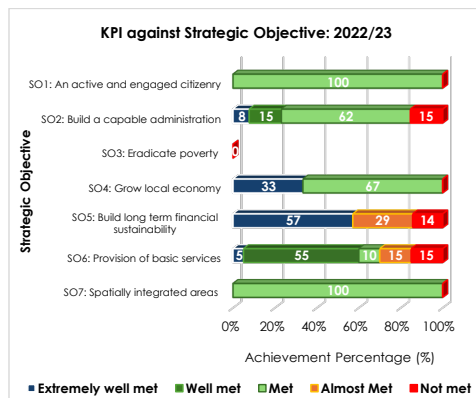


The above figure illustrates the Municipality's performance against four of the five council SOs during the 2023/24 financial year:

- SO4: (Provide Excellent Service Delivery) demonstrates the highest level of achievement at 58 per cent, indicating above average progress in improving the quality, efficiency, and accessibility of municipal services.
- SO1: (Build a Capable, Well-Resourced Institution) recorded a moderate performance level of 29 per cent, reflecting ongoing institutional strengthening efforts with much room for further enhancement.
- Both SO2 and SO3 aimed at creating a conducive communication environment and facilitating growth, jobs and expanding tourism, reflected low achievement levels of 6 per cent each, suggesting underperformance in focus areas related to communication, stakeholder engagement, economic growth and expansion of tourism.

The dataset reflects that while the Municipality has made improvements in enhancing service delivery, performance across the institutional and communication-focused objectives requires attention. This highlights the need for focused interventions to strengthen communication strategies and organisational capacity to ensure balanced progress across all strategic focus areas.

The amendment of the 2022 – 20227 IDP resulted in a shift in strategic priorities and thus the structure and naming of SOs between the 2022/23 and 2023/24 financial years. While some thematic continuity exists, direct year-on-year tracking is limited due to the slight changes to strategic priorities.



- The figures above illustrate the performance of the Municipality's KPIs respectively against the SOs over the periods 2022/23 and 2023/24. The Municipality assessed a total of 64 and 65 Key Performance Indicators (KPIs) respectively in the 2022/23 and 2023/24 Annual Reports. While consistent effort was made across both years, a number of KPIs remained unmet during the review period.
- In 2022/23, the Municipality demonstrated strong performance, particularly under SO1, SO4, and SO7, all of which achieved a 100 per cent KPI success rate. SO2 (Build a Capable Administration), SO5 (Financial Sustainability), and SO6 (Provision of Basic Services) also recorded above-average performance. The 2022/23 financial year reflects strong overall performance, with SO1, SO4 and SO7 achieving 100 per cent KPIs met,
- While SO2: (Build a Capable Administration), SO5: (Financial Sustainability) and SO6: (Provision of basic services) all performed well above average.
- The 2023/24 period reflects a more variable performance trajectory. Notably, SO2 (Creating a Conducive Communication Environment) recorded full achievement in all KPIs, showing a significant improvement from the 33 per cent performance the previous year. However, overall results suggest a need for continued focus on underperforming SOs to ensure consistent service delivery outcomes.
- The KPIs related to service delivery improved slightly year on year from 5 per cent to 18 per cent in the category of KPIs "Extremely well met"; however, overall achievement declined mostly due to increases in water losses and underspending on stormwater upgrades and human settlement-related projects.
- The strong performance of 100 per cent in SO4: (Grow local Economy) during 2022/23 compared to SO3: (Facilitating Growth, Jobs and expanding Tourism) indicates a significantly slower performance of 67 per cent of KPIs "Not met" in 2023/24. This shortfall in performance was a result of stagnation or regression in job creation and tourism growth.
- The Municipality delivered more consistent performance in 2022/23, particularly in financial management, economic growth, and spatial development. In contrast, performance in 2023/24 reveals emerging weaknesses in key strategic areas such as institutional capacity, financial efficiency, and economic growth under pressure. The comparative results for the two periods under review underscore the Municipality's regression from a clean audit finding in the 2022/23 financial year to an unqualified audit with findings in 2023/24.

- The 2024/25 Time Report indicates that overall, 54.8 per cent of the planned targets outlined in the SDBIP were successfully achieved across the five SOs. For example, strong performance was demonstrated in SO2: (Adhere to and implement effective and efficient governance processes), SO3: (Build a capable, developmental, transformed and productive workforce) and SO5 (Facilitate growth and expand economic opportunities to empower communities). Underperformance was reported in SO1 (Achieve long-term financial sustainability) and SO4 (Provide excellent and sustainable services to all residents).
- Reasons for underperformance cited include capacity constraints, procurement challenges, funding constraints and slow service provider performance. The corrective measures identified should be implemented without delay for improved service delivery performance. In conclusion, the performance assessments for the 2022/23 to 2024/25 period indicate both strengths and areas requiring immediate attention. While service delivery and communication efforts have shown improvement, institutional capacity, economic development, and financial sustainability remain critical areas of underperformance.

2.2 KEY FINDINGS AND RECOMMENDATIONS

2.2.1 Key Findings

Based on the above assessment, below is a summary of key findings:

- SO3: (Facilitate Growth, Jobs and Expand Tourism) recorded a steep decline in performance, with 67 per cent of KPIs not met in 2023/24, reflecting stagnation in key economic initiatives and a need for focused attention.
- Despite some improvements, SO4: (Provide Excellent and Sustainable Services) remains an underperforming area. Key challenges include underspending on stormwater upgrades and human settlement-related projects, as well as infrastructure backlogs.
- Performance under SO1: (Build a Capable, Well-Resourced Institution) has declined from full achievement in 2022/23 to a moderate performance of 29 per cent in 2023/24. Institutional capacity and procurement inefficiencies were cited as key impediments to performance across multiple SOs in the 2024/25 Time Report.

2.2.2 Recommendations

It is recommended that the Municipality:

- Establish an integrated economic recovery and tourism task team to fast-track stalled/delayed initiatives and unlock local tourism potential;
- Implement a real-time infrastructure delivery tracker, focusing on budget utilisation and physical progress milestones;
- Undertake a comprehensive skills audit to identify gaps in technical, managerial, and financial capabilities across departments. Prioritise the filling of critical vacancies and strengthen human resource development plans; and
- Address the issues raised by sector departments in 2.1.2 of this report, dealing with IDP alignment.

2.3 ENVIRONMENTAL AND PLANNING ANALYSIS

2.3.1 Spatial Planning

MSDF Performance Review

In terms of sections 34(a)(1) and 41(1)(c) of the MSA, a performance review of the IDP and Municipal Spatial Development Framework (MSDF) must be conducted at least annually. This process enables the municipality to assess progress in implementing the MSDF, which is a core component of the IDP.

From page 76 onwards, the draft IDP section titled "Economic Development and Planning" provides a useful and pragmatic reflection on the municipality's achievements, projects, and actions related to spatial planning and land use management. This assessment is a valuable input for advancing the MSDF.

It is noted, however, that the **incorrect version** of the Bitou MSDF proposals map (Figure 56) appears on page 162 of the IDP. The municipality is requested to replace this with the correct version provided by the Spatial Planner, as submitted in response to the MSA section 32(2) adjustment request from the Provincial Minister of Local Government, Environmental Affairs and Development Planning.

The MSDF includes a *List of Priority Projects* intended for implementation and which should be reflected in the relevant objectives, strategies, and projects of the IDP, and prioritised through the municipal budgeting process.

Furthermore, the MSDF highlights the importance of aligning sectoral plans—such as the Water Master Plan, Roads Master Plan, Integrated Transport Plan, and Electricity Master Plan—with its spatial directives and growth projections during reviews or updates. This supports the horizontal alignment of planning instruments.

Lastly, the MSDF recommends that the Finance Department conduct an annual assessment of capital expenditure to determine whether the majority of funds are being allocated within the MSDF's priority focus areas—namely, development corridors, activity nodes, and Strategic Development Areas. This serves as a mechanism to monitor and enhance alignment between spatial priorities and budgetary allocations.

2.3.2 The Municipality's Response to Strategic Pressures and Risks

Capital Expenditure Framework

The Bitou **Municipal Spatial Development Framework (MSDF, 2022)** presents a clear and well-articulated spatial vision for the municipality. It identifies **Strategic Development Areas (SDAs)** (refer to Table 33) and a **List of Priority Projects** (Table 35), elements of which are partially reflected in the draft Integrated Development Plan (IDP). Selected projects are also listed on page 169 of the draft IDP.

Although the MSDF includes a section titled "*Capital Investment Framework*", it does not meet the methodological requirements for a fully developed Capital Expenditure Framework (CEF) that provides a 10-year prioritised portfolio of capital investments aligned with the Long-Term Financial Plan (LTFP) and engineering master plans. It is therefore strongly recommended that the municipality develop a CEF.

The draft IDP outlines a total capital budget of **R178 million for 2025/26, R174 million for 2026/27, and R154 million for 2027/28**. The 2025/26 capital programme focuses on infrastructure maintenance and key upgrades to support development and housing delivery. Major allocations include:

- R9.9 million for the High Street upgrade
- R13 million for road construction in Ebenezer (supporting housing development)

- R16 million for the Kurland Wastewater Treatment Works
- R17 million for the Kurland Water Treatment Works
- R12 million for Brakkloof Electrification Works
- R10 million for the Natures Valley Reservoir upgrade
- R9 million for sewer reticulation in Ebenezer

The Municipality is to be commended for its growth-oriented and infrastructure-focused capital programme, which clearly aims to address service delivery backlogs and support strategic development.

However, it remains unclear to what extent these capital investments are spatially aligned with the MSDF's priorities, as there is no CEF in place. A spatial analysis that overlays capital budget allocations with the MSDF's spatial proposals and priority areas (and CEF, once developed) would enhance transparency and support more effective stakeholder **engagement**, including with the public and intergovernmental partners.

A notable omission from the 2025/26 capital investment plan is infrastructure funding for **Ladywood**, a key integration zone identified in the MSDF. While the finalisation of the **Ladywood Local Spatial Development Framework (LSDF)** is acknowledged, it will be essential to proactively align capital planning with the emerging LSDF outcomes to ensure readiness for phased infrastructure delivery.

It is critically important that the municipality prioritizes the development of a CEF that can be used as key informants to the IDP and annual capital budget, for the following reasons:

- A Capital Expenditure Framework provides a strategic roadmap for allocating financial resources to priority infrastructure projects and investments based on the municipality's development objectives and spatial planning priorities. Without such a framework, resource allocation decisions may lack coherence and strategic direction, leading to ad-hoc investments that fail to address the municipality's most pressing infrastructure needs or support its long-term development goals.
- A prioritized portfolio of capital investments allows the municipality to focus resources on projects that deliver the greatest impact in terms of improving service delivery, promoting socio-economic development, and enhancing quality of life for residents.
- A Capital Expenditure Framework (CEF) enables the municipality to align their infrastructure investment decisions with available financial resources, budgetary constraints, and long-term funding commitments.
- Developing a CEF allows the municipality to integrate sustainability considerations, resilience planning, and climate change adaptation measures into infrastructure investment decisions.
- The CEF ultimately results in the development of a tool that can be used to ensure that the municipality develops and adopts a plan-led budget.

Inclusionary Housing Policy

- The draft IDP amendment does not explicitly reference the **Bitou Housing Market Study (HMS)**, nor does it reflect the valuable data generated through this study regarding housing supply and demand in Plettenberg Bay. It is therefore recommended that the Bitou Municipality:
 - **Incorporate the findings of the Bitou HMS** into the IDP and relevant sector plans, and

- **Consider developing an Inclusionary Housing Policy**, guided by the Western Cape Inclusionary Housing Policy Framework (WCIHPF) and informed by the Housing Market Studies undertaken for Bitou Municipality.

The development of an Inclusionary Housing Policy should follow a structured, evidence-based process that promotes affordability while mitigating unintended consequences, as set out in the WCIHPF. This process includes:

- Conducting a **Housing Market Study** to identify affordability gaps and appropriate target groups;
- Undertaking an **Economic and Financial Feasibility Study** to determine viable developer contribution thresholds, based on land use value; and
- Using the **MSDF** to spatially identify where inclusionary housing interventions should be applied. (This could be addressed through an MSDF amendment.)

Once this foundation is in place, the policy should:

- Clearly define the target beneficiaries;
- Outline delivery mechanisms (e.g. on-site, off-site, or in-lieu contributions);
- Ensure long-term affordability through effective monitoring and enforcement mechanisms.

Incremental Upgrading of Informal Settlements:

Section 21(k) of SPLUMA states that:

"A MSDF must: identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable"

The Bitou MSDF complies with this requirement. It delineates areas for incremental upgrading under the section on "Transitional Zones," specifically noting the intention to provide a dedicated Residential Use Zone for Category B informal settlements. These areas are intended for incremental upgrading in line with the Upgrading of Informal Settlements Programme (UISP), with the provision of interim basic services.

The MSDF implicitly supports the suitability of these zones for incremental upgrading by linking them to UISP and basic service provision, thereby providing a clear spatial directive for informal settlement interventions.

The IDP reflects ongoing implementation of basic services in informal settlements. Under the "Basic Service Delivery" section, it affirms the constitutional right to access adequate housing, including essential services such as potable water, sanitation, energy, and refuse removal. The IDP notes that in some instances, service access in informal areas surpasses access to formal housing, with high percentages of households receiving piped water, flush or chemical toilets, and electricity.

The IDP also references IRDP/UISP projects across various wards, including Kwanokuthula and Ebenezer, indicating active implementation of informal settlement upgrading.

Specific infrastructure interventions targeting informal settlements are highlighted. For example, in Ward 3 (Qolweni, Bossiesgig, Pinetrees), the IDP identifies significant underdevelopment and a high percentage of informal dwellings. It prioritises service delivery to the poorest areas, with targeted investment in water and wastewater infrastructure.

In terms of budgeting, the draft IDP allocates substantial funding to "Human Settlements" projects, many of which are expected to support basic service provision in informal areas. The IDP further confirms that a

significant portion of the capital budget is dedicated to community upliftment, with human settlements infrastructure receiving the largest share.

Waste Management

The operating waste management facilities of Bitou Municipality include the Bitou IWMF (72.59 per cent) and Ganse Vallei DOF (no data available). Bitou falls within a partially compliant status.

The Municipality undertook the rehabilitation of the Plettenberg Bay Robberg WDF and is currently using the Bitou IWMF and the Ganse Vallei DOF for all waste. The waste is then transported to the Petro SA Facility in Mossel Bay. The Municipality will use the regional facility upon its completion in 2025/ 2026.

Ecological Infrastructure

Ecological Infrastructure (EI) entails naturally functioning ecosystems that provide services to people and the economy and plays a vital role in municipal service delivery across the Western Cape. It supports reliable, good-quality raw water supply and contributes to disaster risk reduction, especially in terms of wildfires and flooding (inland and coastal).

To guide municipalities in investing in EI, the Western Cape Government developed the **Western Cape Ecological Infrastructure Investment Framework**. This framework highlights EI's potential to lower service delivery costs and enhance community well-being. Municipalities are encouraged to integrate EI into their service delivery planning, using one or more of the following approaches:

- **Collaboration & Participation:** Many municipalities support landscape initiatives aimed at reducing environmental risks (e.g., Boland Groot Winterhoek Collective, Outeniqua to Tsitsikamma Water Working Group) where important EI is identified and a "whole of society" approach to safeguarding or improving this EI is refined, often with real benefits to municipalities.
- **Identification & Planning:** Some municipalities have mapped key EI areas and developed investment plans, which can attract external funding and boost service delivery effectiveness.
- **Direct Investment:** Others are directly funding EI projects—for example, to secure water supply or reduce flood risks—often in partnership with the private sector for co-investment.

Guiding materials and examples are available from the Department of Environmental Affairs and Development Planning. Municipalities are urged to tailor EI investment to their local context as a complementary strategy to enhance service delivery and human wellbeing within their administrative domains.

2.3.3 Key Findings and Recommendations

In light of the above, the following key recommendations are proposed to guide Bitou Municipality in taking forward the implementation of its spatial vision and strategic priorities:

- **Establish Annual MSDF Performance Reviews**
 - Conduct annual reviews in line with Sections 34 and 41 of the MSA, evaluating progress against spatial development goals and infrastructure priorities.
 - Use findings to guide IDP updates and refine implementation strategies, with the next review due in 2026/27.
 - **Urgent Ask:** Ensure the correct MSDF Proposals Map (Figure 56) is included in the IDP to support accurate monitoring and public communication.

● Develop a Robust Capital Expenditure Framework

- Upgrade the existing Capital Investment Framework to a 10-year Capital CEF aligned to MSDF priority areas (corridors, nodes, SDAs) and the Long-Term Financial Plan (LTFP).
- Establish an internal Capital Planning Forum to coordinate cross-departmental alignment and integrate the CEF into budget steering committee processes.
- Conduct a spatial analysis overlay to track and communicate budget alignment with MSDF spatial directives.

● Develop an Inclusionary Housing Policy and ensure the MSDF is “Inclusionary Housing Policy ready”

- Undertaking foundational studies including:
 - A Housing Market Study (already completed)
 - An Economic/Financial Feasibility Assessment
 - Define policy parameters (target income groups, delivery mechanisms, developer contributions/incentives).
 - Integrate the policy into the MSDF, Planning By-law, and infrastructure and capital planning systems.

● Integrate Local Spatial Development Frameworks (LSDFs) into Capital Planning

- Use the near-final Ladywood LSDF to
- Identify infrastructure priorities.
- Begin phased planning and budgeting in FY 2026/27.
- Ringfence funding for catalytic infrastructure investments required to unlock development potential in Ladywood as a key integration zone.
- The Municipality must designate a WMO and forward the council resolution to the Department. A budget for waste management must be included in the SDBIP. The Municipality must put waste management systems in place to improve refuse collection to all unserved areas including informal settlements. They must report on the implementation of the IWMP in their annual report and submit the report to DEA&DP for assessment.

SECTION 3: ECONOMIC and FINANCIAL SUSTAINABILITY

3.1 INTRODUCTION

This section provides an assessment of key indicators related to the responsiveness, credibility and sustainability of the tabled budget.

Key to assessing the above criteria is the alignment of the municipality's budget to its strategic objectives, where if there are gaps identified, recommendations will be provided considering the municipal areas current socio-economic challenges.

The revenue and expenditure analysis and risks section provide a gap analysis with regards to trading services, analysing the credibility, tariff structure and responsiveness of the municipality's budget.

As capital infrastructure development is a key catalyst for economic growth and sustainability, the municipality's capital funding mix, capital budget implementation and procurement planning assessment are critical to understanding the municipal area's growth trajectory.

3.2 SUSTAINABLE ECONOMIC DEVELOPMENT

Table 1 Strategic Objectives for the 2025/26 Medium Term Revenue & Expenditure Framework

Strategic Objective	2025/26 Medium Term Revenue & Expenditure Framework OPEX				2025/26 Medium Term Revenue & Expenditure Framework CAPEX			
	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28	Average Annual Growth	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28	Average Annual Growth
Provide excellent and sustainable services to all residents	748 622	781 640	815 719	4.4%	175 857	173 838	154 225	-6.4%
Facilitate growth and expend economic opportunities to empower communities	80 135	68 466	63 173	-11.2%	-	-	-	0.0%
Achieve long term financial sustainability	70 594	67 658	68 026	-1.8%	-	-	-	0.0%
Build a capable, developmental, transformed and productive workforce	108 895	119 484	124 325	6.9%	2 584	1 106	746	0.0%
Adhere to and implement effective and efficient governance processes	53 946	52 781	54 490	0.5%	-	-	-	0.0%
Total Expenditure	1 062 192	1 090 028	1 125 734	2.9%	178 441	174 944	154 971	-6.8%

Source: Bitou Municipality, A-Schedules

- The Municipality's decision to allocate over 70.4 per cent of its operational budget to the Strategic Objective, “Provide excellent and sustainable services to all residents” underscores a strong commitment to its core developmental priorities. This substantial investment reflects a focused effort to address fundamental service areas, including water supply, sanitation and sewerage systems, household electricity and lighting, road infrastructure, and solid waste management. By concentrating resources on these essential services, the Municipality not only aims to enhance the daily lives of residents but also to ensure the long-term sustainability and resilience of its service delivery systems.
- A further 10.3 per cent of the operating budget is allocated to the Strategic Objective: “Build a capable, developmental, transformed and productive workforce”. This strategy aims to deliver on outputs such as per cent of people employed from employment target groups, per cent of the operational budget spent on training, etc. The strategic objective aims to ensure the organization has a skilled, diverse, and high-performing workforce. The associated outputs focus on both **transformational equity** (through inclusive hiring practices) and **capacity building** (through training

investment). Together, they support a long-term vision of sustainable service delivery through empowered human capital.

- The third major operating budget allocation, 7.5 per cent, is dedicated to "Facilitate growth and expend economic opportunities to empower communities" which focus on Reviewing of the LED strategy, creating 330 job opportunities, review of the housing pipeline, submission of the SDF to Council, submitting a Growth and Development Implementation Plan to Council. This objective prioritizes inclusive local economic development (LED) by promoting job creation, spatial planning, and community upliftment. The focus is on enabling an environment where economic growth translates into tangible benefits for historically marginalized or underdeveloped communities.
- The top priorities of the capital budget are: *Provide excellent and sustainable services to all residents* (98.5 per cent) and *Build a capable, developmental, transformed and productive workforce* (1.4 per cent) which focuses on basic services and a productive workforce. The capital budget allocations reflect a strategic approach to municipal development, balancing immediate infrastructure needs with long-term human capital investment. While most funds are directed towards enhancing essential services, the targeted investment in workforce development is crucial for sustaining economic growth and addressing unemployment.
- Both the operating and capital budgets are declining in real terms over the MTREF when adjusted for inflation, which may hold negative implications for the Municipality's purchasing power, maintenance of infrastructure and investments, etc.

3.3 REVENUE AND EXPENDITURE ANALYSIS AND RISKS

3.3.1 Budget Overview

Table 2 Budget overview for the 2025/26 MTREF Budget

Bitou	MEDIUM TERM REVENUE					
	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28
Description	Budget Year	Treasury	Budget Year	Treasury	Budget Year	Treasury
R thousand	+0	Calculation	+1	Calculation	+2	Calculation
Total Operating Revenue (excluding capital transfers and contributions)	1 067 974	1 067 974	1 099 214	1 099 214	1 146 596	1 146 596
Total Operating Expenditure	1 062 192	807 673	1 090 028	814 564	1 125 734	829 912
Surplus/(Deficit)	5 782	260 301	9 185	284 649	20 862	316 683
Non Cash Items						
Depreciation & asset impairment	42 228	42 228	43 706	43 706	45 932	45 932
A4: Total Operating Budget Restated Result	48 009	302 529	52 891	328 355	66 793	362 615
A5: Total Capital Expenditure	178 441	178 441	174 944	175 053	154 971	155 085
Funded by:						
Transfers recognised - capital	63 190	63 190	54 844	54 953	71 443	71 557
Borrowing	87 121	87 121	74 808	74 808	43 400	43 400
Internally generated funds	28 130	28 130	45 292	45 292	40 128	40 128
A7 - Cash/cash equivalents at the year end:	117 530	67 433	98 895	3 958	123 883	(43 539)
A8 - Surplus / (shortfall) after application of cash and investments	42 627	369 393	76 462	590 764	90 774	846 860
BUDGET FUNDING POSITION	FUNDED	FUNDED	FUNDED	FUNDED	FUNDED	FUNDED

Source: A1 schedules, NT funding tool, ORGB data strings

- The Bitou Municipality has tabled a **funded** budget for the 2025/26 MTREF period, in accordance with section 18 and 19 of the Municipal Finance Management Act (MFMA). This is substantiated by the positive surplus following the application of cash and investments, as reflected in Table A8. The funding position remains positive across all three years, confirming that the budget is fully funded throughout the MTREF period.
- The 2025/26 Medium Term Revenue and Expenditure Framework (MTREF) budget has been developed with careful consideration of the current year's budget performance, the prevailing economic environment, and historical trends in revenue generation and expenditure. These factors serve as a baseline to evaluate the impact on the outer years of the budget, focusing on the credibility, sustainability, and funding adequacy of the 2025/26 MTREF, while also identifying emerging risks to cash flow, liquidity, and service delivery execution capacity.
- The Operating revenue budget is projected to increase by 8.2 per cent from the adjusted budget of R986.88 million to R1.07 billion in the 2025/26 financial year. This significant growth is largely driven by above-inflation increases in key revenue sources, including electricity (11.6 per cent), water (10.3 per cent), property rates (10 per cent), and transfers and subsidies - operational (12.3 per cent). These increases reflect the Municipality's efforts to enhance its revenue base through tariff adjustments. However, the outer years of the MTREF reflect a declining growth trajectory, with revenue projected to increase by only 2.9 per cent in 2026/27 and 4.3 per cent in 2027/28. This slowdown raises concerns about the long-term sustainability of the revenue growth path.
- The Municipality has projected to increase its operating expenditure budget from R983.61 million in 2024/25 to R1.06 billion in 2025/26, R1.09 billion in 2026/27 and R1.13 billion in 2027/28. This represents a fluctuation in year-on-year expenditure growth of 8 per cent in 2025/26, 2.6 per cent in 2026/27 and 3.3 per cent in 2027/28 respectively. The trajectory of operating expenditure growth remains largely in line with the projected revenue path, suggesting a balanced budget structure. However, the Municipality's historical financial performance, as evidenced by the last three audited years, presents an inconsistent trend underscoring the importance of cautious fiscal planning. While the 2025/26 budget includes a projected operating surplus of R5.78 million, the ability to achieve this target will depend on disciplined execution, especially considering past performance variability.
- The capital budget indicates a strong reliance on debt financing in the short term. Borrowings peak at R87.12 million in 2025/26, gradually declining to R43.40 million by 2027/28. This pattern suggests a front-loaded capital investment strategy, aimed at addressing infrastructure backlogs or implementing catalytic economic development projects. In contrast, internally generated funds reflect a steady upward trend from R28.13 million in 2025/26 to R40.13 million in 2027/28. While the 2025/26 borrowing to internal funding ratio is high (roughly 3:1), the narrowing gap by the outer years of the MTREF indicates a shift toward a more self-funded approach. This gradual reduction in debt dependency is a positive signal of intent to build fiscal resilience and increase the Municipality's long-term financial sustainability.
- Revenue collection performance over recent years has shown both strengths and areas for improvement. Property rates collections have remained consistently strong at over 97 per cent, while collections on service charges improved significantly, from 78.3 per cent to 85 per cent between 2021/22 and 2023/24. Collections from fines and forfeits, although starting from a relatively low base, increased from 17.3 per cent to 26.1 per cent over the same period. Other operational revenue collections have remained stable, consistently above 85 per cent. Despite these positive trends, the year-to-date collection rate as at 31 March 2025 stands at 90 per cent, which is below the 95 per cent benchmark set by National Treasury. Furthermore, the cash flow projections included in the municipality's supporting schedules for the 2025/26–2027/28 period assume collection rates exceeding 100 per cent across key revenue streams. These assumptions are overly optimistic, as they do not reflect

historical performance or current collection trends, and they also deviate from the municipality's own stated goal in the budget document of achieving a 90 per cent collection rate. The Municipality is therefore encouraged to revise its revenue collection assumptions in the final budget to align more closely with actual performance. This adjustment will enhance the credibility and reliability of its cash flow forecasts, supporting more effective financial planning and decision-making.

- WCPT commend the Municipality for its continued commitment to the execution of the Voluntary Financial Recovery Plan, and the tangible progress made in implementing robust revenue collection strategies. These efforts reflect a responsible and proactive approach to financial governance. The inclusion of repayment incentives and customer care initiatives further demonstrates a people-centered approach, ensuring that financial sustainability is pursued without neglecting community inclusion. We encourage the Municipality to remain steadfast over the MTREF period, upholding its focus on operational efficiency, revenue enhancement, cost containment, and austerity measures. These strategies are essential to safeguarding the Municipality's financial health and ensuring the continued delivery of quality services to all residents. It is critical that momentum is maintained and that accountability and transparency remain at the forefront throughout this implementation period.
- Discrepancies have been observed between the data strings submitted and the corresponding budget schedules, particularly within the A7 and A8 supporting tables. These inconsistencies must be rectified prior to the final adoption of the budget to ensure complete alignment between the Municipality's financial system and its reporting outputs. Failure to address these variances may compromise the credibility of financial reporting and hinder the Municipality's ability to meet its statutory compliance requirements.
- Furthermore, the audited financial performance figures reflected in the A8 data strings for the past three financial years reveal an inconsistent trend, indicating periods where Bitou Municipality reported budget shortfalls or unfunded budgets. Notably, although a funded budget was adopted for the 2024/25 financial year, the data strings suggest that the budget was in fact unfunded. For the 2025/26 financial year, the Municipality has budgeted for an operating surplus of R5.78 million, with a gradual improvement projected over the remainder of the MTREF period. This positive trajectory is encouraging, but consistency between budget documentation and supporting data remains essential.
- The implementation of the Administrative Adjudication of Road Traffic Offences (AARTO) legislation continues to face delays. Despite a 2023 Constitutional Court ruling dismissing any further appeals against the legality of the legislation, there has been no recent update from the Department of Transport regarding the anticipated roll-out for the 2025/26 municipal financial year. While it is understandable that most tabled municipal budgets would not yet make specific allocations for AARTO-related requirements, the proclamation of the AARTO amendment Act remains imminent, and municipalities must plan accordingly. As such, the Municipality is advised to acknowledge AARTO as a strategic and operational risk in both the IDP and budget documentation. The Provincial Treasury will use the upcoming SIME process to engage the Municipality on its readiness to implement the legislation and to mitigate the associated risks relating to potential revenue losses and additional operational requirements.
- The Western Cape Public Library Services Bill is planned to be enacted in time for the library service function to be assigned to your municipality by agreement by 1 July 2025. Accepting the assignment of the function will allow the municipality to budget for payments from the province for library services as grant funds that are zero-rated for VAT. The Municipality should therefore clearly indicate its intention to agree to the assignment of the function in its adopted budget if it intends to budget for these payments as grant funds (and not budget to pay VAT on them).

- The Municipality projected a positive cash and cash equivalents throughout the MTREF financial years of R117.53 million, R98.90 million and R123.88 million for 2025/26, 2026/27 and 2027/28 respectively. The municipality is demonstrating that it has adequate cash resources to meet its monthly fixed operating commitments from cash. The closing cash and cash equivalents on the A7 reconcile with the A8.
- The analysis of Table A6 (Budgeted Financial Position) projects that the Municipality will realize a positive working capital over the MTREF period, indicating that the Municipality will have sufficient funds to meet its short-term liabilities, and will be able to sustain its financial position. The positive cash and cash equivalents on the Table A6 and positive closing cash and cash equivalents on the Table A7 is not reconciling. This may distort the true reflection of the working capital on the Table A6.
- The Municipality has taken into consideration the required applications to the reported cash and cash equivalents reflected in the Table A8. Please note that any omission or non-commitments would provide a distorted view of the net surplus or shortfall cash position of the municipality. The A8 reflects a surplus, and despite this, the municipality may be exposed to liquidity risks.
- The Municipality projects a cost coverage ratio of 2.19 times, (2025/26) 1.88 times (2026/27) and 2.17 times (2026/27) over the MTREF period, demonstrating that the Municipality has sufficient cash resources to meet its monthly fixed operating commitments from cash. The anticipated cash coverage ratio is within the NT norm of 1 - 3 months.
- The projected liquidity ratios are reported to be 0.26:1 (2025/26), 0.271:1 (2026/27), and 0.35:1 (2026/27) over the MTREF period. The Municipality is anticipating that it may not have adequate financial resources to settle its short-term debts when it is due and is exposed to liquidity risks. This indicates that the Municipality must convert its outstanding debtors to cash to have adequate financial resources based on the ratio. The cash and cash equivalents will have to be supplemented to settle its short-term obligations as they become due.
- Property rates of R193.05 million reported on the 2025/26 budgeted monthly cash flow statement (SA30) compared to R212.58 million in the Budgeted Financial Performance (A4), reflecting a 91 per cent collection rate and is realistic.
- Service charges of R484.81 million reported on the 2025/26 budgeted monthly cash flow statement (SA30) compared to R524.16 million in the Budgeted Financial Performance (A4), reflecting a 93 per cent collection rate and is realistic. While this may improve short-term cash flow, it is important to evaluate the sustainability of these collections to ensure it does not distort the Municipality's financial position.
- Disclaimer: The tabled Budget referring to the A7 projected a positive cash and cash equivalents throughout the MTREF financial years of R104.97 million, R51.15 million and R9.60 million for 2025/26, 2026/27 and 2027/28 respectively. It should be noted that the tabled budget, Datastrings and funding tool do not reconcile.

3.4 TRADING SERVICES

3.4.1 Outcomes of the Cost Reflective Tool

- As stipulated in the NT MFMA Circular No. 130 (19 March 2025) as part of the budget process, the municipality must annually undertake an assessment to determine if the intended / implemented tariffs are cost reflective, whether all critical cost components were considered in the tariff calculation(s), whether the Local Government Equitable Share component relating to basic services were allocated to the actual service(s) and to demonstrate that the Revenue Component of the budget is credible

and funded; etc. To facilitate this exercise, the municipality must complete and submit this calculation(s)/ tariff assessment in the format of the National Treasury Tariff Tool as part of its tabled, adopted and adjustment MTREF submissions to the National Treasury GoMuni portal. The Cost Reflective Tariff Tool outcomes must also be reported to and approved by Council as part of the respective tabled and adopted MTREF submissions. If the Tariff Tool indicates significant tariff shortfalls, any major tariff increases should be phased-in over two to three years and can be approved for the outer years (2026/27, 2027/28 and 2028/29).

- Bitou Municipality has not complied in this regard. However, Provincial Treasury has taken the initiative to input the municipal budgetary information into the NT Cost Reflective Tariff Model and the aforementioned tariff cost reflective information download has been generated:

Table 3 Outcome of the Cost Reflective Tool

Western Cape			Bitou				WC047	
Tariff Assessments for the MTREF Period								
Financial Year	Period	Item	Water	Waste Water	Electricity	Solid Waste	Total Surplus/Deficit	
2025/26 Tabled Budget	Year1	Revenue Required by NT Tariff Tool	61 594 430	53 073 853	354 475 633	56 687 251	525 831 168	Year 1
		Revenue Budgeted	101 466 087	80 728 986	289 114 181	52 852 109	524 161 363	
		Shortfal/Excess	39 871 657	27 655 133	65 361 452	3 835 142	1 669 805	
Assessment Outcome per Service			Cost Reflective	Cost Reflective	Not Cost Reflective	Not Cost Reflective	Not Cost Reflective	
2025/26 Indicative Tabled Budget 2026/27	Year2	Revenue Required by NT Tariff Tool	67 988 464	56 126 473	374 624 829	57 540 049	556 279 815	Year 2
		Revenue Budgeted	106 931 349	85 107 884	299 926 117	55 709 671	547 675 021	
		Surplus /Deficit	38 942 885	28 981 411	74 698 712	1 830 378	8 604 794	
Assessment Outcome per Service			Cost Reflective	Cost Reflective	Not Cost Reflective	Not Cost Reflective	Not Cost Reflective	
2025/26 Indicative Tabled Budget 2027/28	Year3	Revenue Required by NT Tariff Tool	71 403 819	46 392 952	409 900 993	59 070 216	586 767 980	Year 3
		Revenue Budgeted	112 673 689	89 651 170	313 714 674	58 716 845	574 756 378	
		Surplus /Deficit	41 269 870	43 258 218	96 186 319	353 371	12 011 602	
Assessment Outcome per Service			Cost Reflective	Cost Reflective	Not Cost Reflective	Not Cost Reflective	Not Cost Reflective	

Source: Provincial Treasury

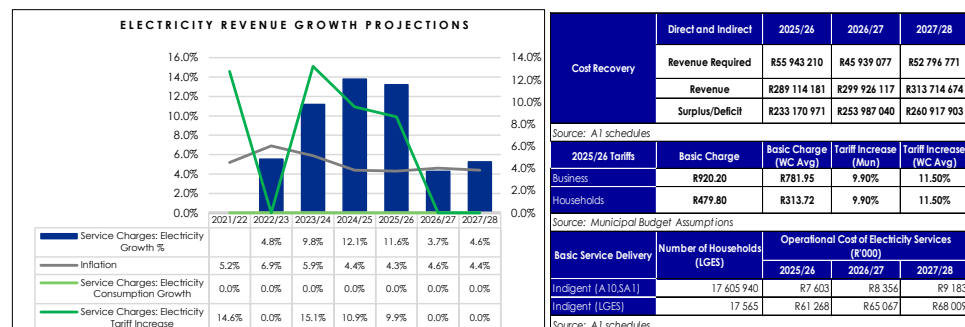
- Based on an analysis of the NT Cost Reflective Tool outcomes and information drawdown, the following pertinent points are highlighted:
 - Water Services: This service is 'cost reflective' over the 2025 MTREF period, factoring in the surplus or excess figures equating to R39.9 million for the 2025/26 financial year as well as R38.9 million and R41.3 million for the outer years.
 - Waste Water/Sanitation Service: Reflects a 'cost reflective' status, factoring in the R27.7 million for the 2025/26 financial year as well as R29 million and R43 million surplus or excess for the outer years respectively.

- Electricity Service: Reflects a 'not cost reflective' status considering the shortfall or deficit of R65 million for the 2025/26 financial year as well as R74.7 million and R96 million over the outer years. The pattern worth highlighting, is the increasing quantum of the deficit or shortfall value over the 2025 MTREF. In particular the exponential growth quantum of the deficit or shortfall as reflected for the 2026/27 to the 2027/28 financial years which essentially doubles in quantum (R21 million); when comparing the deficit or shortfall for the 2025/26 to the 2026/27 financial years (R9.3 million).
- The updating of the Cost of Supply (COS) study in relation to electricity provisioning as well as associated final proposed tariffs which is still underway. The Municipality highlights that the tariffs contained in the COS tariff listing are yet to be finalised, at present serving as an indicative tariff increase bearing in mind the base year of the CoS Study being 2023/2024.
- Solid Waste Service: Reflects a 'not cost reflective' status. Importantly despite the latter status, the deficit or shortfall manifest, a decreasing trend is manifested over the 2025 MTREF from the amount of R3.8 million for the 2025/26 financial year, R1.8 million for the 2026/27 financial year to R353 371 for the 2027/28 financial year.
- The results reflect that on aggregate the Municipality's services are classified as 'not cost reflective' over the 2025 MTREF, despite the Water and Wastewater Services being classified as cost reflective. The results reflect an increasing deficit/ shortfall trend, ranging from R1.7 million deficit/ shortfall for the 2025/26 financial year, R8.6 million deficit or shortfall for 2026/27 to R12 million increase for the 2027/28 financial year.
- As per the findings identified within the Municipal Oversight Report on the Annual Report 2023/24, the following high-risk areas which threaten the medium to long term financial sustainability of the municipality, namely the increasing consumer debt balance, the major water losses, the electricity losses, the unspent capital grants and the excessive overtime payments.
- Provincial Treasury reiterates the commitment by National Treasury to facilitate follow-up training during the financial year, supported by Provincial Treasury in conjunction with the MFIP advisors. It is recognised that the NT Cost Reflective Tariff Tool or Model could provide an additional platform to assess the budget assumptions and the application of balanced budgeting, including the optimal use of the mSCOA segments and alignment (especially the costing segment) as well as facilitating progress against the Financial Recovery Plan. The baseline information with particular reference to budget deficit, break-even and surplus, facilitates municipal decision-making and in particular the cross-subsidisation process.
- With specific reference to electricity service provisioning, it is important to note that the NT MFMA Circular No. 130 states that Municipalities are to demonstrate in their MTREF submissions that a percentage of the revenue from the Energy function, is ring-fenced. This financial practice is to ensure the funding of the municipal Electricity Revenue Protection Program operational needs and the successful implementation of the programme.

3.4.2 Energy Services

3.4.2.1 Energy Services Credibility and Sustainability

Figure 1 Energy trading service trends



Source: NT GoMun 2025/26 Draft Budget

- Electricity continues to be a critical source of revenue for Bitou Municipality, accounting for approximately 27.1 per cent of the total operating revenue projected for the 2025/26 financial year. The Municipality anticipates electricity income of R289.11 million, representing an 11.6 per cent increase compared to the R259.14 million reflected in the 2024/25 adjusted budget. This anticipated growth is primarily attributed to the implementation of a 9.9 per cent tariff increase, which remains marginally below the 11.32 per cent increase in bulk supply costs from Eskom and is informed by the indicative based on the basis year of the cost of supply study being 2023/2024 and will be updated once the current cost of supply study has been finalised. While this approach reflects the Municipality's commitment to maintaining the sustainability of the electricity trading account, the financial benefit is somewhat constrained by the corresponding rise in bulk electricity purchase costs. As a result, the operating surplus within this service remains under pressure due to a limited cost recovery margin.
- The proposed domestic basic charge of R479.80 per month positions Bitou Municipality significantly above the Western Cape average of R313.72 for comparable municipalities. While the proposed tariff increase of 9.9 per cent remains below the provincial average of 11.5 per cent, the elevated basic charge raises concerns regarding affordability, particularly for lower-income households. Although the Municipality appears to be pursuing a cost-reflective pricing model, the potential socio-economic impact of such a substantial fixed charge on vulnerable consumers should not be overlooked. It is recommended that this aspect be closely monitored and re-evaluated in future tariff cycles to ensure a more equitable balance between financial sustainability and social affordability.
- Electricity distribution losses within Bitou Municipality have demonstrated a significant and commendable downward trajectory over the past three financial years. According to the audited Annual Financial Statements (AFS), losses have decreased from 15.3 per cent in 2021/22 to 9.3 per cent in 2022/23, and further to 6.2 per cent in 2023/24—placing the Municipality below the National Treasury's acceptable benchmark range of 7 per cent to 10 per cent. This substantial improvement can likely be attributed to the continued rollout of smart metering infrastructure and targeted efforts to mitigate illegal connections and technical inefficiencies.
- While this progress is praiseworthy, it is noteworthy that the Municipality has not yet made budgetary provision for the establishment or operationalisation of a dedicated Electricity Revenue Protection Unit, as recommended in MFMA Circular 130. The circular highlights the importance of prioritising funding

for revenue protection measures, particularly in light of increasing non-technical losses such as electricity theft and meter tampering, which continue to pose significant risks to municipal revenues and cash flow stability. Moreover, the absence of a clearly defined and adequately resourced Revenue Protection Programme aligned with the NRS055 standard may present challenges in maintaining the current momentum of loss reduction. To ensure the sustainability of these gains and to further reduce non-technical losses, it is recommended that the Municipality considers earmarking a portion of revenue generated from the electricity function in its 2025/26 MTREF. This funding should be directed towards establishing a fully functional Revenue Protection Unit, adequately staffed, resourced, and overseen by the Electricity Infrastructure Directorate.

- Although the electricity trading service reflects an apparent surplus—with total projected revenue of R289.11 million exceeding the required revenue of R55.94 million by R233.17 million—caution should be exercised in interpreting this figure. The reliability of the reported surplus may be affected by several variables, including actual consumption patterns, technical losses, and potential billing inaccuracies, all of which could lead to an overestimation of revenue. The budget document indicates that the Municipality currently assumes a revenue collection rate of 90 per cent of annual billing, with a corresponding assumption that cash flow will also reflect 90 per cent of billing. However, a comparison of billing figures in Table A4 and revenue collection in Table A7 of the data strings reveals that the Municipality anticipates a 95 per cent collection rate. This discrepancy highlights the need for a more cautious and realistic estimation approach. Adopting a conservative collection forecast would enhance the credibility of the electricity trading service's financial projections and reduce the risk of overstating expected receipts.
- Lastly, the municipality's indigent policy reflects a commitment to supporting vulnerable households through the provision of Free Basic Electricity (FBE). The policy caters for 7 602 indigent households which is significantly below the 17,565 households supported through the Division of Revenue Act (DORA) grant. This significant mismatch may result in unfunded mandates and increased pressure on the electricity, particularly in the context of escalating input costs. To protect the municipality's financial position, it is essential that the indigent policy is regularly reviewed and aligned with actual grant allocations and the number of qualifying households.
- The affordability of extending free basic services to households in sub-economic areas remains a growing concern. In terms of the Municipality's indigent subsidy policy, registered indigent households and those with 30 Ampère lifeline electricity connections are eligible to receive 50 kWh of free electricity per month. However, the Municipality has continued—outside the scope of national guidelines—to provide this benefit to all customers residing in designated sub-economic areas, irrespective of their indigent status. This practice, which deviates from the National Treasury's guidance on the subsidisation of indigent households through the equitable share allocation, imposes a significant financial burden on the Municipality. While there has historically been limited willingness to revise this approach, it is imperative that the policy be re-evaluated in future budget cycles to safeguard the Municipality's long-term financial sustainability.

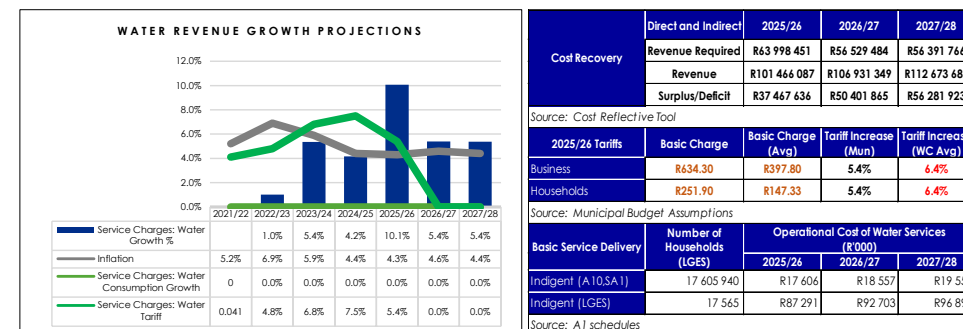
3.4.2.2 Responsiveness to Energy Demand and Provision

Municipal challenges	<ul style="list-style-type: none"> Ageing infrastructure. Augmentation of electricity supply. Formalise housing requirements to reduce electricity theft. Identify alternative energy sources (solar, streetlights, ESKOM, INEP funding). Ensuring that the town has robust electricity infrastructure to support the growing needs of citizens.
Electricity Expenditure Analysis	<ul style="list-style-type: none"> In terms of the amended 2025/26 IDP, the Municipality is experiencing three major issues related to electricity in Bitou which are, Streetlight Maintenance, Pre-Paid Metres and underserved ESKOM areas. The Municipality intends to address this through high mast lighting, the provision of pre-paid meters in Qolweni and Kurland and ensuring that all residents have access to electricity in Green Valley. The Municipality's response is commendable for being targeted and practical, focusing on quick wins in visible and high-impact areas. However, it lacks a holistic, long-term energy strategy. A more comprehensive plan could integrate sustainable energy solutions, robust maintenance frameworks, and broader community outreach to ensure inclusive and resilient electricity services across Bitou. The Municipality acknowledges in the amended 2025/26 IDP that older infrastructure may require more frequent maintenance and repairs leading to increased costs and potential disruptions and that upgrading infrastructure is essential to ensure reliability and efficiency. Operational spending on energy reflects a notable year-on-year increase of 12.1% between the 2024/25 and 2025/26 financial years. This growth is expected to escalate with 7.2%, over the remaining years of the 2025/26 MTREF, which indicates that the Municipality considered the growing need for energy within Bitou. Capital expenditure has experienced significant upsurge of 105.5% between 2024/25 and 2025/26 and it is expected to decline further with 35.2% over the MTREF. The decline in capital expenditure signals a need for reassessment to ensure sustained investment in critical infrastructure and to address future challenges effectively. The largest capital projects in terms of value in SA36 are a new Brakkloof electrification project valued at R12.27 million, New Streetlights for multiple wards at R3 million, the electrification of Informal Settlements valued at R3.541 million and two electrification projects at Ebenezer at R4.720 million and R2.875 million. The capital projects identified in SA36 collectively address several of the area's critical electricity challenges. Key initiatives such as the Brakkloof electrification project, the electrification of informal settlements, and the Ebenezer projects focus on modernizing ageing infrastructure and expanding the electricity supply to underserved communities. These efforts help reduce outages, improve reliability, and formally connect households, thereby minimizing electricity theft and promoting safer, regulated access to power. Additionally, the R3 million investment in street lighting offers potential for integrating alternative energy solutions like solar power, which aligns with sustainability goals and enhances energy efficiency. Together, these projects support the development of a robust electricity network capable of meeting the growing demands of the community, ensuring that infrastructure keeps pace with housing development, economic activity, and population growth. According to the SEP-LG 2024 findings, 98.7 percent of households within the Bitou Municipality possess basic access to electricity. This statistic signifies favourable outcomes, including elevated living standards, broadened economic prospects, and the fostering of sustainable development initiatives, however, also indicates that a small percentage of households (1.3%) lack basic access to energy. The Municipality's household service targets for electricity, as reflected in Budget Schedule A10, indicates growth of 2% in household access between 2024/25 and 2025/26. Furthermore, the MTREF projects an increase of 1.5% in electricity access, indicating that the Municipality has taken into account both population and household growth.

3.4.3 Water Services

3.4.3.1 Water Services Credibility and Sustainability

Figure 2 Water trading service trends



Source: NT GoMun 2025/26 Draft Budget

- Bitou Municipality projects water revenue to increase from R92.03 million in the 2024/25 adjusted budget to R101.47 million in 2025/26, which represents a 10.1 per cent growth. While this year-on-year increase is commendable, the projected growth slows to 5.4 per cent for the outer years of the MTREF. This downward trajectory in revenue growth should be carefully monitored, as it may impact the sustainability of the service in the medium to long term. Notably, the projected revenue growth for 2025/26 outpaces the applied tariff increase of 5.4 per cent and suggests anticipated consumer growth or improved collection.
- The Municipality has implemented a 5.4 per cent water tariff increase for the 2025/26 financial year, which is below the Western Cape average of 6.4 per cent. While this may reflect an effort to manage affordability for consumers, the high basic charge levels raise concern. Bitou's average basic charge for residential households is R251.90, significantly higher than the provincial benchmark average of R147.33. Similarly, the basic charge for business consumers is R634.30, well above the provincial average of R397.80. These charges are notably above the norm and may present affordability challenges for both households and local businesses, particularly given the broader economic climate and municipal collection challenges.
- Furthermore, the municipality has introduced a more transparent approach in its tariff structure by splitting the total fixed charge into two components: a basic charge and a minimum consumption charge covering the first 25 kilolitres for non-indigent households. This adjustment aims to improve the clarity of the tariff structure and facilitate accurate accounting for revenue foregone in respect of indigent households. Nonetheless, this technical refinement does not reduce the overall cost to consumers and therefore does not materially alter the affordability risks identified.
- According to the Cost Reflective Tariff Tool, the total revenue required to sustainably operate the water service in 2025/26 is R63.99 million. The Municipality has budgeted revenue of R101.47 million, resulting in a projected surplus of R37.47 million. This surplus grows significantly over the MTREF, reaching R56.28 million by 2027/28. While this indicates strong cost recovery, the Municipality must be cautious to ensure that projected surpluses are not solely tariff-driven but supported by efficient service delivery, credible billing, and effective collection. Additionally, it is important to assess whether this surplus is reinvested into asset maintenance and infrastructure upgrades to ensure long-term sustainability.

- Bitou Municipality has reported persistently high-water losses, with the 2023/24 Annual Financial Statements reflecting losses of 37.9 per cent, well above the national norm of 15 to 30 per cent. Concerningly increasing from 35.9 per cent in the previous year, the losses remain a material concern. The high losses increase operating costs and erode the efficiency of the water revenue model. Encouragingly, the Municipality has allocated a substantial portion of its capital budget to refurbish the water reticulation system, which, if implemented effectively, should help reduce leakages and improve service reliability. Ongoing investment in pipe replacement, pressure management, and system audits is critical.
- Bitou has registered 17,606 indigent households receiving Free Basic Water (FBW) of 6 kilolitres per month, in line with national policy. However, this number slightly exceeds the number covered by the Equitable Share allocation (17,565 households). While the difference is minimal, it raises concerns around unfunded mandates. The Municipality is advised to continuously reconcile indigent registers with LGES allocations to avoid placing undue financial pressure on the water account. Additionally, proper monitoring of indigent consumption must be enforced to ensure consumption does not exceed allowable limits without payment.
- The water service revenue model appears optimistic. While the cost recovery position is favourable, its reliability is contingent on collection performance. If actual collection rates fall short of assumptions, projected surpluses may not materialise. As such, the Municipality is advised to ensure its cash flow projections are underpinned by realistic collection assumptions, ideally aligned to historical performance and collection trends per billing category.

3.4.3.2 Responsiveness to Water Services Demand and Provision

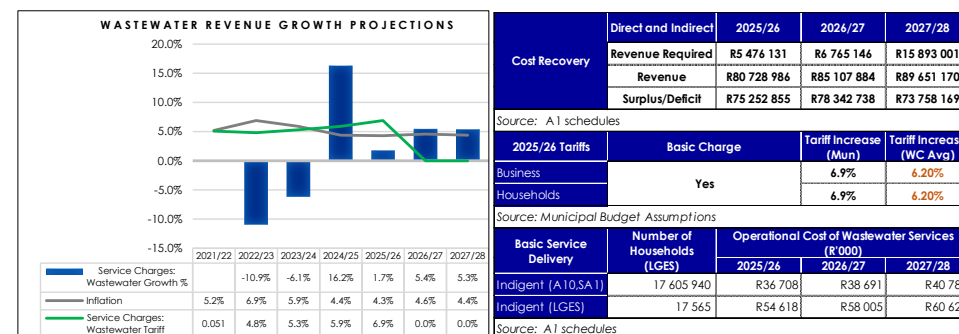
Municipal challenges	<ul style="list-style-type: none"> Limit unaccounted water losses. Ensuring a sustainable water supply. Improving water infrastructure. Providing all households with basic access to water.
Water Expenditure Analysis	<ul style="list-style-type: none"> The Municipality intends to respond to the water challenges through the essential provision of bulk services, reviewing water tariffs, use boreholes, rainwater harvesting, treated wastewater to save water resources and reducing water leakages amongst others. These actions help conserve existing water resources, diversify supply sources, and improve efficiency. However, while effective in the short to medium term, they may not be fully sufficient to meet long-term water demand, especially under conditions of climate change, urban growth, and rising consumption. Operational spending on water reflects a notable year-on-year increase of 4.2% between the 2024/25 and 2025/26 financial years. This growth is expected to escalate with 6.2% over the remaining years of the 2025/26 MTREF, which indicates that the Municipality considered the growing need for water within Bitou. Capital expenditure on water has experienced significant upsurge of 49.6% between 2024/25 and 2025/26 and it is expected to decline further with 16.2% over the MTREF. The decline in capital expenditure signals a need for reassessment to ensure sustained investment in critical infrastructure and to address future challenges effectively. Operational spending on water services in Bitou shows a measured and responsive approach to rising demand, with a year-on-year increase of 4.2% between the 2024/25 and 2025/26 financial years, and a projected escalation of 6.2% over the remainder of the MTREF. This upward trend in operational expenditure suggests that the Municipality is committed to sustaining service delivery through enhanced operational capacity. In contrast, capital expenditure on water infrastructure reflects a more variable trend. The significant increase of 49.6% between 2024/25 and 2025/26 indicates strong investment in infrastructure upgrades or expansions, however, it is followed by anticipated declines of 16.2% over the balance of the MTREF.

- To ensure long-term sustainability and resilience, it is critical that capital investment aligns with strategic goals, including expanding storage capacity, upgrading aging infrastructure, and developing alternative water sources. At present, it remains unclear whether allocations have been made for large-scale infrastructure projects to support future demand. If not, the Municipality should consider revisiting its capital planning to incorporate provisions for long-term growth, especially in light of environmental pressures and urban expansion.
- The Municipality identified several key initiatives under Schedule SA36: Water Services, including Waste Distribution valued at R2.675 million, Water Demand Management at R250 000, and the upgrading of the bulk water supply line at R1.3 million. These projects appear to respond to ongoing challenges associated with ageing infrastructure, which commonly leads to frequent pipe bursts, leaks, and increased maintenance costs. Such issues contribute significantly to unaccounted-for water losses and place strain on efforts to ensure a sustainable and reliable water supply.
- However, while the listed projects indicate a commitment to infrastructure improvement, their scale and allocated budget raise questions about whether they are sufficient to fully address the systemic challenges posed by ageing infrastructure. A more integrated and adequately resourced approach may be necessary to achieve long-term sustainability, particularly in high-growth or high-loss areas.
- The Municipality's household service targets for water, as reflected in Budget Schedule A10, indicates a slight decline in household access projections between 2024/25 and 2025/26. Furthermore, the MTREF projects an increase from 19 176 in 2025/26 to 52 350 in 2027/28 in water access, indicating that the Municipality has taken into account both population and household growth.

3.4.4 Wastewater Services

3.4.4.1 Wastewater Services Credibility and Sustainability

Figure 3 Wastewater trading service trends



Source: NT GoMun 2025/26 Draft Budget

- Bitou Municipality's wastewater revenue is projected to increase by 1.4 per cent in 2025/26, from R79.62 million to R80.73 million, with moderate annual growth of 5.4 and 5.3 per cent expected in the outer years. This modest growth in revenue mirrors the projected tariff increase of 5.4 per cent for both household and business users, which is below the Western Cape municipal average of 6.2 per cent. The below-average increase may support affordability but raises questions around the Municipality's ability to sustain and expand wastewater infrastructure and operations, especially in the context of rising input costs. Given the continued impact of inflationary pressure on chemicals, labour, and the

cost of mitigating loadshedding through generators and staff, the Municipality may need to carefully review whether the current tariff path is adequate to ensure long-term cost recovery.

- Despite the relatively modest tariff adjustments, the wastewater service is projected to generate a substantial operating surplus of R75.25 million in 2025/26, increasing to R78.34 million and decreasing to R73.76 million in the two outer years. With required revenue for cost recovery estimated at just R5.48 million for 2025/26, the significant surplus suggests that the service is heavily over-recovering relative to its stated direct and indirect costs. While this may appear positive at first glance, such a large surplus warrants further scrutiny, particularly to determine whether all cost components such as long-term capital investment needs, repairs and maintenance, and bulk service pressures have been adequately accounted for. The Municipality is encouraged to revisit its costing methodology to ensure that tariff setting aligns more accurately with the full lifecycle costs of providing wastewater services.
- The Municipality's budget indicates that a basic charge for wastewater has been levied, with business accounts explicitly charged and household charges included in the tariff. However, affordability considerations remain pertinent, especially for indigent households. The Municipality expects to support 36,708 indigent households through its indigent policy, which exceeds the 17,565 households reflected in the Local Government Equitable Share (LGES). The operational cost for these services is estimated at R36.71 million in 2025/26, far surpassing the R28.19 million allocation from LGES for wastewater, implying a potential shortfall of R8.52 million. This raises a risk of an unfunded mandate if not appropriately mitigated. The Municipality should assess the alignment between service delivery commitments to indigents and available funding and evaluate cost-sharing or efficiency opportunities.
- The Municipality has maintained a collection rate assumption of 90 per cent for wastewater, which is consistent with recent performance, but still below the National Treasury benchmark of 95 per cent. While this target is cautiously realistic, the accuracy of underlying assumptions must be tested against actual historical performance and debt profiles. As at March 2025, wastewater debtors stood at R74.55 million, representing 19.6 per cent of total outstanding debt and reflecting a deterioration from the 18.7 per cent in the prior year. Most of this debt is in the "over 90 days" category, pointing to deep-rooted recovery challenges. The Municipality must intensify its revenue management strategies and explore service restriction mechanisms where feasible, in line with MFMA Circular No. 123, to ensure that service delivery is financially sustainable.
- Wastewater infrastructure remains vulnerable due to rising urbanisation, frequent loadshedding, and ageing assets. Although the revenue trajectory suggests a strong financial position, the draft capital budget allocations toward wastewater infrastructure over the MTREF period should be reviewed for adequacy. Underinvestment in this function today may result in increased repairs and maintenance costs tomorrow, especially given the energy-intensive nature of treatment processes. The Municipality is advised to prioritise energy-efficient technologies in wastewater operations, not only to mitigate the impact of bulk electricity costs, but also to build resilience in an unstable energy environment.

3.4.4.2 Responsiveness to Wastewater Services Demand and Provision

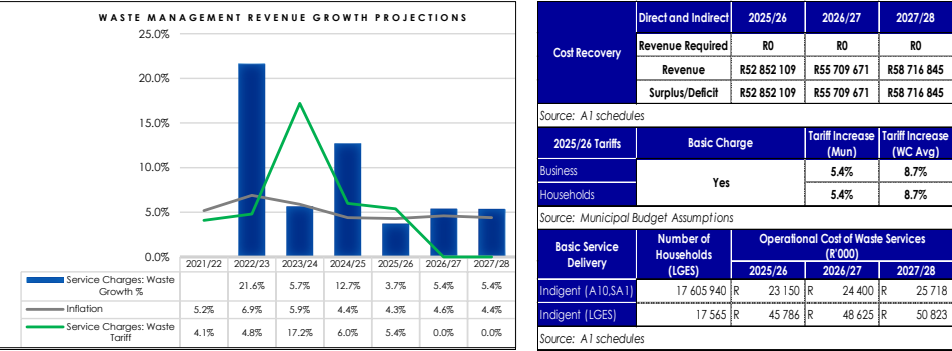
Municipal challenges	<ul style="list-style-type: none"> Constant sewer problems because of the size of sewer pipes. Bitou experiencing high population growth of 2.4% per annum with increasing demand. Basic access to sanitation is at 97.2%. Eradicate the use of buckets through the provision of acceptable sanitation systems to formal households. Delay in filling long outstanding critical vacant funded positions within the water and sanitation reticulation sections. Sewerage blockages ingress of foreign objects into manholes and pipelines.
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Wastewater Expenditure Analysis	<ul style="list-style-type: none"> The Municipality's strategic response to upgrade and maintain the sewer network—through initiatives such as the treatment of the Ebenezer Bulk Sewer, improvements to the Wittedrift and Kwanokuthula sewer outfalls, and the ongoing purification and management of the overall sewer system—reflects a critical investment in public health, environmental protection, and infrastructure sustainability. Moreover, this approach can lead to long-term cost savings by reducing emergency repairs and extending the lifespan of existing assets. However, successful implementation will depend on sustained funding, skilled personnel, and robust monitoring systems to ensure consistent performance and adaptability to emerging challenges, such as climate change and urban expansion. Operational spending on wastewater shows a notable year-on-year increase of 12.3% between the 2024/25 and 2025/26 financial years. This sharp rise indicates that the Municipality has acknowledged the growing pressures on wastewater infrastructure, likely due to population growth, urban expansion, and increasing water consumption within Bitou. The elevated allocation may reflect immediate priorities such as maintenance backlogs, capacity upgrades, or compliance with environmental standards. Capital expenditure on wastewater infrastructure reflects a gradually increasing trend, with a 2% rise projected between 2024/25 and 2025/26, followed by a further 3.7% increase over the remainder of the MTREF. This upward trend suggests a steady, though modest, commitment by the Municipality to strengthen and expand its wastewater infrastructure. The incremental growth in capital spending likely points to a phased investment strategy, prioritising the most critical upgrades or expansions while aligning with budgetary constraints. It may also reflect long-term infrastructure planning aimed at gradually enhancing capacity, improving environmental compliance, and addressing the challenges posed by ageing systems and increased service demand. The Municipality identified several key projects in Schedule SA36 to address its wastewater management challenges: The Kurland Wastewater treatment project valued at R16.080 million, Sludge handling at Ganse Vallei valued at R3.7 million and the Ebenezer Construction of Sewer Reticulation valued at R2.675 million. The Kurland Wastewater Treatment Project, as the most substantial investment, reflects a strategic effort to increase treatment capacity, enhance operational efficiency, and ensure environmental compliance in a growing area. This is particularly critical considering rising wastewater volumes driven by population growth and urban development. The scale of investment suggests that the Municipality recognises the need for a robust and modernised treatment facility capable of supporting both current and future demand. According to Budget Schedule A10, the Municipality's household service targets for wastewater indicate an increase of 1% in household access between the 2024/25 and 2025/26 financial years. However, this is followed by a sharp projected increase from 16 024 in 2025/26 to 79 125 in 2027/28. This significant upward revision suggests that the Municipality is planning for substantial expansion in wastewater service coverage, likely in response to anticipated population and household growth.
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3.4.5 Waste Removal Services

3.4.5.1 Waste Removal SERVICES Credibility and Sustainability

Figure 4 Waste removal service trends



Source: NT GoMun 2025/26 Draft Budget

- Bitou Municipality's waste management revenue is projected to increase from R50.98 million in the 2024/25 adjusted budget to R52.85 million in 2025/26, R55.71 million in 2026/27, and R58.72 million in 2027/28. This reflects a year-on-year growth of only 3.7 per cent in 2025/26, significantly below the 13.4 per cent increase observed in 2024/25 and below the municipal tariff increase of 5.4 per cent. The declining revenue growth trajectory suggests that either consumption volumes are stagnant, or billing is not fully capturing the actual service delivery footprint, both of which require closer interrogation. As indicated in the Municipality's draft budget report, the service remains below cost-reflective levels, attributable to discrepancies and irregularities identified through the ongoing revenue enhancement programme.
- The tariff modelling tool currently reflects a projected surplus of R52.85 million for the waste management service in the 2025/26 financial year. This outcome implies that neither direct nor indirect costs have been incorporated into the cost recovery calculation, resulting in an overstated surplus. This stands in clear contradiction to the narrative presented in the draft budget report, which acknowledges that the service is not yet operating at cost-reflective levels and continues to incur a financial shortfall. This inconsistency between the tariff model and the budget narrative undermines the credibility of the Municipality's cost-reflectiveness assessments and should be resolved prior to the tabling of the final budget. It is strongly recommended that the Municipality ensures all applicable costs—such as operational expenses related to waste collection, transportation, disposal, security, and fleet maintenance, as well as indirect costs including administrative overheads and support services—are accurately attributed to the waste management service within the tariff tool. This will facilitate a more transparent, realistic representation of the actual cost of service provision.
- Furthermore, the 5.4 per cent tariff increase for both business and household refuse removal falls below the Western Cape average of 8.7 per cent, which may not be sufficient to fund growing waste service obligations. The Municipality has indicated future cost pressures relating to regional landfill site contributions and landfill rehabilitation obligations, yet these are not immediately reflected in the revenue requirement calculations. If future costs (such as those from the Garden Route District's regional landfill project) are not cash-backed or adequately phased into the tariff model, the current surpluses are misleading and could lead to medium-term sustainability risks. However, the Municipality's proposal to phase in cost-reflective tariffs for refuse removal from the 2026/2027 financial year,

following the completion of a thorough review, is noted and welcomed. This phased approach reflects a considered and responsible strategy that balances financial sustainability with the need for affordability and stakeholder engagement. The commitment to conducting a comprehensive investigation prior to implementation is commendable and will contribute to improved transparency and confidence in the tariff-setting process and should be considered and reflected in the final budget projections.

- From a basic service delivery perspective, the municipality supports 23150 indigent households, which is above the LGES-supported number of 17 565 households. In 2025/26, the operational cost of delivering free basic refuse services is estimated at R23.15 million, compared to the LGES allocation of R23.63 million, suggesting near full coverage. However, this balance becomes tighter in the outer years, and the municipality is advised to assess affordability risks in line with MFMA Circular 129, which cautions against expanding unfunded mandates.
- Finally, waste management remains an area ripe for cost efficiencies and innovation. Challenges such as illegal dumping, increasing security costs, and an ageing fleet could be better managed through integrated waste management strategies, which emphasize recycling, waste minimization, and circular economy principles. Shared services and public-private partnerships (PPPs) should be explored to contain costs and enhance long-term sustainability.

3.4.5.2 RESPONSIVENESS TO WASTE REMOVAL DEMAND AND PROVISION

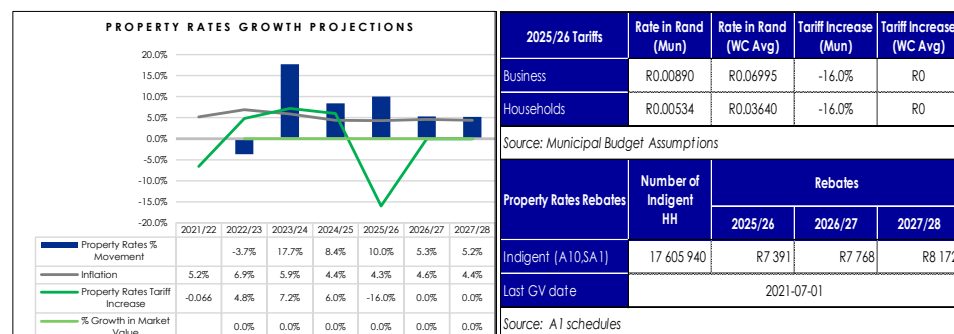
Municipal challenges	<ul style="list-style-type: none">Waste transportation from Plettenberg Bay to Mossel Bay at high cost.No landfill site in Bitou.Alternative waste management strategies.Rise in illegal dumping.
Waste Expenditure Analysis	<ul style="list-style-type: none">The Municipality's key strategic focus areas for addressing waste management challenges are centred around two main pillars: Waste Minimisation and Infrastructure Improvement.The Waste Minimisation strategy prioritises source-level intervention, including the investigation and implementation of waste collection at the source, the promotion of recycling—particularly the reuse of building materials—and the establishment of accessible waste drop-off facilities. These efforts aim to reduce the volume of waste entering the formal disposal system and encourage community participation in sustainable practices.The Infrastructure Improvement focus targets operational efficiency through initiatives such as enhanced fleet management, the installation of perimeter fencing at waste facilities, and the introduction of curbside collection for green waste. These interventions are designed to strengthen service delivery, reduce illegal dumping, and improve overall cleanliness and environmental compliance across the Municipality.Operational expenditure on waste management is projected to increase by 4.7% between the 2024/25 and 2025/26 financial years. This moderate year-on-year growth suggests that the Bitou Municipality is responding to mounting demands on its waste service – pressures likely driven by factors such as population growth, urban development, etc. Over the MTREF period, operational spending is expected to grow at an average annual rate of 2.5%. While this overall trend reflects a commitment to maintaining and expanding critical infrastructure, the pace of growth may warrant closer scrutiny to ensure it aligns with the scale of service delivery needs and environmental sustainability targets.Capital expenditure on waste infrastructure shows a significant short-term increase, rising from R750 000 in 2024/25 to R7.1 million in 2025/26, mostly due to the new drop-off facilities at Kurland (R5.6 million) and the purchase of a new skip truck (R1.5 million). However, this surge is followed by a substantial decline of approximately 35% over the remaining years of the MTREF. If the 2025/26 allocation is a once-off intervention, the Municipality must ensure that subsequent funding levels remain adequate to support ongoing maintenance, future capacity needs, and resilience of the waste infrastructure system.

- According to Budget Schedule A10, the Municipality's household service targets for waste indicates an increase of 0.9% in household access between the 2024/25 and 2025/26 financial years. This is followed by increases of 1.3 per over the remainder of the MTREF. This upward revision suggests that the Municipality is planning for expansion in waste service coverage, likely in response to anticipated population and household growth.

3.5 REVENUE

3.5.1 Property Rates

Figure 5 Property rates



- The Municipality projects a 10 per cent year-on-year growth in property rates revenue for 2025/26, increasing from R193.25 million in the 2024/25 adjusted budget to R212.58 million. This is despite a tariff decrease of 16 per cent, as indicated in the budget assumptions. This projected growth is therefore not supported by a corresponding increase in the rate-in-the-rand, nor by an above-average increase in the property count. The increase appears to rely heavily on the expansion of the property valuation base, particularly from supplementary valuation rolls and the implementation of the new General Valuation Roll effective 1 July 2025. However, this statutory process is essential for ensuring that property valuations used for levying rates are accurate, up to date, and reflective of current market conditions.
- The Municipality should consider conducting a social impact assessment on the new valuation roll to identify property owners who may experience disproportionate increases in rates, despite overall tariff reductions and explore targeted relief mechanisms for affected households outside the indigent category, if affordability concerns arise.
- To offset the potential impact of increased property valuations on ratepayers, the Municipality has committed to applying a revenue neutrality principle, whereby the cent-in-the-Rand rate will be reduced proportionately—by between 16.25 per cent and 16.41 per cent, depending on property category. This approach demonstrates a prudent and balanced response, aligning with MPRA requirements and National Treasury guidance as referenced in MFMA Circular No. 51. While the revenue neutrality principle is commendable, the Municipality should conduct scenario-based modelling to assess the combined impact of objections, appeals, exemptions, and potential legal disputes on projected revenue. This modelling should inform the level of the buffer included in the rates tariff to avoid underfunding.
- Furthermore, the rates in the rand for households and businesses have not been increased for the 2025/26 financial year. This is reflected in the tariff schedule: R0.00534 for residential and R0.00890 for businesses. This static tariff positioning contrasts with the Western Cape averages of R0.03640 for

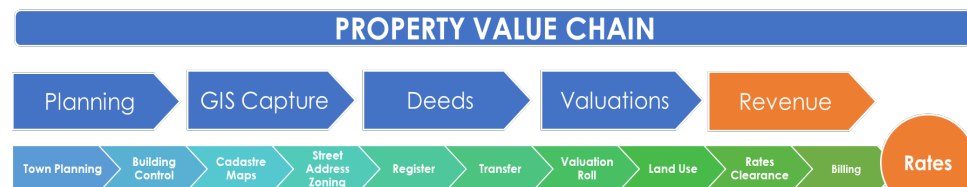
households and R0.06995 for businesses, underscoring a significant under-pricing of Bitou's rates in comparison to peer municipalities. The proposed -16 per cent variance indicates a missed opportunity for revenue enhancement through marginal upward adjustment, particularly in non-residential categories.

- The Municipality has also proposed an exemption of R350 000 on the value of properties in sub-economic areas, which is significantly above the statutory R15 000, and represents a targeted municipal policy choice aimed at supporting historically disadvantaged communities. While it is progressive, it carries a significant revenue implication, which must be regularly reviewed to assess long-term affordability and the municipality should consider adjusting the threshold in line with property market trends, inflation, and the outcomes of the new general valuation roll. Furthermore, it must ensure that the application of this exemption is consistently captured in the billing system and reconciled with the valuation roll. Any errors or inconsistencies could result in unintended revenue loss. As per MFMA Circular No. 93, the Municipality must also submit a valuation roll reconciliation, comparing the financial system to both the general and supplementary rolls, to substantiate the expected revenue increases.
- Given these concerns, Bitou Municipality is strongly encouraged to submit the required valuation roll reconciliation tools in line with Circular 93, provide a clear breakdown of the number and type of properties expected to drive the 10 per cent revenue growth, reassess the assumed growth in property rates revenue in light of the tariff reduction and static valuation roll assumptions, Consider marginal increases to under-priced categories (especially business) to support long-term sustainability.
- The introduction of the first Special Rating Area (SRA) in Bitou Municipality during the 2023/24 financial year targeting Natures Valley is a commendable step toward localised service delivery and community-driven development. The Municipality has rightly included the Natures Valley SRA budget as Annexure "L" to the draft budget, and it is aligned with the provisions of the SRA By-law. The continued application of the surcharge at R0.00092 in the Rand, the administrative and non-payment provision of approximately 5 per cent, and the commitment to channelling funds monthly to the NVSRA for approved programs demonstrate good governance and responsiveness to community initiatives. However, it is concerning that no corresponding entries for the SRA revenue are reflected in the data strings or the A-schedule of the draft budget. This omission undermines transparency and may result in underreporting of the municipality's revenue and spending commitments. It is recommended that the municipality ensures this line item is fully incorporated into the final budget schedules to enhance credibility, facilitate oversight, and ensure alignment between narrative commitments and financial disclosures.

3.5.2 The Property Value Chain

The Municipality's main asset is its property. Its main source of income is derived from charging for property rates. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. Municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing. Figure 6 below highlights the key inputs into the Property Value Chain to realise maximum revenue from property rates.

Figure 6 Property Value Chain



Source: City of Cape Town Municipality

3.5.3 Land Value Capture and Alternative Financing

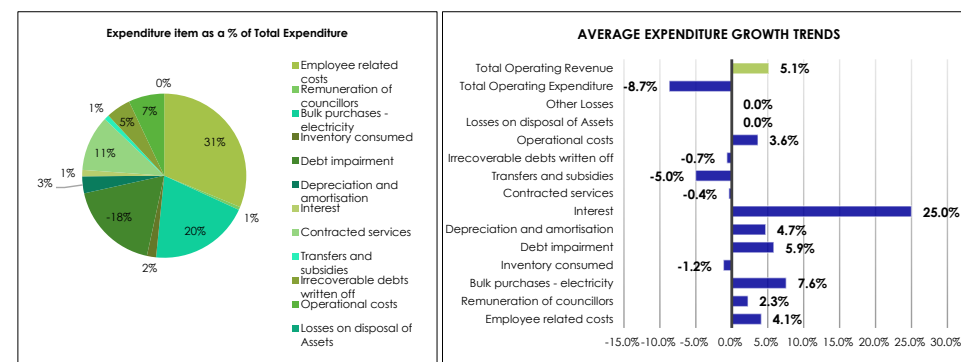
3.5.3.1 Development Charges

- On the 11th of June 2024, the President of the Republic of South Africa signed into law the Municipal Fiscal Powers and Functions Act (MFPFA) (Act No: 4 of 2024), with the insertion of Chapter 3A: Development Charges.
- Prior to the MFPFA, municipalities levied development charges in an inconsistent and sometimes biased manner. This lack of standardisation caused confusion for developers, leading to disputes and reducing investment attractiveness. The MFPFA will provide a clear, legal framework that standardised the levying and application of DCs, bringing greater transparency and predictability for both developers and municipalities.
- Therefore, municipalities that are already levying DCs in terms their pre-existing DC policy or DC by-law, as at the date of commencement of this Act, must ensure that it complies with this amended Act within 36 months after the date of commencement of the Act. While municipalities intending to levy DCs, their municipal councils must adopt a resolution for the municipality to levy the DCs, and thereafter develop their policy that is compliant with the Act.
- Annexure 2 in the guidelines for the implementation of municipal DC in South Africa, offers a DCs policy guidance and model policy that municipalities can adapt to their unique contexts, when updating or developing their DC policies and PT could assist by sharing examples of successful DC policies from other municipalities to serve as benchmarks.
- Other Revenue Risks**
- The Municipality's projected revenue from fines, penalties, and forfeits stands at R55.02 million for the 2025/26 financial year, showing a moderate 5 per cent increase from the 2024/25 adjusted budget of R52.40 million. Over the two outer years, revenue is projected to grow by 5.4 per cent annually, reaching R61.12 million by 2027/28. However, it must be noted that this growth is somewhat tempered when compared to the volatility in historical billing and collections, highlighting the need for conservative assumptions.
- Despite these increases, the actual audited collection rate remains critically low. According to Circular 71 calculations, collection rates for fines improved from 17.3 per cent in 2021/22 to 26.1 per cent in 2023/24. While the upward trajectory is encouraging, the rate is still far below the 95 per cent norm and well below the rates achieved in other revenue streams such as property rates and service charges. The growing closing debtor balances rising from R86.57 million in 2021/22 to R112.62 million in 2023/24 also highlight a structural weakness in the collection of this revenue stream, raising questions about the realism of the budgeted figures.

- The Municipality acknowledged in the previous year's draft budget documentation that fines revenue, especially traffic fines, has historically been overstated and continues to be a challenge to collect. This is echoed in the February 2024 adjustment budget, where traffic fines were revised upwards due to better-than-expected performance in the first quarter. While this adjustment was based on short-term gains, long-term projections should be grounded in the low historic collection efficiency to ensure the budget remains credible and cash backed.
- It remains unclear if a contractor or service-level agreement is in place for the management and enforcement of traffic fines or if there is an operational municipal court to handle disputes and recover outstanding amounts. These gaps in institutional infrastructure could explain the persistently low collection rates. The Municipality is therefore advised to assess its enforcement capacity and explore partnerships with service providers, where appropriate, to boost collections. Moreover, a structured analysis of the current contract (if in place), including risks, performance clauses, and termination conditions, should be conducted to ensure alignment with the budgeted revenue assumptions.
- Given the variance between billed and collected amounts, the Municipality may wish to consider revising its revenue assumptions for fines, penalties, and forfeits to better reflect actual collection trends observed over the past three years. Aligning these projections with historic performance could help minimise the risk of revenue shortfalls and contribute to a more accurate cash flow forecast. Ensuring that budget assumptions are realistic and evidence-based, supports greater financial credibility and long-term sustainability.

3.6 OPERATING EXPENDITURE

Figure 7 Operating expenditure trends



Source: NT GoMun 2025/26 Draft Budget

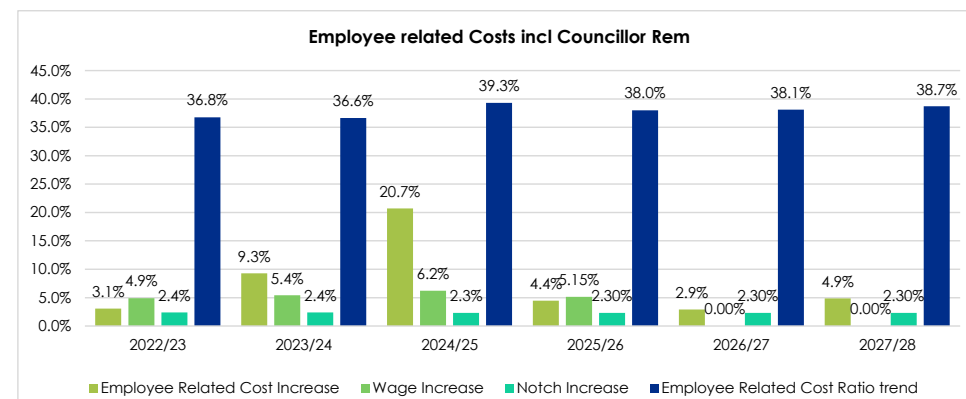
- The Municipality's total operating expenditure is projected to increase from R983.61 million in the 2024/25 adjusted budget to R1.06 billion in 2025/26, R1.09 billion in 2026/27 and R1.13 billion in 2027/28. This reflects year-on-year increases of 8.0 per cent, 2.6 per cent, and 3.3 per cent respectively, which is relatively moderate when compared to past growth rates. The three largest expenditure components in 2025/26 remain: employee-related costs (R395.99 million, or 37.3 per cent of operating expenditure), bulk electricity purchases (R250.43 million, or 23.6 per cent), and contracted services (R139.17 million, or 13.1 per cent).
- Employee-related costs is the largest cost driver, growing by 4.6 per cent from the 2024/25 adjusted budget, largely due to a 5.15 per cent general salary increase and additional notch increases

averaging 2.3 per cent. Councillor remuneration is projected at R7.69 million for 2025/26, with a conservative 4.2 per cent increase provisioned.

- Bulk purchases, particularly electricity, remain a significant cost pressure. In 2025/26, the Municipality anticipates spending R250.43 million on electricity bulk purchases, up from R224.96 million in 2024/25 and 11.3 per cent increase aligned with the Eskom tariff hike. This matches the projected 11.6 per cent growth in electricity revenue and reflects an attempt to maintain cost-reflective tariffs amid consumption volatility and load-shedding constraints. However, managing technical and non-technical losses will remain critical to limiting margin erosion.
- The allocation to contracted services has increased significantly by 20.7 per cent to R139.17 million in 2025/26, which translates to 13.1 per cent of the operating budget which is well above the National Treasury norm of 2 – 5 per cent. While this may be partly influenced by mSCOA classifications, the municipality's reliance on outsourced services (e.g., consultants, contractors) raises sustainability and capacity concerns. There is a need for stringent contract management and embedding skills transfer clauses in all professional service agreements to reduce long-term dependency.
- Depreciation and asset impairment is budgeted at R42.23 million in 2025/26, which represents 4 per cent of the total operating expenditure. Repairs and maintenance expenditure is projected at 2.8 per cent of PPE which is below the National Treasury norm of 8 per cent but showing a modest improvement over prior year. While this shows progress, the gap between depreciation and repairs continues to suggest underinvestment in asset upkeep and asset renewal, which can undermine infrastructure reliability over time.
- According to the A6 schedule (Budgeted Financial Position), Bitou Municipality's audited Annual Financial Statements (AFS) for the 2023/24 financial year reflect a net carrying amount of Property, Plant and Equipment (PPE) at R1.32 billion. This amount is projected to increase to R1.46 billion in 2025/26, indicating the municipality's intention to purchase additional capital assets over the MTREF. While this increase is expected with further investment in infrastructure and other fixed assets, the depreciation values disclosed in the A4 schedule (Budgeted Financial Performance) raise concerns. Specifically, the audited depreciation expense for 2023/24 is reported at R48.85 million, whereas a lower depreciation amount of R42.23 million is budgeted for 2025/26. This is counterintuitive, as one would expect a higher depreciation expense in 2025/26 in line with the projected asset growth, especially since the municipality has not budgeted for any asset disposals that would otherwise reduce the depreciable base.
- Further compounding the concern is the inconsistency between the asset-related disclosures in the A4, A6, and A9 schedules. Upon examining the A9 schedule (Asset Register Summary), the projected depreciation figures appear to be more in line with the expected increase in the asset base. The A9 figures support the assumption that depreciation should increase in future years due to additional capital purchases. The lack of alignment between these schedules, particularly A4 and A6 not reconciling with the more logical projections in A9, undermines the credibility and internal consistency of the budget. The Municipality is therefore advised to review and correct these discrepancies prior to the adoption of the final budget to ensure accurate reporting of its financial performance and asset position.

3.6.1 Employee Related Cost

Figure 8 Employee related cost including councillor remuneration



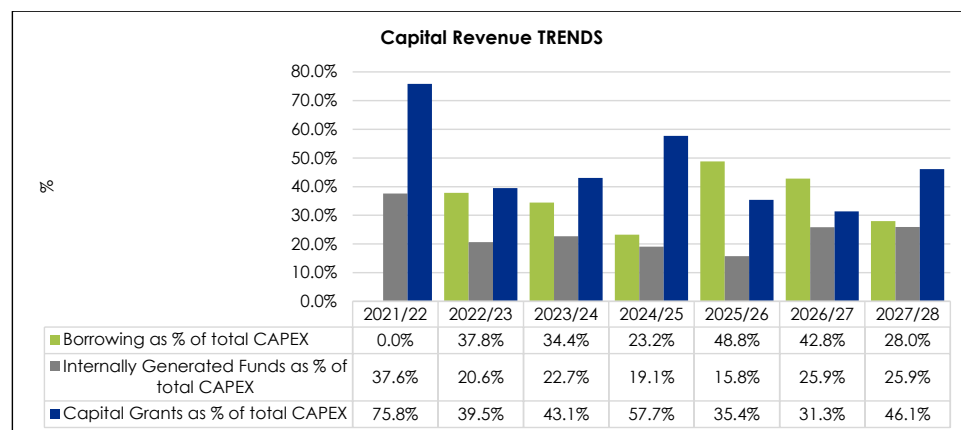
Source: NT GoMun 2025/26 Draft Budget

- Based on the analysis of the 2025/26 draft budget, Bitou Municipality's employee-related costs (ERC) remain the largest cost driver, projected at R395.99 million. This constitutes 37.3 per cent of total operating expenditure, which is within the upper limit of National Treasury's norm of 25 – 40 per cent. The year-on-year increase from the adjusted 2024/25 budget of R378.62 million represents a growth of 4.6 per cent. This growth is informed by an assumed general salary increase of 5.15 per cent, and notch increases of approximately 2.3 per cent for qualifying staff, as per SALGBC agreements. Despite being within acceptable norms, this rising wage bill must be closely monitored against overall revenue growth, which is projected at 8.2 per cent for 2025/26, to ensure long-term affordability
- A sustainability test of the wage bill shows that over the past three financial years, employee-related costs grew from R278.10 million in 2021/22 to R312.82 million in 2023/24, reflecting an average growth of about 11.1 per cent per annum. However, the sharper increase in 2024/25 (21 per cent) followed by 4.6 per cent in 2025/26 suggests a correction phase after a significant ramp-up in the previous year. Although the pace of growth appears to moderate over the MTREF with increases of 2.9 per cent and 4.9 per cent in 2026/27 and 2027/28 respectively continued alignment with revenue projections is critical to avoid budget pressures. Any faster rise in ERC relative to income will erode fiscal space and potentially crowd out service delivery budgets.
- There is limited detail on vacancy assumptions or personnel distribution by function, which impairs a more granular affordability review. It would therefore be prudent for the Municipality to provide greater transparency on vacancy fill-rates, staff composition by occupational level, and workforce planning strategies to ensure efficient allocation of human resources.
- Furthermore, an increase of 8.3 per cent in pension, UIF, and group life contributions as well as increases of 7.8 per cent in performance bonuses and 8.2 per cent in post-retirement benefit obligations were noted. These sub-components of ERC require additional monitoring and possibly capping where appropriate, particularly given constrained revenue growth and competing expenditure priorities. Notably, councillor remuneration is projected to increase by 4.7 per cent, from R7.69 million in 2025/26 to R8.43 million in 2027/28, based on a 4.2 per cent escalation provision consistent with historical trends and prudent budgeting practices

- The Municipality is encouraged to strengthen long-term workforce planning and cost containment initiatives. Strategies such as aligning the organisational structure with service delivery imperatives, limiting non-critical posts, and managing overtime through shift systems or reallocation of tasks should be prioritised. Additionally, the Municipality should benchmark the ratio of employee costs to net operational expenditure (excluding bulk purchases) to assess whether it remains within acceptable levels once bulk electricity and water purchases are removed. This ratio often presents a truer picture of the wage bill burden on discretionary spending.
- Employee cost ratios currently remain within normative thresholds, the trajectory of the wage bill, particularly its alignment with revenue growth and service demands, must be vigilantly managed. Without ongoing efficiency gains and tighter headcount planning, rising personnel costs may limit the Municipality's ability to deliver on capital and operational commitments in future years.

3.7 CAPITAL FUNDING MIX

Figure 9 Capital funding mix



Source: NT GoMun 2025/26 Draft Budget

- As at 31 March 2025, the municipality reported capital expenditure of R78.26 million, which equates to only 51.8 per cent of the adjusted capital budget of R151.08 million. With just three months remaining in the financial year, this underperformance suggests persistent challenges in the timely implementation of capital projects. This trend of low capital budget absorption may result in the under-delivery of critical infrastructure and negatively impact service delivery outcomes. It also puts at risk the full utilisation of conditional grants, potentially leading to reallocations or future funding reductions by transferring authorities.
- This implementation risk is further compounded by the municipality's evolving capital funding mix. While total capital funding declines in the adjusted 2024/25 budget compared to the original budget (from R183.16 million to R151.08 million), the outer years of the MTREF show a renewed increase in capital budgets, with borrowing becoming a more prominent funding source. For 2025/26, borrowing increases sharply to R87.12 million, becoming the largest source of capital funding. Over the same period, transfers from national and provincial government decline significantly, before modestly recovering in 2027/28. Internally generated funds show relative stability, though their contribution increases in 2026/27 and 2027/28.

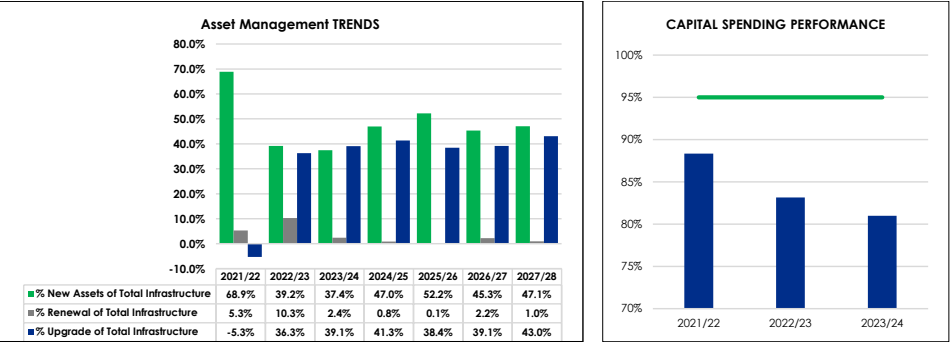
- The shift towards greater reliance on borrowing, coupled with historic underperformance in capital expenditure, presents potential risks to the municipality's financial and service delivery sustainability. Elevated debt levels may introduce future debt servicing obligations, placing pressure on the operating budget if revenue growth does not keep pace. Furthermore, failure to execute infrastructure projects on time undermines value for money, reduces economic stimulus potential, and can result in community dissatisfaction.
- To improve outcomes and mitigate these risks, the municipality is encouraged to table its final budget with a strong emphasis on project readiness, implementation capacity, and credible funding plans. Steps should include reviewing the capital implementation plan to ensure alignment with institutional capacity, strengthening contract management and supply chain timelines, and prioritising multi-year infrastructure planning. Additionally, borrowing should be supported by an updated debt affordability assessment and ring-fenced to revenue-generating or high-impact projects. Lastly, the municipality should enhance its reporting and monitoring frameworks to identify and resolve bottlenecks early in the implementation cycle.

3.7.1 Borrowing

- The Municipality plans to fund capital expenditure from borrowings as indicated on the Table A5 to the amount of R87.12 million in 2025/26, R74.81 million 2026/27 and R43.40 million in 2027/28 MTREF years.
- The gearing/debt ratio is projected over the MTREF years from 12.2 per cent (2025/26), 14.5 per cent (2026/27) to 13.2 per cent (2027/28) over the MTREF period and reported that the municipality can take on additional funding from borrowings. However, this should be considered within the cash flow requirements of the Municipality. The ratio is within the National Treasury norm of 45 per cent.
- The Municipality projected a positive closing cash and cash equivalents which includes repayment obligations as indicated on the Table A7 throughout the MTREF. The repayment on borrowing amounts as indicated for the financial years are R20.34 million, R22.93 million and R25.67 million for 2025/26, 2026/27 and 2027/28 respectively. A net decrease in cash held is projected over the MTREF period. The closing cash and cash equivalents is projected to fluctuate over the MTREF budget.
- Although the Municipality will generate revenue and cash from its operations to service the projected additional debt, it should be noted the Municipality must have considered all the concerning factors that will have an impact on the Municipality's cash flow pressure. The municipality have sufficient cash to contribute toward the capital budget.
- It should be noted that the Municipality's tariff structure should be set to include the capital charges of the debt obligation so that sufficient funds can be generated to meet the repayment obligations.
- Disclaimer: it should be noted the bank overdraft and financial liabilities under current liabilities on A6 were not added to the gearing ratio. This could distort the true reflection of the ratio.

3.8 CAPITAL EXPENDITURE TRENDS

Figure 10 Asset Management



Source: NT GoMun 2025/26 Draft Budget

- The Municipality is commended for its proactive and structured implementation of the principles outlined in MFMA Circular 130, particularly as they relate to sustainable asset lifecycle management and capital planning. The allocation of 63.4 per cent of the capital budget to new asset construction and 36.6 per cent to the upgrading and renewal of existing assets reflects a well-balanced approach that prioritises both service expansion and infrastructure sustainability. This approach not only enhances the credibility and robustness of the capital programme but also contributes significantly to improved infrastructure management and long-term service delivery sustainability. The Municipality is encouraged to maintain and further strengthen this alignment in subsequent budget cycles.
- The Repairs and Maintenance (R&M) budget for Bitou Municipality however reflects a declining trend in 2024/25, with the adjusted budget decreasing from R47.75 million (original budget) to R42.23 million. As a percentage of Property, Plant, and Equipment (PPE), R&M spending drops from 3.1 per cent to 2.5 per cent, which is below the National Treasury's recommended norm of 8 per cent. Although this percentage slightly improves to 2.8 per cent in 2025/26 and reaches 3.2 per cent in 2026/27, it again declines to 2.7 per cent in 2027/28. This sustained underinvestment in asset maintenance poses a risk to the longevity and reliability of municipal infrastructure.
- The long-term impact of this trend could be significant. Inadequate maintenance of assets may lead to higher repair costs, reduced service delivery efficiency, and potential infrastructure failure especially in high-use areas such as water, sanitation, and electricity. Deferred maintenance also accelerates asset deterioration, increasing the future capital replacement burden. As the municipality tables its final budget, it is recommended that it reassess its R&M allocations with a view to progressively increasing the ratio towards the national norm. This could include ring-fencing funds for preventive maintenance, conducting asset condition assessments, and aligning R&M plans with the Infrastructure Asset Management Plan (IAMP) to support sustainability and service continuity.

3.6.2 OTHER CAPITAL INFRASTRUCTURE RESPONSIVENESS

Municipal challenges	<ul style="list-style-type: none">• Some township designs lack proper stormwater drainage systems.• Access roads require attention.• Construction of speed humps.
Capital Expenditure Analysis	<ul style="list-style-type: none">• According to the amended IDP, the Municipality's strategy regarding roads and stormwater infrastructure appears to be reactive and selectively responsive, with a focus on basic maintenance and urgent upgrades, but lacking a comprehensive, integrated approach. There is a need for a holistic roads and stormwater master plan, prioritising climate resilience, economic development nodes and public safety.• In the 2025/26 financial year, the Municipality has allocated R37.469 million to capital expenditure for road transport, accounting for 21 per cent of the total capital budget. This marks a 14 per cent decrease compared to the previous financial year, possibly reflecting either the completion of major projects or a reprioritisation of capital investment. However, projections over the MTREF indicate a 13 per cent increase in road transport capital spending, suggesting a continued, albeit measured commitment to enhancing mobility and connectivity within the Municipality.• Key projects listed in the SA36 schedule include:<ul style="list-style-type: none">• Upgrade of High Street – R5.2 million• Upgrade of stormwater drains in Wittedrift – R4 million• Upgrade of stormwater drains in Kranshoek – R2 million• These projects indicate targeted interventions to address critical infrastructure, particularly in areas vulnerable to flooding and poor road conditions. While they represent important steps toward resolving long-standing challenges, the extent to which they will meaningfully reduce infrastructure backlogs or improve access across all affected communities remains unclear.

3.6.3 Municipal Readiness: Infrastructure Implementation capacity

Municipal factors/scoring	<ul style="list-style-type: none">• RATINGS AFRIKA SCORECARD
Capacity Analysis	<p>Key Findings from the RATINGS AFRIKA SCORECARD</p> <ul style="list-style-type: none">• The RATINGS AFRIKA SCORECARD provides a comprehensive evaluation of municipal performance across various dimensions, including infrastructure management. Key findings relevant to Bitou Municipality include:• Infrastructure Maintenance: Bitou's performance on infrastructure development has been keeping fairly steady over the last couple of years with the score reaching 62 in 2024, still reflecting a strategy to improve service delivery to its residents. Capital expenditures over the last three years increased to a moderate level, totalling R267 million including the R104 million invested during 2024. These investments were funded through a mix of grants, borrowings and own funds. However, with a growing population estimated at over 93 000, infrastructure development might have to speed up.• Financial Management: Bitou's overall sustainability index score of 57 in 2024 reflects a fair level of sustainability and gradual improvement over the last four years. An adequate liquidity position and low debt burden underpin its financial sustainability for 2024 and reflect adequate financial practices over the last five years. The operating performance displays some unevenness and remains the weakest component in the financial sustainability profile of Bitou.

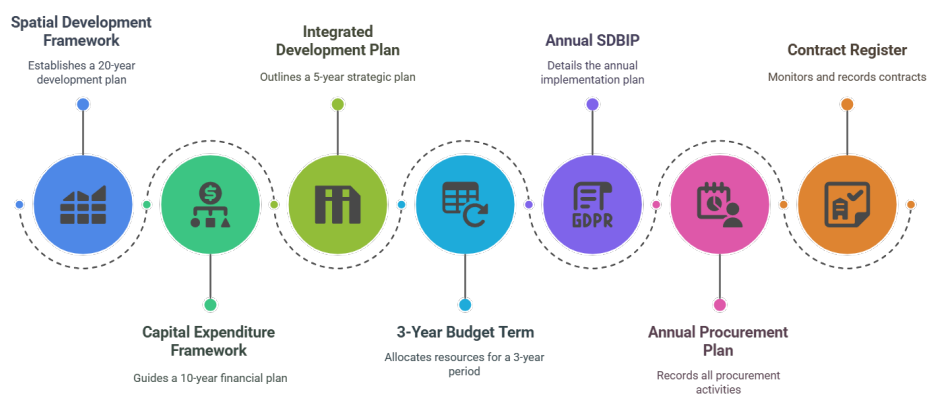
3.9 SUPPLY CHAIN MANAGEMENT AND ASSET MANAGEMENT

Introduction

This section includes a review of all SCM-related policies (including Asset Management) to assess the maturity of SCM governance in the municipality. Focus areas include:

- The compliance of SCM and AM-related policies to regulatory requirements, and highlighting areas which require amendment or review prior to council adoption in June.
- The completeness of procurement plans, considering both new and existing procurement contracts in place to give effect to procurement requirements in the financial year, i.e. the alignment of the procurement plan to the budget.
- The completeness, accuracy and reliability of Contract Registers and their interrelationship with procurement plans.
- Availability and completeness of asset registers and their ability to influence IDPs and the 3-year budget cycle for either asset maintenance or replacement/refurbishment.
- Commodity-specific opportunities for strategic procurement for improved efficiency, value-for-money and service delivery, whether at municipal, district, provincial or national level.

Municipal Planning and Procurement Process Flow



Bitou Municipality Assessment

Table 4 Summary of inputs received from Bitou Municipality

Item	Provided (Y/N)	Council Adopted? (Y/N)	Last Review Date	Comments
SCM Policy*	Y	Y	31/03/2025	Special Council Meeting on the 31 March 2025. Item C/2/270/03/25
SOPs	Y	n/a	n/a	SOP's provided, however further alignment to Circ. 87 necessary
SCM + AM Delegations	Y	Y	31/03/2025	Delegations are included in the SCM Policy. Delegations have been designed in accordance the Municipality's T Level positions.
Preferential Procurement Policy*	Y	Y	31/03/2025	Special Council Meeting on the 31 March 2025. Item C/2/270/03/25
FIDPM Policy*	Y	unknown	unknown	Not aligned to MFMA Circular 106
Procurement Plan	Y	Y	unknown	Demand Management Plan has been implemented over a period of three years.
Contract Register	N	n/a	n/a	Bid Register provided instead of Contract Register
Asset Mgmt Policy	Y	Y	31/03/2025	Special Council Meeting on the 31 March 2025. Item C/2/270/03/25
Asset Disposal Policy	Y	Y	31/03/2025	Asset Disposal included within Asset Management policy, clause 9,pg 37
Asset Register	N	n/a	n/a	No Asset Register submitted for review

*if not incl. in SCM Policy

Table 5 SCM Policy sufficiency & compliance

Rating	Measure
1	No evidence of SCM involvement in IDP
2	No explicit evidence of SCM involvement in IDP, but implied in documents provided
3	Some evidence of SCM involvement in IDP, with gaps to be addressed
4	Evidence of SCM involvement in IDP, but gaps identified
5	Clear evidence of SCM involvement in IDP
Municipal assessment & comments	
3	The IDP for 2025–2026 provides insight into procurement-related matters and its alignment with the municipal budget, e.g. "access to procurement opportunities to SMMEs and the development of a local supplier database to facilitate local procurement opportunities"
	The Municipality has the opportunity to secure multi-year contracts to achieve value for money and potentially improve on supplier lead times
	Whilst the procurement plan largely adheres to the basic requirements of Circ. 62, it omits key fields, e.g. bid committee meeting dates
	The Procurement Plan does not address operational expenditure requirements
	The Municipality's Council Special Meeting Minutes note that the Municipality is establishing a Municipal Court. However, no provision is made for the procurement-related activities stemming from this decision.

Detailed analysis of SCM Governance instruments highlighted the following:

The overall structure and key provisions of the SCM Policy are consistent with the principles and requirements laid out in the National Treasury MFMA SCM Regulations (as amended).

The policy explicitly aims to comply with these regulations and has demonstrably incorporated the recent amendments to the procurement thresholds and related procedures.

1. SCM Policy Assessment:

a) Version Control

The Version Control table makes no reference to any amendments, reviews or council adoption since 29 May 2023. Par. 3(1)(a) requires that the policy is reviewed at least annually.

b) Other Applicable Legislation

The list of other applicable legislation still mistakenly refers to the repealed 2017 iteration of the Preferential Procurement Regulations. This should be amended to refer to the 2022 regulations.

c) Layout & legibility

The version of the document submitted for review has layout issues, presumably due to a file conversion issue, which renders the contents of paragraphs in illegible order. While this is a seemingly simple administrative error, the publication of an ill-constructed policy may lead to misinterpretation and incorrect application of the contents.

d) Demand Management

Par. 10(2) requires that the demand management system of the municipality encompasses 'all goods and services'. It is noted that the municipality's procurement plan submitted for review excludes operational expenditure, i.e. only incorporates capital projects. This omission is in breach of the municipality's own policy, and signifies poor practice in terms of resource allocation as outlined below.

e) Central Supplier Database

Par. 14 of the policy fails to refer to the NT's Central Supplier Database in any way, despite this being incorporated as a previous change in the version control section, in 2016.

f) Examples of goods and services for which quotations may be difficult to obtain

Par. 17 details certain goods & services for which the municipality is 'not being in a position to obtain formal written price quotations'. The municipality is discouraged from making such stipulations in the SCM policy, as certain examples are factually incorrect (highlighted below), and the inclusion of this list creates a perception of exemption from acquisition management principles.

The following examples in the policy are factually incorrect and can be procured by formal written price quotations:

- Media advertisements
- Appointment of legal counsel
- Training, incl. courses & seminars
- Corporate branding and artwork
- Medical specialists and consultations
- Travel services, incl. accommodation and short-term car hire or rental services

- Vehicle maintenance, incl.: Fuel and lubrication services, brake pads and brake shoes (linings)
- Maintenance/servicing of specific assets (presumably this refers to assets still under warranty, or where certain maintenance works must be performed by the original equipment manufacturer's locally appointed agent)
- Telecommunications and related services
- Monitoring of alarms
- Security services

It is noted that there are cases listed above where the requirement to obtain three quotations may not be feasible, but this does not preclude the municipality from recording these cases as deviations. Additionally, entering into long-term contracts for the supply of services such as travel management, media advertising, vehicle maintenance, telecommunications, security alarm monitoring and response, corporate branding, legal services, etc. would legitimise procurement through appropriate contractual arrangements.

2. Preferential Procurement Policy:

The Bitou PP policy doesn't include the definitions listed in the PPRs of 2022.

For income-generating tenders above R50 million, the Bitou PP policy states that the award will be to the highest bidder. s. 7(4) of the PPRs 2022 stipulates that, "Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points." This discrepancy must be corrected.

3. Delegations:

Even though the municipality has established delegations, sub-delegations do not provide limitations and expand further on processes from the MFMA Circular 73, as this is included in the Municipality's SCM Policy.

4. SOPs:

The SCM Policy has given effect to the amended procurement thresholds gazetted by the National Treasury in December 2023, but the SCM SOPs have not yet been amended accordingly, nor are the SOPs aligned to MFMA Circular 87.

Table 6 Infrastructure Procurement Policy sufficiency & compliance

Rating	Measure
1	FIDPM Policy not provided
2	FIDPM Policy provided, but not compliant or sufficient
3	FIDPM Policy provided, with omissions &/or areas of improvement identified
4	FIDPM Policy provided, with areas of improvement identified
5	FIDPM Policy provided, and is compliant & sufficient
	Municipal assessment & comments
2	FIDPM Policy provided, but not compliant or sufficient
	The Municipality's Infrastructure Delivery and Procurement Framework remains aligned to the repealed MFMA Circular 77.
	The Municipality's is urged to review and update the FIDPM policy to ensure alignment with the current MFMA Circular 106 and its LGFIDPM annexure.
	The PT will be focusing on infrastructure procurement, in alignment with the WCIF 2050, to support municipalities; further engagements will be conducted in this regard.

Table 7 Bitou Municipality Influenceable Expenditure

	25/26	24/25 adj
Inventory Consumed	22,814,000	20,641,000
Contracted Services	139,171,000	115,272,000
Operational Costs (excl Audit)	82,963,000	85,150,000
Procurable Opex	244,948,000	221,063,000
Capital Projects	178,441,000	151,080,000
TOTAL	423,389,000	372,143,000
Rep & Maint (R-value in	40,784,000	42,231,000

Source: Municipal A-Schedules

Bitou's Municipality's influenceable spend amounts to approximately R423,3m for 2025/26, compared to approximately R372,1m for 2024/25, broken down as follows:

This amounts to a total increase of 14% for procurable expenditure, with Contracted Services seeing the largest increase of 21%, and Capital Projects seeing a 18% increase.

As operational expenditure makes up 58% of the municipality's procurable expenditure, it is crucial that the procurement plan does not only make provision for capital projects. Failure to do so may result in inadequate resource allocation within the procurement unit, and lead to project and service delivery delays.

Contract Register: Sufficiency and Alignment to Procurement Plan

The document submitted for review is not a Contract Register, but a list of: bids awarded, bids cancelled, bids withdrawn or bids with no offers received.

The PT recommends that the municipality reviews and implements the requirements of the NT Contract Management Framework and Guide (2010), and uses this tool as a monitoring instrument to ensure that all contracts are recorded and contract management evaluation processes stem from this foundational document. Critical fields to incorporate include:

- Contract ID
- Contract description

- Contract type
- Contract value
- Contract duration
- Perceived complexity (H/M/L)
- Perceived strategic importance (H/M/L)
- Overall level of management intervention required (H/M/L)
- Amendments, incl. variations and extensions
- Expenditure to date

Table 8 Sufficiency & compliance of Asset Management (incl. Disposal) Policy

Rating	Measure
1	No AMP provided
2	AMP provided, but not compliant or sufficient
3	AMP provided, with omissions &/or areas of improvement identified
4	AMP provided, with areas of improvement identified
5	AMP provided, compliant and sufficient (incl. best practice)
	Municipal assessment
2	

A detailed review of the asset management policy highlighted the following concerns:

- No provision is made for the annual review of the policy.
- The policy appears to be aligned to best practice for asset accounting (per GRAP), but best practice emanating from ISO 55001 is not incorporated into the AMP.
- Additionally, the policy omits key regulatory requirements from the Construction Regulations (2014), including inter alia the need for regular inspection of assets, record keeping regarding inspections and maintenance work, etc. This is despite the policy specifically referring to the OHS Act in par. 12.2.
- The policy does not:
 - incorporate environmental sustainability or climate resilience considerations, which are increasingly critical in asset lifecycle planning;
 - include KPIs or performance metrics to track the effectiveness of asset management activities and processes;
 - contain any guidance regarding lifecycle costing or management;
 - demonstrate the linkage between asset maintenance, effective utilisation of assets and the role that the asset register plays to inform either/both the IDP and the procurement plan. E.g. replacement of aged infrastructure, maintenance of existing assets, parts & spares;
 - include a dedicated, structured approach to identifying, evaluating, and mitigating asset-related risks; or
 - provide for monitoring tool for ensuring enforcement of the policy, such as a consequence management section.

Table 9 Completeness of Asset Register

Rating	Measure
1	No Asset Register
2	Outdated GRAP-oriented asset register, not on ERP
3	Separate GRAP-compliant register on ERP system, but outdated ISO55001-oriented registers outside ERP system
4	Separate GRAP & ISO55001-compliant asset registers, regularly updated with only financial register housed on the ERP system
5	Integrated, GRAP & ISO55001-compliant asset register, regularly updated and housed on the ERP system
Municipal assessment & comments	
1	No Asset Register provided for assessment

PT is undertaking extensive analysis of all Western Cape municipalities' asset management governance and organisational arrangements, to ensure alignment to the mSCOA refresh process and support municipalities in achieving an appropriate baseline in asset management practice before determining which municipalities would be most suitable for potential digital solutions to asset management challenges. This approach aligns to the National Treasury's IDMS Module 3 for Infrastructure Asset Management and various best practice guidelines.

Conclusion

This assessment sought to determine the extent to which SCM and Asset Management-related policies are sufficient and compliant, and whether asset management, procurement planning and contract management effectively influence the IDP and budget cycle.

The PT was unable to determine whether the asset register (with particular attention to risk rating, condition assessments, etc.) influences the IDP and/or procurement plan, and/or budget.

Similarly, the Contract Register should inform the procurement plan, and the budget, to ensure that all renewable contracts are incorporated into the annual resource allocation for procurement activities and that uncertain price increases due to contract renewals are factored into the budgeting process. The PT was unable to determine whether this alignment is in place due to non-submission of key documents.

SECTION 4: REVIEW OF THE HISTORICAL FINANCIAL INFORMATION

4.1 THE FINANCIAL PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

The assessment of the financial health and performance is an integrated process involving a review of a municipality's audited annual financial statements, audit report and ratio analysis. The results of the ratio analysis are used to support financial decisions and to identify factors which may influence the financial stability of the municipality.

Adverse ratio outcomes show potential areas requiring action to ensure sustainability. The assessment trend analysis is based on the audited financial statements for 2022, 2023 and 2024; however, the table provides a five-year time frame (2020 to 2024) to provide a more comprehensive perspective for evaluating the 2025/26 budget.

The analysis is conducted as per National Treasury MFMA Circular No.71. Provincial Treasury has analysed these ratios, and the following items are highlighted.

4.2 SUMMARY AND FINDINGS FROM HISTORICAL TRENDS

NT WEB-BASED PORTAL STATUS

The Municipality has submitted both the 2022/23 (restated) and 2023/24 (audited) ratios on the NT web-enabled system, and PT is in the process of validating the ratios with the Municipality. This report is based on PT calculations.

4.2.1 Asset Management



No.	Financial ratios & norms	2020 Audited	2021 Audited	2022 Audited	2023 Audited	2024 Audited	*CAGR	Projection	Overall Rating
1	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value): 0%	0.0%	0.1%	0.0%	0.0%	0.9%	N/A	N/A	😊
2	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): 8%	4.0%	3.6%	4.4%	4.0%	3.7%	-1.6%	3.7%	😡

- Impairment of Property, Plant and Equipment, Investment Property, and Intangible Assets (Carrying Value):** The Municipality's impairment ratio is not within the acceptable NT norm. This relatively low ratio suggests that the municipality's assets have largely retained their value, with only a small portion deemed impaired, however, improvement is needed. To prevent any backlog in service delivery, the Municipality should maintain this ratio at 0 percent, and this can be better sustained through the investment in repairs and maintenance of assets to keep assets at optimal working condition.
- Repairs and Maintenance to PPE and Investment Property (Carrying Value):** The 3.7 per cent ratio is lower than the recommended NT norm of 8 per cent and may be attributable to the acquisition of new assets over the period under review which did not require repairs, however, it also indicates that

Bitou Municipality's current maintenance budget may be insufficient to fully address the maintenance needs of its assets. This shortfall could lead to increased operational challenges, such as frequent asset performance failures or service delivery disruptions. It's essential for the municipality to assess and potentially adjust its maintenance budget to ensure the longevity and reliability of its infrastructure assets. This will also maintain the impairment ratio above at an acceptable level.




- Overall, Bitou Municipality's Asset Management reflects a stable but cautious position. While current assets conditions **appear satisfactory, continued low maintenance spending may lead to asset deterioration, increased** long-term costs, and potential risks to service delivery.

4.2.2 WORKING CAPITAL

No.	Financial ratios & norms	2020 Audited	2021 Audited	2022 Audited	2023 Audited	2024 Audited	*CAGR	Projection	Overall Rating
7	Net debtors' days: <30 days	40 days	31 days	33 days	39 days	39 days	-0.2%	39 days	
8	Creditors Payment Period (Trade Creditors): 30 days	60 days	41 days	43 days	60 days	75 days	5.9%	80 days	

- Net Debtor's Days:** The Municipality takes 36 days on average to collect revenue from its debtors per the ratio calculations over the period reviewed. The ratio results are not within the NT norm of 30 days but are quite decent for a local municipality, and it suggests that their revenue collection is fairly efficient. It is however still advisable for the Municipality to review its debt collection processes and consider implementing measures to shorten the collection period as this may affect not only affect their operations due to cashflow constraints but may also lead to going concern issues in the future. Ratings Afrika in its 2025 report stated that *"Bitou should not relinquish its pressure on collections and should strive to keep the collection rate at a higher level, to counter the higher financial risk as a result of the lower operating performance during the budget period."*
- Creditors Payment Period (Trade Creditors):** The ratio results indicate that creditors are paid after 56 days on average over the period reviewed. This duration significantly exceeds the standard 30-day payment term recommended by the Municipal Finance Management Act (MFMA). The CAGR, based on period under review reflects a further deterioration to 80 days for the 2024/25 financial year. The Municipality should consider revisiting the implementation of its debt management policy to ensure compliance with S65(2)(e) of the MFMA. Implementing robust credit control and debt collection policies, as well as adhering to legislative requirements, are essential steps toward improving payment efficiency and uphold fiscal responsibility.
- Overall, the Municipality needs to continue accelerating the implementation of both its Debt and Credit Policies to ensure that the legislative requirements to pay creditors within 30 days are met and ensure that debtors are paying on time. Creditors that are not paid within the stipulated timeframe may lead to deterioration of credit record and will results to a negative audit outcome in the near future.

4.2.3 Going Concern

No.	Financial ratios & norms	2020 Audited	2021 Audited	2022 Audited	2023 Audited	2024 Audited	*CAGR	Projection	Overall Rating
12	Total Liabilities to Total Assets: <50%	25.5%	24.6%	22.0%	22.7%	24.2%	-1.2%	23.9%	
13	Total Debt to Total Assets	9.0%	8.0%	6.4%	6.9%	7.7%	-3.9%	7.4%	
14	Current Ratio: 1.5 - 2:1	1.4	1.0	1.1	1.3	1.6	2.0%	1.6	

- Total liabilities to Total assets:** The ratio results indicate that the Municipality remained within the acceptable norm throughout the period reviewed. This is an indication that the net asset position of the Municipality is sound, indicating that the assets can cover liabilities. With the intent to grow its asset base, Bitou Municipality has earmarked to spend R450 million on various infrastructure projects for the next three years and the majority of the investments will be in roads, electricity, water and wastewater management services. Even though a large portion of this expenditure will be funded by grants and own cash resources, the Municipality will have to raise new loans over this budget period. This investment will increase the asset base but at the same time the borrowing burden will also increase due to loans that will be taken up. This ratio indicates that the Municipality will still be able to service its debt if the current financial position is maintained.
- Total Debt to Total Assets:** The Municipality's debts are at a low level in comparison to its asset base. This suggests a relatively low level of indebtedness, implying that the Municipality has a solid asset base and is not overly reliant on debt financing. The Municipality has capacity to take on additional funding should the need arise as it demonstrates a robust financial position, however, all cashflow indicators need to be considered for affordability purposes.
- Current Ratio:** The ratio result is within the acceptable NT norm of 1.5:1 to 2:1 in the 2023/24 financial year. This indicates that the Municipality has ability to meet its short-term obligations over the medium term. Rating Afrika has also attested to the sound financial position of Bitou by stating the following, *"Bitou's overall sustainability index reflects a fair level of sustainability and some gradual improvement over the last four years. An adequate liquidity position and low debt burden underpin its financial sustainability for 2024 and reflect adequate financial management practices over the last five years"*.
- Overall, Bitou Municipality is operating as a going concern and does not have sustainability challenges; this is based on the selected financial analysis performed above in the form of historical ratios.

* CAGR = Compound annual growth rate is a business and investing specific term for the geometric progression ratio that provides a constant rate of return over the time period. $CAGR = [(End\ Value/Beginning\ Value)^{1/number\ of\ years\ of\ growth}] - 1$

	Favourable
	Unfavourable
	Needs Improvement

4.3 mSCOA IMPLEMENTATION

4.3.1 Credibility of Mscoa Data Strings

- Circular No. 130 (20 March 2025) confirms that the credibility and accuracy of the Municipal Standard Chart of Accounts (mSCOA) data strings must be verified by municipalities prior to submission, as these submissions serve as the sole source of financial data used by National Treasury for analysis, reporting, and publication throughout the municipal financial year. To support this, municipalities are expected to utilise the reports available on the GoMuni portal to verify the completeness and credibility of their data submissions.
- The circular reiterates that errors in submitted data strings may only be corrected in the next open reporting period. For instance, any inaccuracies in the tabled budget (TABB) data string can only be corrected in the original adopted budget (ORGB) data string. Closed reporting periods may not be reopened to make retrospective corrections under any circumstances.

Table 10 mSCOA Segments Use Analysis

mSCOA Western Cape TABB Segment		
No	Segment	Bitou TABB 2025
1	Project Segment	
1.1	Maintenance	Correctly used the Project Operational Maintenance
1.1.1	Corrective Maintenance	
1.1.1.1	Planned	Budget Allocated - Adequately applied
1.1.1.2	Emergency	Budget Allocated - Adequately applied
1.1.2	Preventative Maintenance	
1.1.2.1	Condition Based	Budget Allocated - Adequately applied
1.1.2.2	Interval Based	Budget Allocated - Adequately applied
1.2	Typical Work Streams	Adequate use of available options. Typical Work Streams: Property Rates Rebate: Discretionary.
1.3	Municipal Running Costs	Adequate use of Municipal running cost project.
1.4	Default	Adequate use of the available options under the Project default. Project default must be used to classify revenue and the Municipality has used this option for their revenue.
2	Fund Segment	
2.1	Use of Fund Segment	Adequate use of the funding segment. The Municipality did not use the Municipality used property rates to fund employee related cost. The municipality incorrectly used the Fund: Non-funding Transactions and Fund: Operational: Revenue: General Revenue: Interest, Dividend and Rent on Land: Interest: Receivables: Property Rates and this should be corrected
3	Function Segment	
3.1	Use of Function Segment	The Municipality incorrectly used the Function: Finance and Administration: Core Function: Finance and Function: Road Transport: Non-core Function: Roads for water services
4	Costing Segment	
4.1	Use of Costing Segment	Adequate use of the costing segment.
5	Region Segment	
5.1	Use of Region Segment	The Municipality predominantly used Whole of the Municipality for revenue items.
6	Item Segment :	
6.1	Property Rates	The Municipality adequately used the available options and did split the revenue amongst the various accounts.
6.2	Service Charges	The Municipality adequately used the Item Monthly Billing in the C6 , however the amounts is not aligned to the billed revenue in C4.
6.3	Fines	Differences are noted in the fines issued in the C4 when compared to the C6. The Municipality split fines revenue between the different functions.
6.4	Employee Related Costs	
6.4.1	Senior Management	The Employee related cost expensed in the C4 does not align to the salary control clearing raised in the C6.
6.4.2	Municipal Staff	
6.5	Councillors Remuneration	Aligned with the supporting tables in under SA23
6.6	Bulk Purchases	Appropriately used.
6.8	Debt Impairment	
7.1	Contracted Services	
7.1.1	Outsourced	Adequate use of the available options
7.1.2	Consultants and Professional Services	Adequate use of the available options
7.1.3	Contractors	Adequate use of the available options
8.	Other Materials	
8.1.1	Inventory Consumed	Inventory consumed is not reconciling with the inventory account issues.
8.1.2	Water Inventory	No budget for water inventory

Provincial Treasury has provided the TABB segment tools analysis with the municipality, with the goal of assisting municipalities in examining their data and determining if the information is appropriately retrieved across all segments before finalising the ORGB data strings. TABB shall be rectified in the ORGB before the adopted budget is locked on the financial system and the ORGB data string is created. Furthermore, it is recommended that the Municipality make themselves available for a session (through MS Teams) on the TABB segment analysis to provide further clarification on the segment analysis tools.

SECTION 5: CONCLUSION

The 2025 SIME 2 assessment highlights key issues for consideration and offers recommendations aimed at supporting more effective planning, budgeting and service delivery. It also underscores the importance of addressing identified risks, strengthening financial credibility and sustainability and promoting greater alignment and integration across key planning frameworks.


We look forward to engaging further during the upcoming meeting in May 2025, where these matters will be discussed in more detail. This engagement will provide an opportunity for open dialogue, shared understanding, and collaborative efforts to strengthen planning and service delivery within the Municipality.



1



2



MTREF Assessment Response IDP

- **Integrated Development & Spatial Planning**

Acknowledge the findings in respect of alignment and will ensure inclusion of matters and alignment in the final product to council for approval

Q. Establish an integrated economic recovery and tourism task team to fast-track stalled/delayed initiatives and unlock local tourism potential;

A. Busy with the review of the LED strategy, last done more than 12 years ago, that will determine the way forward


Q. Implement a real-time infrastructure delivery tracker, focusing on budget utilisation and physical progress of milestones

A. Take note, will consider with the move towards a 10-year capital program that the Budget steering committee requested to link with the LTFP funding proposal.


Q. Undertake a comprehensive skills audit to identify gaps in technical, managerial, and financial capabilities, prioritise the filling of critical vacancies and strengthen human resource development plans

A. Fully agree, this will be done after a comprehensive work study.

2025 Strategic Integrated Municipal Engagement



3



MTREF Assessment Response IDP

- **Integrated Development & Spatial Planning** (Address the issues raised by sector departments in 2.1.2 of this report, dealing with IDP alignment.)

Firstly, thank you we are pleased to note that our IDP is compliant with the legislative requirements. With regards to the inputs and comments from sector departments our response is as follow:


A. Human Settlements and Transport: The inputs are noted, and the municipality will wait for the conclusion of the Provincial and District LITP before updating the IDP.

B. Health, Social Services and amenities. The municipality welcomes the proposal of a mini-drug master plan, however, we must highlight the cost implications of developing and implementing such plan, given that health is not a municipal priority function.


C. Safe & Cohesive communities.

- The Municipality has capacity, a leg was established on the organogram 2 persons appointed as co-ordinator and officer. Staffing and funding remain crucial within the continuum as it would allow for the areas to have specific focus, roles and outcomes. These four areas are mitigation, preparedness, response and recovery. (District shared service an option)
- The status of the risk assessment is at final stages with risks identified, to serve at Council by the end of June '25.
- Risk reduction initiatives and strategy are in place, funds allocated are used for various aspects from clearing or maintaining critical fire breaks primarily on the urban and rural edges to protect informal areas. Introduced a storm water and bridgeway clearing for prevention of roads flooding due to blocked lines or debris under bridgeways. We also try to enhance community safety via educational and awareness sessions
- Contingency plans are in place with one or 2 to be finalised by sections or departments. This completed contingency plans will be added to the disaster plan to be presented at the end of July to Council.

2025 Strategic Integrated Municipal Engagement




4




MTREF Assessment Response (Planning & Development)

- *The incorrect version of the Bitou MSDF proposals map (Figure 56) appears on page 162 of the IDP*
 - The correct figure will be provided to the IDP Office for inclusion in the IDP
- *Develop a robust Capital Expenditure Framework (CEF) for the SDF*
 - CEF to be developed during upcoming SDF amendment process planned for 2026/27
 - An ad-hoc CEF compilation was initially planned for 2025/26 but given the need for a complete SDF amendment by 2026, it would likely have been wasteful.
- *IDP does not reference the findings of the Bitou Housing Market Study (HMS)*
 - The findings of the HMS have not been finalised yet. Municipal comments on the final draft were submitted in December 2025, but no response or final plan has been received to date. That being said, the findings will be incorporated once they are available.
- *Develop an Inclusionary Housing Policy*
 - The need for such a policy is acknowledged. To be initiated once the findings of the Housing Market Study are available.
- *Integrate Local Plans into Capital Planning*
 - The required infrastructure projects/ upgrades as per the approved Ladywood Local SDF have been included in the latest IDP list of priority projects, and will have to be prioritised as per available budget in coming years



5



MTREF Assessment Response (Planning & Development)

Q. The Municipality must designate a WMO and forward the council resolution to the Department. A budget for waste management must be included in the SDBIP.

A. Recently appointed a new Waste Manager, will expedite the above


Q. The Municipality must put waste management systems in place to improve refuse collection to all unserved areas including informal settlements. They must report on the implementation of the IWMP in their annual report and submit the report to DEA&DP for assessment.

A. The municipality is implementing above strategies, yet further enhancements are necessary, municipality already providing services to informal settlements. Reporting to be ensured as indicated


Q. Ecological Infrastructure Investment Framework

A. Bitou Municipality are engaging with the Department of Environmental Affairs and Development Planning regarding the Ecological Infrastructure Investment Framework and are awaiting a presentation from them to Council (dates to be confirmed). Thereafter, how the Municipality wishes to proceed in regards to potential investment in our Ecological Infrastructure will be investigated and determined.

2025 Strategic Integrated Municipal Framework



6



Response Economic and Financial Sustainability

ECONOMIC SUSTAINABILITY

Q. Bitou Municipality has laid important groundwork for economic sustainability through improved infrastructure investment and prudent financial management. However, gaps in operational capacity, project implementation, and long-term infrastructure planning threaten to undermine these gains.

A. Noted

Q. To secure a sustainable economic future, Bitou must now focus on:

Q. Accelerating infrastructure delivery.

A. DMP started earlier to kick off with approval of budget, encourage departments to commence with SCM processes after tabling

Q. Strengthening institutional capacity (especially technical departments)

A. Noted and agreed difficult to attract qualified and experienced staff, affordability (Plett)


Q. Adopting integrated master plans.

A. Agree yet financial considerations mostly guide the implementation


Q. Aligning capital and operational budgets with demographic and environmental realities.

A. Noted, it goes without saying, yet cannot discount affordability, funding, TCO, Section 19 of MFMA

2025 Strategic Integrated Municipal Engagement



7



Response Economic and Financial Sustainability

FINANCIAL SUSTAINABILITY

Q. The 2025/26 MTREF budget has been tabled as funded, with an increasing operating surplus projected over the MTREF period, signaling improving financial health.

A. Amen!!!, thanks for noticing

Q. There is an upward trend in indigent support allocations; however, indigent registers require validation and targeting mechanisms must be strengthened to ensure appropriate and efficient support delivery.

1. Indigent vs FBE numbers in DORA 2. Free allocation 50 units to non-indigents a significant burden.


A1. DORA and indigent numbers will never correlate, based on different data sets, census vs. indigent register, the quantum of subsidy vs. cost of rendering a unit of FBS are archaic and outdated, no one in Bitou receives the level of service used in the calculation methodology. Cost of FBS Basket, according to DORA is R 609.70 vs. R1494.60 actual cost to Bitou, it is thus 245% more than what is provided for in the equitable share. A2. Additional FBE allocation R2 mil represents 0.18% of turnover not really a significant burden. (was highlighted in budget narrative, no appetite to do it differently)

Q 2025/26 budget reflects affordability challenges — basic electricity charges remain high impacting household affordability while collection rates fall short of the 95 per cent NT benchmark placing revenue sustainability at risk.


To address the principle of affordability in comparison with others the following:

Electricity: Basic and other electricity charges determined through COS study, different methodology than before, the basic charge is determined by the size of circuit breaker, thus demand driven.

2025 Strategic Integrated Municipal Engagement



8



Response Economic and Financial Sustainability


FINANCIAL SUSTAINABILITY

A. Water: Basic water must consider the factors inherent to Bitou as referred to in the guidelines for compulsory National standards issued under Regulation 10 of the Water Services Act in April 2002, Paragraph 8 reference to fixed charge to recover water services cost from holiday homes, such as in the case of Bitou where volume-based recovery is not sufficient. A quick comparison was done in the district with the result as follows:


Municipality	Basic	Cons 25 Kl	Total	% of Average	Rank L- H
Bitou	251.91	236.50	R 488.41	84.15	2.00
George	156.31	501.49	R 657.80	113.33	4.00
Knysna	224.58	531.61	R 756.19	130.29	5.00
Hessequa (20MM Connection)	196.00	291.35	R 487.35	83.97	1.00
Mosselbay (25MM connection)	254.01	258.27	R 512.28	88.26	3.00
Average			R 580.41		

Q. Revenue from waste management remains stagnant, failing to cover operational costs, highlighting a need for tariff review and operational efficiency improvements.

A. Noted, yet moderate increase within CPI, consider that the municipality increased the refuse tariff by 17.2 % in 2023/2024 to cater for the cost of regional landfill that is yet to materialize, buffer to mitigate tariff increases over the MTREF

2025 Strategic Integrated Municipal Engagement


9



Response Economic and Financial Sustainability

FINANCIAL SUSTAINABILITY

Q. Continued implementation of enhanced credit control and debt collection measures is necessary, particularly focusing on outstanding debt exceeding 90 days.


A. Noted are focusing as pointed out, dilemma remain Eskom electricity distribution areas where payment ratios vary between 5 % and 15%, example Kranshoek where the monthly billed revenue contribution is 2.83% of total revenue, the cash flow contribution is 0.28% of total cash, but the area owe 28.74% of total outstanding debt (R111 985 281), at current payment rate will take the area 55 years to pay off the debt.

Q. **Fines penalties and forfeits** - According to Circular 71 calculations, collection rates for fines improved from 17.3 per cent in 2021/22 to 26.1 per cent in 2023/24. While the upward trajectory is encouraging, the rate is still far below the 95 per cent norm and well below the rates achieved in other revenue streams such as property rates and service charges.


A. Need to understand the difference between Circular 71 debtor collection ratio calculation and the accounting standard, I-GRAP 1 applicable to fines revenue, furthermore, interest on arrears raised against defaulting debtors add to bad debt as the likelihood of recovery is low. Need to also comprehend the predictability issues and annual impairment calculation methodology etcetera.

Q. The growing closing debtor balances rising from R86.57 million in 2021/22 to R112.62 million in 2023/24 also **highlight a structural weakness in the collection of this revenue stream**, raising questions about the realism of the budgeted figures.

A. Really don't agree with the comment made, assumptions and calculation methodology are solid and cash flow in respect of actual fine receipts are accurate with little variance when compared to total annual revenue.

2025 Strategic Integrated Municipal Engagement


10



Response Economic and Financial Sustainability

FINANCIAL SUSTAINABILITY – EXPENDITURE MANAGEMENT

Q. Contracted Services - While this may be partly influenced by MSCOA classifications, the municipality's reliance on outsourced services (e.g., consultants, contractors) raises sustainability and capacity concerns. There is a need for stringent contract management and embedding skills transfer clauses in all professional service agreements to reduce long-term dependency.

A. Not partly but mostly or mainly influenced by MSCOA Classifications i.e. the following: Housing top structures, asset maintenance services, security services, traffic management, electrical maintenance, building maintenance, fire fighting, refuse removal and recycling etcetera, take note, don't necessarily agree and we are doing skills transfer.

Q. Depreciation discrepancies, audited actual vs. budget

A. Agree, error in the audit actual amount, the budget is accurate

Q. Inconsistencies A4, A6 and A9

A. Don't agree with everything, as depreciation in A4 and A9 is exactly the same amount. Total PPE in A6 and A9 also correlate. Thank you for highlighting A9 asset value declining over MTREF will investigate and correct.


Q. The Municipality should maintain its commitment to stringent cost containment measures to support long-term financial stability.

A. Done!


Q. Employee cost 37.3 upper limits of the norm

A. Agree concerted effort to reduce over the MTREF, review of organogram, work study possible restructuring etcetera

2025 Strategic Integrated Municipal Engagement



11



Other important matters: MSCOA and SCM


MSCOA

- Take note and acknowledge the issues and anomalies identified in schedules and data strings.
- Municipality consults excessively with service provider upon critical deadlines, budgeting, revised budgets and reporting.
- Since MSCOA implementation no clear direction or assessment from NT on adequacy of FMS's no system certification to date.
- No clear date on regulation of 14 business processes.
- Huge cost to comply with ERP integrated systems and business processes.

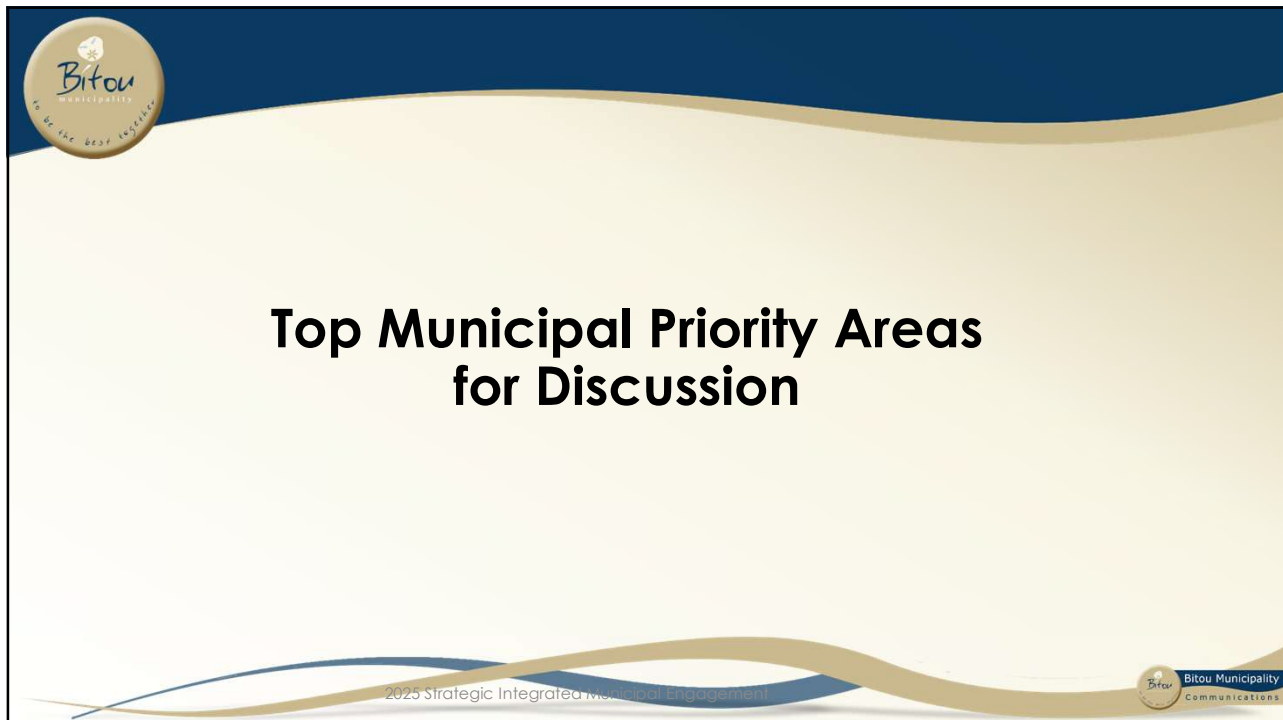
SCM

- Take note of policy alerts, will consider in final submission where feasible.
- DMP early start planned to ensure timely implementation of the capital expenditure program.

2025 Strategic Integrated Municipal Engagement



12



13


Priority 1: Climate Change

- Climate change steering committee establish with local municipalities and GRDM
- Climate change strategy coordination at Provincial and District level
- Integrated climate change implementation plan, (resources to assist)

Priority 2: Disasters (Natural or Other)

- Strategy coordination district wide
- Pooling of resources would be helpful, economies of scale benefits to be gained
- Risk mitigation and contingency plans, collaboration and assistance needed
- Education and awareness, public, community involvement through education and awareness

14




Priority 3: Water Security & Infrastructure funding


- Increase in population growth is a challenge
- Free basic services keep on increasing , Indigent register audit through CAATS
- Role clarification responsibility of spheres of government in respect of bulk water resource services.
- Prepare allocation for BFI (Budget Facility for infrastructure)

Priority 4: Conditional Grant Security

- Contracting economy and impact on available grants
- Mechanism to prevent withdrawal of grant funding gazetted in prior years where contractual obligations exist.
- Grant framework, access to grant funding sources seem to remain out of reach for smaller municipalities
- Onerous conditions of grants, the spending targets not project specific but generalised




15



Priority 5: Continuity and Stability

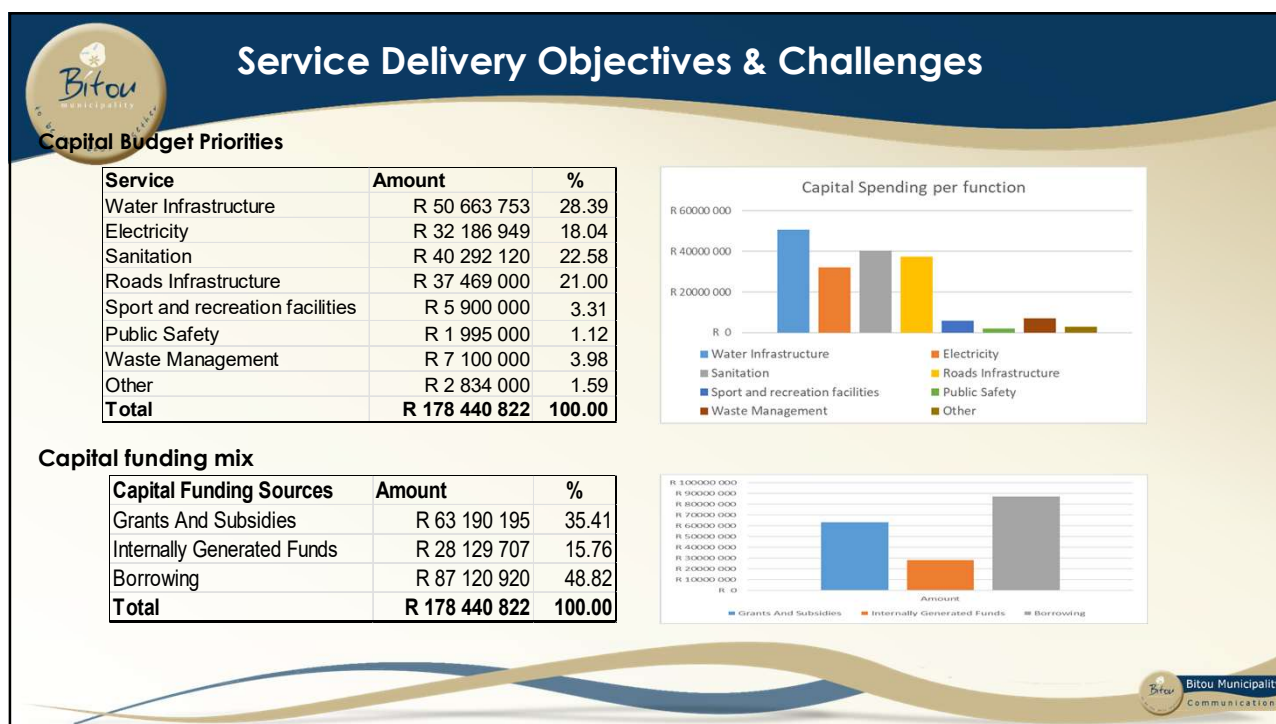
- Local Government framework and legislation needs a review
- Legislation governing coalition government is of essence
- Must be a segregation between political and administrative offices
- Upper limits of remuneration, there are proposed changes but it still does not remedy the issue due to incorrect calculations, interpretations or lack of understanding of the LG remuneration structures and business
- Senior management exposed in terms of legislative framework, audit act amendments, MFMA and recent court judgements, and there is no room for error, even with limited resources




16



17



18



Service Delivery Objectives & Challenges Funding Mix & External Borrowing Strategy

Service delivery Priorities through capital spending

Basic Service delivery, access to services and infrastructure, enabling Human Settlements developments but also ensure reliability of services and health of assets through upgrades and refurbishments (36.4%)

Infrastructure pipeline

Evident from SA36 detail that majority aimed at Human settlements infrastructure and master plan projects over MTREF, busy with preparations for BFI projects and will be ready for submission of applications in 24 months, municipality has reached capacity in WWTW and WTW as well as Electricity where the main substation serving 60% of the area is being upgraded.

Challenges


Unpredictability of conditional grants (WSIG) lost more than R20 million over a 3 year period, contractual commitments exist based on past DORA as a result of multi-year projects being awarded. (IGD)

Future maintenance and operational cost associated with grant funded infrastructure, especially Human settlements and MIG, where recipients of services cannot afford future maintenance and operational cost. Need to balance the scale through higher-end development to grow the rates base.

Capital budget spending will be achieved through earlier implementation of DMP and SCM processes.

Funding mix strategy

Balanced, guided by LTFP and prudent financial management principles, balancing ratios, of gearing with liquidity requirements, more aggressive borrowing early in MTREF tapering down to 2nd outer year, focussed towards borrowing for projects in areas where affordability of services are not in doubt.



19



Key Service Delivery & Fiscal Risks

Service delivery risks

- Demand or services outstripping the resources to provide.
- Diminishing and unpredictable grant framework.
- Unfunded mandates – Human Settlements, Costing the municipality in excess of R10 million per annum.
- Human Settlements developments are absorbing all infrastructure and services capacity and the funding doesn't flow in a timely manner to supplement the services (INEP).
- Lack of economic opportunity caused by National Government and the failure of the economy to grow as a result of the energy crisis denied economic opportunities to citizens, direct impact on municipal sustainability.
- Influx / (semigration) of people from other provinces demanding services.

Financial risks

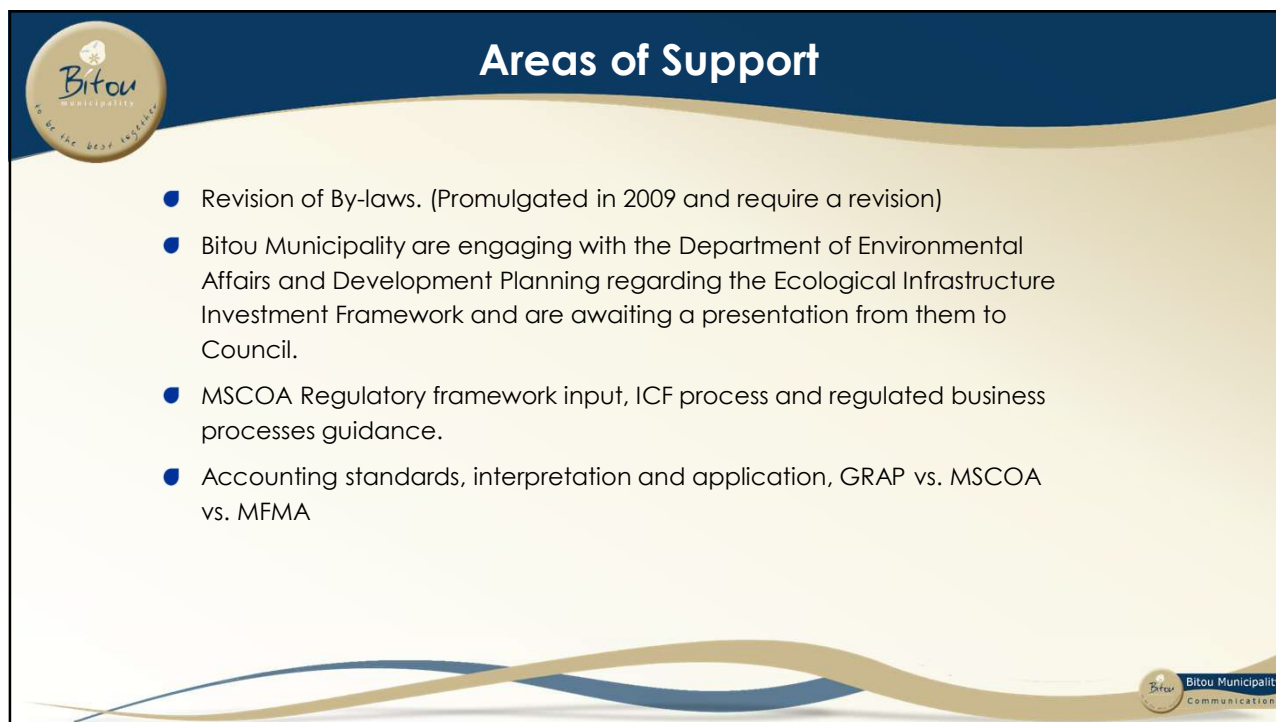
- Affordability of services and Plett in General.
- Impact of political decisions on the financial viability and sustainability is not always understood by decision makers
- Continuity in management and political stability
- Cost of Compliance, GRAP, MSCOA and other legislative frameworks.




20



21




22



Conclusion

- Our opinion that Bitou is moving forward administratively, operationally and financially
- Impediment was the political instability, twice in one year that delayed, strategy, direction and caused management continuity issues
- Thank you for the thorough analysis and highlighting some issues that require attention, we will ensure that the matters are addressed.
- Appreciate the input, dedication and work done to assist Bitou to be the best together!



Process Summary for Populating Cost Reflective Tariffs Analysis Tool

1. Access Go Muni and download the following report
 "List Operating Expenditure and Income Across Functions" for
 the following period
 1. 2023/2024 Tabled Budget
 2. 2023/2024 Indicative Tabled Budget 2024/2025

2. Open the Downloaded file and Replace the pre-existing file in the
 Folder where the Cost Reflective Tool is Placed

3. Open the Cost Reflective Tariff Tool and complete the
 Municipal Details Tab

Gomuni Reports Applicable

- 1 2023/2024 Tabled Budget
- 2 2023/2024 Indicative Tabled Budget 2024/2025
- 3 2023/2024 Indicative Tabled Budget 2025/2026
- 4 A4- Budgeted Financial Performance

Save As

- | |
|------------|
| MTREF Yr 1 |
| MTREF Yr 2 |
| MTREF Yr 3 |
| Summary |

Use

- | |
|--|
| Provides Assessment for the Draft Budget 2023-2024 |
| Provides Assessment for MTREF Outer year 2 |
| Provides Assessment for MTREF Outer year 3 |
| Reconciles the reports to the MTREF Period |

For A Detailed Guide - Scroll Below

Detailed Guide

Detailed Guide

1. Download financial information

Step1	Step2	Step3	Step4	Step4	Step5
GoMuni portal	Local Government Database	MSCOA	MSCOA	Reporting	List Operating Expenditure and Income Across Functions

Dropdown List

Location Sort

Location Level

List Level

Function/Sub-function Group

Functions

Select period

List Actuals

Select Line Items

Level of Detail

Print Empty Form

Sort

Sort Option

Report Output

Selection

Name

Municipality

Select the required municipality

All Functions

2023/24 Tabled Budget 2023/24 Tabled Budget

Total

Select All

Detail

Yes

Rands

Municipality

Excel 97 - 2003 (xls)

Select Process Required to generate the report.
Save the file to your computer as **Excel Workbook**

2. Saving files and populating the tool

Gomuni Reports Applicable			
Gomuni Reports Applicable	Save As	Tariff Tool Sources	
1 2023/2024 Tabled Budget	MTREF Yr 1	MTREF Yr 1	Close and Open after replacing
2 2023/2024 Indicative Tabled Budget 2024/2025	MTREF Yr 2	MTREF Yr 2	Close and Open after replacing
3 2023/2024 Indicative Tabled Budget 2025/2026	MTREF Yr 3	MTREF Yr 3	Close and Open after replacing
4 A4- Budgeted Financial Performance	Summary	Summary	Close and Open after replacing

2.1 Populating the tool

By Saving /Replacing the Tariff Tool sources ,the Tariff tool gets updated with the Downloaded information

NB- Please ensure you refresh the Tariff Tool Sources by simply opening and closing them. This should update your excel and the Tariff Tool

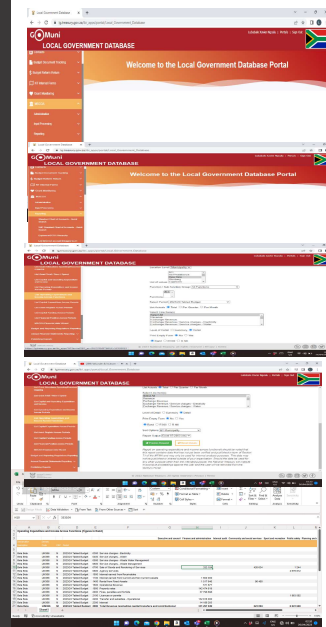
The user Must Then Open The Tariff Tool and complete Only the Municipal Details Tab !!! [PART C- Municipal Details'1A1](#)

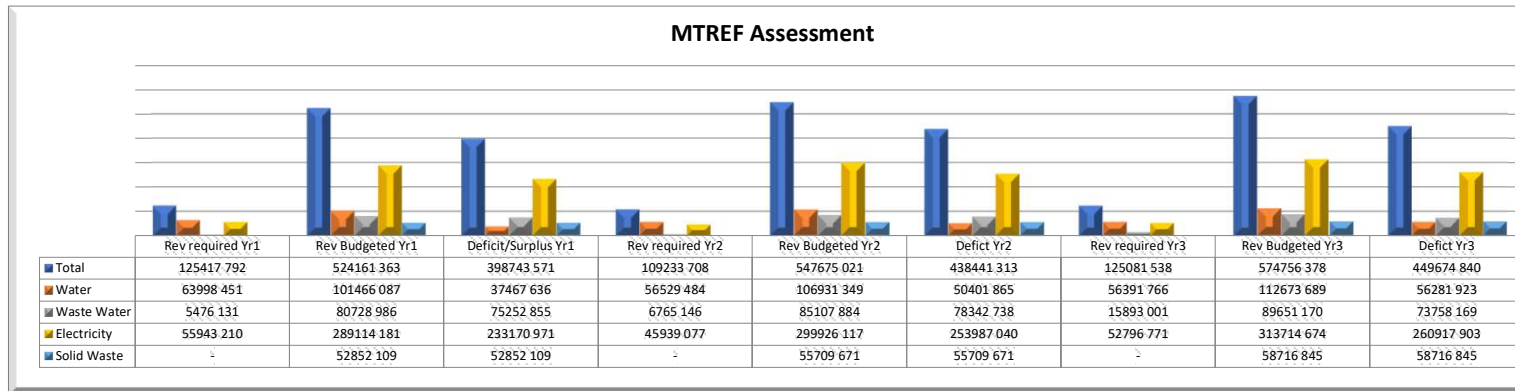
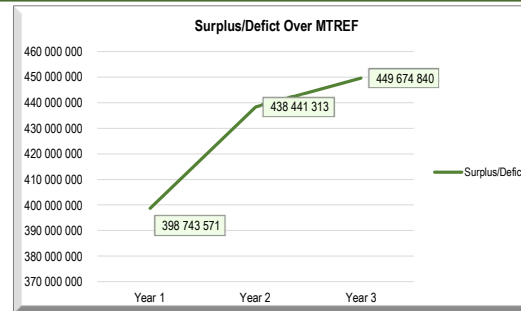
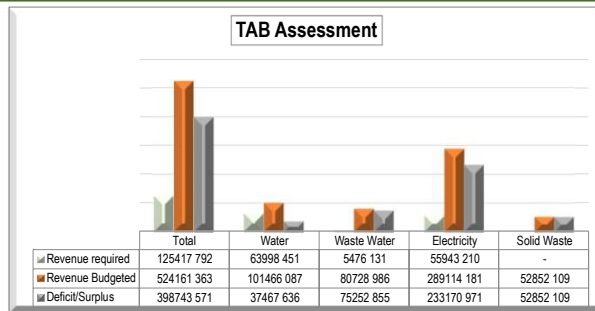
NB - Ensure that all the fields are completed and that they are not blank - IF Part B has Blanks this will cause errors on the Outcomes

3. Analysis of the outcomes

Sheet	Link
1.Outcomes	1.Outcomes'1A1
5.Cons and detailed recon	5.Cons and detailed recon'1A1
6.Summary	6.Summary'1A1
PART D Graphs	PART D Graphs'1A1

Visual Snap Shots





Year 1 - 2023/24 Tabled Budget

Part A

Bitou

Select Budget

ORGB

Financial Year

30/06/2024

Part B

Water

Sanitation

Electricity

Solid waste

0

0

0

0

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	897 395 039	91 805 906	6 092 600	79 512 688	-	719 983 845
% of expenditure		0	0	0	0	
Surplus generated	-	-	-	-	-	-

In order for the budget to be fully funded, surpluses generated must be sufficient to at least cover anticipated deficits. If this is not the case, the user must reduce the deficits anticipated or increase the surpluses to be generated. The net surplus below is the total surpluses less the total deficits. It must be positive. If it is negative, adjust the deficits to be accepted on services or the surpluses to be generated until a positive figure is obtained.

Net surplus or deficit

-353 431 223

Net surplus or deficit as % of e

-39.4%

Net surplus is negative. Adjust deficits to be accepted or surpluses to be generated until a positive figure is obtained.

WC

Garden Route

Bitou

WC047

FALSE

4

1

1

1

1

WC

Garden Route

Bitou

WC047

1071

Year 2 - 2024/25 Tabled Budget

Part A

Bitou

Select Budget

ORGB

Financial Year

30/06/2025

Part B

Water

0

Sanitation

0

Electricity

0

Solid waste

0

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	970 121 916	83 634 373	8 042 798	71 671 346	-	806 773 399
as % of expenditure		0	0	0	0	
Surplus generated	-	-	-	-	-	-

In order for the budget to be fully funded, surpluses generated must be sufficient to at least cover anticipated deficits. If this is not the case, the user must reduce the deficits anticipated or increase the surpluses to be generated. The net surplus below is the total surpluses less the total deficits. If it must be positive. If it is negative, adjust the deficits to be accepted on services or the surpluses to be generated until a positive figure is obtained.

Net surplus or deficit

388 585 031

Net surplus or deficit as %

-40.1%

Net surplus is negative. Adjust deficits to be accepted or surpluses to be generated until a positive figure is obtained.

WC

Garden Route

Bitou

WC047

FALSE

4

1

1

1

1

1072

Year 3 - 2025/26 Tabled Budget

Part A

Bitou

Select Budget

ORGB

Financial Year

30/06/2026

Part B

Water

0

Sanitation

0

Electricity

0

Solid waste

0

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	1 062 192 472	83 284 140	17 004 794	78 097 089	-	883 806 448
as % of expenditure		0	0	0	0	
Surplus generated	-	-	-	-	-	-

In order for the budget to be fully funded, surpluses generated must be sufficient to at least cover anticipated deficits. If this is not the case, the user must reduce the deficits anticipated or increase the surpluses to be generated. The net surplus below is the total surpluses less the total deficits. It must be positive. If it is negative, adjust the deficits to be accepted on services or the surpluses to be generated until a positive figure is obtained.

Net surplus or deficit

- 407 587 103

Net surplus or deficit as %

-38.4%

Net surplus is negative. Adjust deficits to be accepted or surpluses to be generated until a positive figure is obtained.

WC

Garden Route

Bitou

WC047

FALSE

4

1

1

1

1

1073

WC		Garden Route			Bitou			WC047	
Tariff Assessments for the MTREF Period									
	Assessment Status	Financial Year	Period	Item	Water	Waste Water	Electricity	Solid Waste	Total Surplus/Deficit
Year 1	Cost Reflective	2023/24 Tabled Budget	Year 1	Revenue Required by NT Tariff Tool	63 998 451	5 476 131	55 943 210	-	125 417 792
				Revenue Budgeted	101 466 087	80 728 986	289 114 181	52 852 109	524 161 363
				Shortfall/Excess	37 467 636	75 252 855	233 170 971	52 852 109	398 743 571
	Assessment Outcome per Service				Cost Reflective	Cost Reflective	Cost Reflective	Cost Reflective	Cost Reflective
Year 2	Cost Reflective	2024/25 Tabled Budget	Year 2	Revenue Required by NT Tariff Tool	56 529 484	6 765 146	45 939 077	-	109 233 708
				Revenue Budgeted	106 931 349	85 107 884	299 926 117	55 709 671	547 675 021
				Surplus /Deficit	50 401 865	78 342 738	253 987 040	55 709 671	438 441 313
	Assessment Outcome per Service				Cost Reflective	Cost Reflective	Cost Reflective	Cost Reflective	Cost Reflective
Year 3	Cost Reflective	2025/26 Tabled Budget	Year 3	Revenue Required by NT Tariff Tool	56 391 766	15 893 001	52 796 771	-	125 081 538
				Revenue Budgeted	112 673 689	89 651 170	313 714 674	58 716 845	574 756 378
				Surplus /Deficit	56 281 923	73 758 169	260 917 903	58 716 845	449 674 840
	Assessment Outcome per Service				Cost Reflective	Cost Reflective	Cost Reflective	Cost Reflective	Cost Reflective

Year 1				
Grouping	Function	Loan revenue (excluding capital)	Total Expenditure	Surplus/(Deficit) for the year
1.Governance And Administrative	Executive and Council	64 999 528	32 401 474	32 597 054
1.Governance And Administrative	Finance and administration	299 344 507	155 335 796	143 708 711
1.Governance And Administrative	Internal audit	-	5 675 772	- 5 675 772
2.Other Services	Community and social services	13 472 143	34 476 235	- 21 004 093
2.Other Services	Environmental protection	111 465 375	74 052 863	36 412 512
2.Other Services	Health	12 726 448	47 483 111	- 34 756 663
2.Other Services	Housing	3 893 000	9 535 712	- 5 642 712
2.Other Services	Other	-	-	-
2.Other Services	Planning and development	140 000	35 980 773	- 35 840 773
2.Other Services	Public safety	39 229 307	79 080 889	- 41 851 582
2.Other Services	Road transport	269 730 512	258 203 761	11 526 751
2.Other Services	Sport and recreation	251 062	21 085 565	- 20 834 503
3.Trading Services	Energy services	100 070 521	62 328 545	37 741 976
3.Trading Services	Waste management	527 409	4 775 876	- 4 248 466
3.Trading Services	Waste water management	84 481 455	71 964 979	12 516 475
Total Per 16 Functions		899 232 277	867 395 039	1 837 238
Total Per A4 Summary		-	-	1 062 192 472
Variance		899 232	867 395	(1 560 283)

Year 2				
Grouping	Function	Loan revenue (excluding capital)	Total Expenditure	Surplus/(Deficit) for the year
1.Governance And Administrative	Executive and Council	69 659 639	39 325 289	30 334 350
1.Governance And Administrative	Finance and admin	229 659 223	171 569 653	57 789 570
1.Governance And Administrative	Internal audit	-	8 017 837	- 8 017 837
2.Other Services	Community and social services	12 063 760	31 855 539	- 19 791 779
2.Other Services	Environmental protection	112 085 351	65 894 752	46 190 599
2.Other Services	Health	11 841 025	52 898 469	- 41 057 444
2.Other Services	Housing	6 720 000	13 583 975	- 6 863 975
2.Other Services	Other	-	-	-
2.Other Services	Planning and development	180 000	34 963 834	- 34 783 834
2.Other Services	Public safety	64 609 551	105 143 303	- 40 533 752
2.Other Services	Road transport	260 482 107	284 986 037	- 24 503 930
2.Other Services	Sport and recreation	301 432	34 108 413	- 33 806 981
3.Trading Services	Energy services	104 383 160	65 469 335	38 913 825
3.Trading Services	Waste management	1 085 683	6 224 645	- 5 138 962
3.Trading Services	Waste water management	78 961 090	64 728 033	14 233 057
Total Per 16 Functions		973 446 069	970 121 516	3 324 553
Total Per A4 Summary		-	-	1 060 028 431
Variance		973 446	970 122	(1 586 788)

Year 3				
Grouping	Function	Loan revenue (excluding capital)	Total Expenditure	Surplus/(Deficit) for the year
1.Governance And Administrative	Executive and Council	72 422 470	43 725 959	28 696 511
1.Governance And Administrative	Finance and admin	248 385 566	182 703 378	65 682 188
1.Governance And Administrative	Internal audit	-	7 027 456	- 7 027 456
2.Other Services	Community and social services	12 967 922	35 788 553	- 22 820 631
2.Other Services	Environmental protection	125 579 436	68 109 596	57 469 839
2.Other Services	Health	15 018 648	65 191 122	- 50 172 474
2.Other Services	Housing	31 514 000	40 191 442	- 8 677 442
2.Other Services	Other	-	-	-
2.Other Services	Planning and development	130 000	37 876 711	- 37 746 711
2.Other Services	Public safety	68 062 665	108 302 197	- 40 239 532
2.Other Services	Road transport	219 383 472	265 146 134	54 237 338
2.Other Services	Sport and recreation	317 709	31 972 107	- 31 654 398
3.Trading Services	Energy services	104 326 815	60 828 862	43 497 953
3.Trading Services	Waste management	741 065	13 366 596	- 12 625 530
3.Trading Services	Waste water management	77 828 918	64 975 634	12 853 284
Total Per 16 Functions		1 067 974 106	1 062 192 472	5 781 634
Total Per A4 Summary		-	-	1 125 734 035
Variance		1 067 974	1 062 192	(1 158 969)

[illegible]

Western Cape: Bitou (WC047) - Table A4 Budgeted Financial Performance (All) for 4th Quarter ended 30 June 2025

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	200 313	210 201	230 904	262 129	259 136	259 136	174 180	289 114	299 926	313 715
Service charges - Water	2	85 578	86 449	87 795	90 492	92 029	92 029	62 814	101 466	106 931	112 674
Service charges - Waste Water Management	2	82 693	78 406	67 358	80 372	79 624	79 624	48 988	80 729	85 108	89 651
Service charges - Waste Management	2	33 409	45 502	44 964	53 852	50 983	50 983	31 215	52 852	55 710	58 717
Sale of Goods and Rendering of Services		8 821	6 867	7 520	9 687	10 072	10 072	5 280	8 000	8 255	8 673
Agency services		2 423	2 501	2 498	2 840	2 840	2 840	1 583	2 663	2 726	2 786
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		12 131	17 120	13 243	13 870	12 458	12 458	4 677	13 965	13 205	12 490
Interest earned from Current and Non Current Assets		3 747	8 035	13 203	12 448	12 448	12 448	6 676	12 573	12 698	13 333
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 255	1 124	1 354	2 210	1 610	1 610	1 019	1 569	1 663	1 760
Licence and permits		1 091	1 196	1 427	565	661	661	955	665	704	736
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		2 082	3 683	7 415	2 800	9 667	9 667	7 040	6 728	5 572	6 378
Non-Exchange Revenue		-	-	-	-	-	-	-	-	-	-
Property rates	2	157 194	151 413	178 261	191 257	193 250	193 250	128 154	212 575	223 838	235 478
Surcharges and Taxes		-	-	1 420	1 589	1 441	1 441	2 884	1 547	1 861	2 213
Fines, penalties and forfeits		54 430	46 722	60 451	50 836	52 397	52 397	31 180	55 024	57 971	61 116
Licences or permits		-	-	-	796	796	796	-	819	846	854
Transfer and subsidies - Operational		140 026	155 970	166 503	176 893	187 363	187 363	119 117	210 464	204 454	207 672
Interest		2 647	4 242	2 292	1 844	2 202	2 202	4 673	2 433	2 189	1 970
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		11 486	2 064	14 750	14 835	13 953	13 953	9 283	14 788	15 555	16 381
Gains on disposal of Assets		-	441	-	3 950	3 950	3 950	-	-	-	-
Other Gains		-	18 011	8 370	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribu		799 325	839 947	909 728	973 266	986 878	986 878	639 718	1 067 974	1 099 214	1 146 596
Expenditure		-	-	-	-	-	-	-	-	-	-
Employee related costs	2	278 100	286 329	312 820	370 938	378 617	378 617	200 169	395 995	407 402	427 252
Remuneration of councillors		6 198	6 721	7 376	7 879	7 879	7 879	5 100	7 685	8 047	8 425
Bulk purchases - electricity	2	159 802	162 599	197 628	231 959	224 959	224 959	137 090	250 425	263 847	280 180
Inventory consumed	8	14 864	15 349	16 652	18 699	20 641	20 641	10 432	22 814	24 238	19 924
Debt impairment	3	33 141	28 623	28 480	19 001	19 001	19 001	-	24 450	24 319	32 166
Depreciation and amortisation		36 135	36 393	48 851	40 002	40 002	40 002	26 668	42 228	43 706	45 932
Interest		11 102	19 740	20 922	14 063	13 917	13 917	7 293	16 046	21 171	27 178
Contracted services		102 726	72 886	77 655	103 758	115 264	115 264	44 440	139 171	121 579	113 822
Transfers and subsidies		4 527	5 626	9 208	12 283	10 844	10 844	7 873	12 383	12 498	9 292
Irrecoverable debts written off		93 735	88 945	74 426	61 150	61 150	61 150	18 259	61 650	61 550	59 880
Operational costs		57 505	72 059	76 823	91 144	91 335	91 335	51 317	89 346	101 670	101 683
Losses on disposal of Assets		1 720	1 515	3 217	-	-	-	-	-	-	-
Other Losses		125	9	111	-	-	-	-	-	-	-
Total Expenditure		799 680	796 795	874 170	970 877	983 608	983 608	508 642	1 062 192	1 090 028	1 125 734
Surplus/(Deficit)		(355)	43 151	35 558	2 389	3 270	3 270	131 076	5 782	9 185	20 862
Transfers and subsidies - capital (monetary allocations)	6	48 270	36 567	50 307	130 854	91 558	91 558	7 160	66 671	58 881	75 643
Transfers and subsidies - capital (in-kind)	6	325	-	33	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions		48 240	79 718	85 897	133 243	94 828	94 828	138 236	72 452	68 066	96 505
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		48 240	79 718	85 897	133 243	94 828	94 828	138 236	72 452	68 066	96 505
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		48 240	79 718	85 897	133 243	94 828	94 828	138 236	72 452	68 066	96 505
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year											
References											
1. Classifications are revenue sources and expenditure type											
2. Detail to be provided in Table SA1											
3. Debt impairment includes Impairment and Reversal of Impairment Losses											
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs											
5. Repairs & maintenance detailed in Table A9 and Table SA34c											
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)											
7. Equity method (Includes Joint Ventures)											

[illegible]

Consolidation of All Schedules per Function																	Reconciliation			Total	
Row	1 Governance and Administration				2 Other Services									3 Trading Services				All Per Function to All Tables Summary			
	Executive and Council	Finance and Administration	Internal Audit	1 Governance and Administration	Community and social services	Spatial innovation	Public safety	Housing	Health	Planning and Development	Road transport	Environmental Protection	Other	2 Other Services	Energy services	Water management	Waste water management	Waste management	3 Service Departments		
	Expenditure and Capital	Revenue and Administration	Interest	1 Governance and Administration	Community and social services	Spatial innovation	Public safety	Housing	Health	Planning and Development	Road transport	Environmental Protection	Other	2 Other Services	Energy services	Water management	Waste water management	Waste management	3 Service Departments		
Revenue																					
Exchange Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-	202 128 414	-	-	202 128 414	-	-	-	-	-	-	
Service charges - Water	-	-	-	-	-	-	-	-	-	-	90 402 314	-	-	90 402 314	-	-	-	-	-	-	
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-	80 371 384	-	-	-	-	80 371 384	-	
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13 852 424	-	-	-	13 852 424	-	
Sale of Goods and Rendering of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 000 015	-	-	6 000 015	-	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87 000	-	87 000	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment income from Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment income from Current and Non Cur	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Charities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Market Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent from Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
License and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-Exchange Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Property sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surrogate and Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance, insurance and benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
License and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer and subsidies - Operational	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expenditure																					
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revenue expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subsidies - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expenditure and expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment sales and off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					
Capital Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (including capital gains)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains																					

[illegible]

Year 1									
1. Transfers & Subsidies	Operational grants and subsidies	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	administration (R)	Check
	Equitable Share (Transfers and Subsidies)	164 516 478	18 256 440	-	11 344 639	-	54 588 160	80 347 239	-
									-
	Total grant allocation per service	164 516 478	18 256 440	-	11 344 639	-	54 588 160	80 347 239	-

2 Property Rates		Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Check
	Rates funding allocated to publicly accessed functions	179 778 837	-	-	-	-	179 778 837	-
	Total Rates Funding allocated to	179 778 837	-	-	-	-	179 778 837	-

3 Other Income Sources		Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	Check = 0
	Exchange Revenue	11 671 237	-	127 799	-	-	10 316 268	1 127 239	-
	Use of Goods and Rendering of Services	3 014 360	-	-	-	-	3 014 360	-	-
	Agency services	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-
	Interest earned from Receivables	13 282 258	3 729 205	-	5 031 995	-	4 455 103	65 905	-
	Interest earned from Current and Non-current Assets	4 950 000	-	-	-	-	-	4 950 000	-
	Royalties	-	-	-	-	-	-	-	-
	Rent on Land	-	-	-	-	-	-	-	-
	Rentals from Fixed Assets	1 029 784	-	222 860	-	-	56 062	750 862	-
	Leases and permits	588 767	-	-	-	-	588 767	-	-
	Operational Revenue	2 206 716	-	176 750	-	-	1 257 708	772 258	-
	Non-Exchange Revenue	-	-	-	-	-	-	-	-
	Surcharges and Taxes	1 500 000	-	-	-	-	-	1 500 000	-
	Fines, penalties and forfeits	31 698 420	-	-	-	-	31 506 424	192 196	-
	Leases or permits	895 742	-	-	-	-	895 742	-	-
	Interest	3 759 458	-	-	-	-	-	3 759 458	-
	Fuel Levy	-	-	-	-	-	-	-	-
	Operational Revenue	15 838 035	4 479 763	-	6 030 546	-	5 327 728	-	-
	Gains on disposal of Assets	-	-	-	-	-	-	-	-
	Other Gains	-	-	-	-	-	-	-	-
	Discontinued Operations	-	-	-	-	-	-	-	-
	Total	90 135 817	8 269 016	327 409	11 062 541	-	57 218 140	13 117 969	-

4 Expenditure	Type of expenditure	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	check = 0
	Employee related costs	332 607 002	25 334 878	-	18 944 595	-	185 516 915	102 810 619	-
	Remuneration of councillors	7 673 715	-	-	-	-	-	7 673 715	-
	Bulk purchases - electricity	206 240 987	-	-	-	-	206 240 987	-	-
	Inventory consumed	19 542 575	2 730 000	147 000	932 800	-	13 416 284	2 316 491	-
	Desk impairment	18 270 000	2 048 924	2 891 237	3 285 815	-	6 688 361	3 367 683	-
	Depreciation and amortisation	40 568 781	1 319 563	490 583	5 818 210	-	30 115 181	2 315 284	-
	Interest	13 449 972	642 242	-	1 955 818	-	9 673 254	1 178 618	-
	Contracted services	97 378 898	10 173 880	268 200	3 761 200	-	61 133 589	22 042 019	-
	Transfers and subsidies	10 480 000	6 000 000	-	-	-	3 788 000	700 000	-
	Investment costs written off	54 980 000	14 000 000	-	25 000 000	-	25 980 000	650 000	-
	Operational costs	86 703 109	9 715 552	978 858	2 630 116	-	22 589 610	50 889 573	-
	Losses on disposal of Assets	-	-	-	-	-	-	-	-
	Other Losses	-	-	-	-	-	-	-	-
	Total direct costs per service	897 395 059	71 964 979	4 775 878	62 338 549	-	564 382 231	193 943 492	-

5 % allocation of Gov & Admin costs		793 491 637	10%	1%	9%	0%	80%	100%	0%
		19 840 527	1 316 722	17 184 139	0	155 051 614	193 943 492	-	-

6 Analysis of Surplus/Deficit		Elbow	Water	Waste Water	Electricity	Solid Waste	Total Deficit
	Revenue Required from the Tool	63 595 451	5 476 131	55 943 210	-	-	-
	Revenue Budgeted	101 486 087	80 728 986	285 114 181	52 852 109	524 161 383	-
	Surplus/(Deficit)	37 487 636	75 252 855	233 170 971	52 852 109	398 743 571	-
	Source: The approved 2025/26 Medium Term Revenue & Expenditure Framework information submitted to the Local Government Database and Reporting System (LGRS).						

SUMMARY: NON-TARIFF REVENUE SOURCES		Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	check = 0
	Operating grants and subsidies	164 516 478	18 256 440	-	11 344 639	-	54 588 160	80 347 239	-
	Property rates	179 778 837	-	-	-	-	179 778 837	-	-
	Other income	90 135 817	8 269 016	327 409	11 062 541	-	57 218 140	13 117 969	-
	Non-tariff service charges	-	-	-	-	-	-	-	-
	Total	434 430 132	26 495 456	327 409	22 407 180	-	291 585 137	93 465 148	-

SUMMARY OF DIRECT AND INDIRECT COSTS		Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
	Direct costs	793 491 637	71 964 979	4 775 878	62 338 549	-	564 382 231
	Indirect costs	193 943 492	19 840 527	1 316 722	17 184 139	-	155 051 614
	Total costs	897 395 059	91 805 506	6 092 600	79 522 688	-	719 983 945
	% direct costs		78%	78%	78%	ND/ND	78%
	% indirect costs (overheads)		22%	22%	22%	ND/ND	22%

SUMMARY: EXPENDITURE ALLOCATED AND NON-TARIFF REVENUE RECEIVED AFTER ALLOCATION OF GOVERNANCE AND ADMINISTRATION

The table below summarises the allocation of expenditure and revenues in the previous sheets. Any non-tariff revenue allocated to the Governance and Administration function has been distributed between the services according to the allocation of the Governance and Administration expenditure between the services. There may be a gap to be filled through tariffs on 'Other services' if the property rates revenue and other non-tariff revenues are not sufficient to cover the costs of providing these services.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct expenditure	703 451 637	71 954 979	4 775 878	62 328 549	-	564 392 231
Indirect expenditure	183 943 482	19 840 927	1 316 722	17 184 139	-	155 601 614
Total expenditure	887 395 059	91 805 906	6 092 600	79 512 688	-	719 993 845
Non-tariff revenue allocated to service	340 965 184	26 465 458	527 409	22 467 180	-	291 565 137
Non-tariff revenue allocated to Gov	93 485 148	9 561 734	634 554	8 281 375	-	74 987 485
Total non-tariff revenue allocated	434 450 332	36 027 192	1 161 963	30 688 555	-	366 552 622
Gap to be filled through tariffs	452 944 727	55 778 714	4 930 637	48 824 133	-	353 431 223

DEFICIT TO BE ACCEPTED ON SERVICES

Municipalities should move towards ensuring that all services at least break even. However, currently municipalities operate some services at a deficit. Enter the deficit that you are willing to accept on providing a service in the grey cells below. Bear in mind that you will have to generate surpluses on other services to cross-subsidise these deficits.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	887 395 059	91 805 906	6 092 600	79 512 688	-	719 993 845
Enter deficit to be accepted as % of expenditure						
Deficit generated	353 431 223	-	-	-	-	353 431 223

SURPLUS TO BE GENERATED ON SERVICES

In order for the budget to be fully funded, surpluses generated must be sufficient to at least cover anticipated deficits. If this is not the case, the user must reduce the deficits anticipated or increase the surpluses to be generated. The net surplus below is the total surpluses less the total deficits. If it is negative, adjust the deficits to be accepted on services or the surpluses to be generated until a positive figure is obtained.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	887 395 059	91 805 906	6 092 600	79 512 688	-	719 993 845
Enter surplus to be generated as % of expenditure						
Surplus generated	-	-	-	-	-	-

In order for the budget to be fully funded, surpluses generated must be sufficient to at least cover anticipated deficits. If this is not the case, the user must reduce the deficits anticipated or increase the surpluses to be generated. The net surplus below is the total surpluses less the total deficits. If it is negative, adjust the deficits to be accepted on services or the surpluses to be generated until a positive figure is obtained.

Net surplus or deficit	-	353 431 223	Net surplus is negative. Adjust deficits to be accepted or surpluses to be generated until a positive figure is obtained.			
Net surplus or deficit as % of expenditure	-	-38.4%				

ALLOCATION OF SURPLUS

If you are generating surpluses on some services and deficits on others, you will need to make some decisions about how the surpluses should be allocated to cross-subsidise the deficits. This must be done in the table below. The model provides a default allocation that allocates the available surplus to service in proportion to the deficit generated on a service. The user can choose to define an alternative allocation. Entries must be made in the grey cells only. This is not necessary for tariff setting, but only to confirm the overall funding of the budget.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Deficit generated	353 431 223	-	-	-	-	353 431 223
Surplus generated	-	-	-	-	-	-
Default allocation of surplus to cover	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Default % allocation of surplus						
Use default allocation?	Yes					
User defined allocation of surplus to	-					
User defined % allocation of surplus						

REVENUE REQUIRED

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct expenditure	703 451 637	71 954 979	4 775 878	62 328 549	-	564 392 231
Indirect expenditure	183 943 482	19 840 927	1 316 722	17 184 139	-	155 601 614
Total expenditure	887 395 059	91 805 906	6 092 600	79 512 688	-	719 993 845
Surplus or deficit	-	353 431 223	-	-	-	353 431 223
Total expenditure plus surplus	543 963 816	91 805 906	6 092 600	79 512 688	-	366 552 622
Operating grants and transfers	164 516 478	26 476 177	545 494	18 463 717	-	119 031 091
Property rates revenue	179 778 837	-	-	-	-	179 778 837
Other income	90 135 017	9 551 015	618 469	12 224 639	-	67 742 684
Other non-tariff service charges	-	-	-	-	-	-
Total non-tariff revenue	434 430 332	36 027 192	1 161 963	30 688 555	-	366 552 622
Revenue required from tariffs	189 533 484	55 778 714	4 930 637	48 824 133	-	109 533 484
Total revenue	543 963 816	91 805 906	6 092 600	79 512 688	-	366 552 622

	Municipality	Water	Sanitation	Electricity	Solid Waste	Total Deficit (Surplus)
Analysis of Surplus/Deficit	Medimolle Local Municipality	55 778 714	4 930 637	48 824 133	-	109 533 484
Revenue Required from the user						
Revenue Budgeted	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Surplus (Deficit)	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

(Source: The approved 2023/24 MTRF financial performance information submitted to the Local Government Database and Reporting System (LGDRS))

SERVICE CHARGES NOT SET USING THIS MODEL

This tool only sets tariffs for services. There are a number of other service charges identified in mSCOA v 6.3 that are not set using this tool. The user must allocate the value of these service charges anticipated in the year for which the tariffs are being set in the yellow highlighted cells below.

Non-tariff revenue	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)
Water	-	-			
Connection/extension					
Meter reading fees					
Industrial water (non-potable)					
Availability charges					
Wastewater management	-		-		
Industrial effluent					
Treatment of effluent					
Availability charges					
Connection/extension					
Pump/renewal or wastewater (from tanks)					
Electricity	-			-	
Appliance maintenance					
Connection/reconnection					
Joint pole usage					
Meter compliance					
Meter reading fees					
Notice revenues					
Temporary service					
Electricity distribution revenue for services					
Availability charges					
Waste management	-				-
Carrier bags					
Disposal facilities					
Refuse bags					
Waste bins					
Availability charges					
Skip					
Total non-tariff service charges	-	-	-	-	-

Year 2								
1. Transfers & Subsidies	Operational grants and subsidies	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	administration (R)
	Equitable Share (Transfers and Subsidies)	177 072 000	18 137 280	-	12 091 530	-	61 933 880	84 910 320
	Total grant allocation per service	177 072 000	18 137 280	-	12 091 530	-	61 933 880	84 910 320

2. Property Rates	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Check
Rates funding allocated to publicly accessed functions	191 257 319	-	-	-	-	191 257 319	-
Total Rates Funding allocated to	191 257 319	-	-	-	-	191 257 319	-

3. Other Income Sources	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	Check = 0
Exchange Revenue								
Gain of Goods and Rendering of Serv	9 096 678	-	67 690	-	-	8 528 911	1 096 027	-
Agency services	2 840 105	-	-	-	-	2 840 105	-	-
Interest	-	-	-	-	-	-	-	-
Interest earned from Receivables	13 870 097	3 686 236	-	5 622 105	-	4 490 820	68 936	-
Interest earned from Current and Non	12 448 250	-	-	-	-	-	12 448 250	-
Dividends	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-
Rentals from Fixed Assets	2 209 898	-	833 112	-	-	81 006	1 295 780	-
Leases and permits	955 403	-	-	-	-	955 403	-	-
Operational Revenue	2 800 098	-	184 880	-	-	1 869 911	745 237	-
Non-Exchange Revenue								
Surcharges and Taxes	1 589 229	-	-	-	-	-	1 589 229	-
Fees, penalties and forfeits	50 835 775	-	-	-	-	50 712 011	123 764	-
Leases or permits	795 530	-	-	-	-	795 530	-	-
Interest	1 844 200	-	-	-	-	-	1 844 200	-
Fuel Levy	-	-	-	-	-	-	-	-
Operational Revenue	14 804 751	3 283 140	-	6 307 951	-	5 243 660	-	-
Gains on disposal of Assets	3 950 000	-	-	-	-	-	3 950 000	-
Other Gains	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-
Total	119 278 064	6 971 376	1 085 682	11 930 056	-	75 127 467	23 152 423	-

4. Expenditure	Type of expenditure	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	Check = 0
	Employee related costs	369 735 435	28 456 690	2 064 030	19 749 788	-	205 501 602	112 923 625	-
	Remuneration of councillors	2 878 693	-	-	-	-	-	2 878 693	-
	Bulk purchases - electricity	231 959 238	-	-	-	-	231 959 238	-	-
	Inventory consumed	18 768 843	1 800 000	-	983 171	-	13 288 214	2 698 458	-
	Debt impairment	19 000 624	2 130 891	3 008 887	3 826 631	-	6 544 414	3 491 991	-
	Depreciation and amortisation	40 002 471	2 691 694	417 737	6 327 382	-	28 013 559	2 561 699	-
	Interest	14 062 543	498 167	-	2 140 696	-	9 770 860	1 652 850	-
	Contracted services	103 581 751	3 930 000	-	4 138 505	-	64 616 587	30 896 659	-
	Transfers and subsidies	12 283 334	5 500 000	-	-	-	4 183 334	2 600 000	-
	Irrecoverable debts written off	61 105 000	9 000 000	-	15 500 000	-	35 500 000	1 105 000	-
	Operational costs	91 699 694	10 681 591	735 401	2 803 162	-	24 218 172	53 280 369	-
	Losses on disposal of Assets	-	-	-	-	-	-	-	-
	Other Losses	-	-	-	-	-	-	-	-
	Total direct costs per service	976 121 918	64 728 003	6 224 645	55 469 335	-	624 394 360	219 305 573	-

5. % allocation of Gov & Admin costs	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	Check = 0
	759 816 343	9%	1%	7%	0%	83%	100%	0%
	219 305 573	18 906 370	1 818 153	16 202 011	0	182 379 039	219 305 573	-

6. Analysis of Surplus/Deficit	Revenue Required from the Total	Water	Waste Water	Electricity	Solid Waste	Total Deficit
	56 529 454	6 705 145	45 539 077	109 233 708		
	Revenue Budgeted	105 921 349	85 107 894	259 526 117	55 709 671	547 675 021
	Surplus/(Deficit)	50 401 865	78 342 738	253 987 040	55 709 671	438 441 313

Sources: The approved 2023/24 Medium Term Revenue & Expenditure Framework information submitted to the Local Government Database and Reporting System (LGRS).

SUMMARY: NON-TARIFF REVENUE SOURCES	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	Check = 0
Operating grants and subsidies	177 072 000	18 137 280	-	12 091 530	-	61 933 880	84 910 320	-
Property rates	191 257 319	-	-	-	-	191 257 319	-	-
Other income	119 278 064	6 971 376	1 085 682	11 930 056	-	75 127 467	23 152 423	-
Non-tariff service charges	-	-	-	-	-	-	-	-
Total	488 606 323	25 108 656	1 085 682	24 021 576	-	328 316 666	108 965 743	-
	488 606 323	25 108 656	1 085 682	24 021 576	-	328 316 666	108 965 743	-

SUMMARY OF DIRECT AND INDIRECT COSTS	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct costs	759 816 343	64 728 003	6 224 645	55 469 335	-	624 394 360
Indirect costs	219 305 573	18 906 370	1 818 153	16 202 011	-	182 379 039
Total costs	979 121 918	83 634 373	8 042 798	71 671 346	-	806 773 399
% direct costs		77%	77%	77%	#DIV/0!	77%
% indirect costs (overheads)		23%	23%	23%	#DIV/0!	23%

SUMMARY: EXPENDITURE ALLOCATED AND NON-TARIFF REVENUE RECEIVED AFTER ALLOCATION OF GOVERNANCE AND ADMINISTRATION

The table below summarises the allocation of expenditure and revenues in the previous sheets. Any non-tariff revenue allocated to the Governance and Administration function has been distributed between the services according to the allocation of the Governance and Administration expenditure between the services. There may be a gap to be filled through tariffs on 'Other services' if the property rates revenue and other non-tariff revenues are not sufficient to cover the costs of providing these services.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct expenditure	750 816 343	64 728 003	6 224 645	55 469 335	-	624 394 360
Indirect expenditure	219 365 573	18 906 370	1 818 153	16 202 011	-	182 379 039
Total expenditure	970 121 916	83 634 373	8 042 798	71 671 346	-	806 773 399
Non-tariff revenue allocated to service	379 534 580	25 108 658	1 085 682	24 021 576	-	328 318 686
Non-tariff revenue allocated to Gov & A	108 065 743	9 111 352	875 254	7 808 088	-	87 852 053
Total non-tariff revenue allocated	488 600 323	34 220 008	1 960 936	31 829 664	-	416 210 719
Gap to be filled through tariffs	481 521 593	49 414 365	6 080 912	39 841 701	-	390 562 679

DEFICIT TO BE ACCEPTED ON SERVICES

Municipalities should move towards ensuring that all services at least break even. However, currently municipalities operate some services at a deficit. Enter the deficit that you are willing to accept on providing a service in the grey cells below. Bear in mind that you will have to generate surpluses on other services to cross-subsidise these deficits.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	970 121 916	83 634 373	8 042 798	71 671 346	-	806 773 399
Enter deficit to be accepted as % of expenditure						
Deficit generated	390 562 679	-	-	-	-	390 562 679

SURPLUS TO BE GENERATED ON SERVICES

If you are generating a surplus on any service, you may use the surplus to cross-subsidise other services. Enter the surplus that you are willing to generate on each service in the table below. Make sure that you have not indicated a surplus to be generated if you have already indicated that there will be a deficit in the table above. If you do this, the cell entry will be highlighted in bold red text.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	970 121 916	83 634 373	8 042 798	71 671 346	-	806 773 399
Enter surplus to be generated as % of expenditure						
Surplus generated	-	-	-	-	-	-

In order for the budget to be fully funded, surpluses generated must be sufficient to at least cover anticipated deficits. If this is not the case, the user must reduce the deficits anticipated or increase the surpluses to be generated. The net surplus below is the total surpluses less the total deficits. It must be positive. If it is negative, adjust the deficits to be accepted on services or the surpluses to be generated until a positive figure is obtained.

Net surplus or deficit	-	390 562 679	Net surplus is negative. Adjust deficits to be accepted or surpluses to be generated until a positive figure is obtained.			
Net surplus or deficit as % of expenditure	-	-40.3%				

ALLOCATION OF SURPLUS

If you are generating a surplus on any service, you may use the surplus to cross-subsidise other services. Enter the surplus that you are willing to generate on each service in the table below. Make sure that you have not indicated a surplus to be generated if you have already indicated that there will be a deficit in the table above. If you do this, the cell entry will be highlighted in bold red text.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Deficit generated	390 562 679	-	-	-	-	390 562 679
Surplus generated	-	-	-	-	-	-
Default allocation of surplus to cover	-	-	-	-	-	-
Default % allocation of surplus		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Use default allocation?	Yes					
User defined allocation of surplus to	-					
User defined % allocation of surplus						

REVENUE REQUIRED

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct expenditure	750 816 343	64 728 003	6 224 645	55 469 335	-	624 394 360
Indirect expenditure	219 365 573	18 906 370	1 818 153	16 202 011	-	182 379 039
Total expenditure	970 121 916	83 634 373	8 042 798	71 671 346	-	806 773 399
Surplus or deficit	-	-	-	-	-	-
Total expenditure plus surplus or	579 509 237	83 634 373	8 042 798	71 671 346	-	416 210 719
Operating grants and transfers	183 017 007	25 989 847	753 228	18 803 730	-	137 469 213
Property rates revenue	191 257 319	-	-	-	-	191 257 319
Other income	109 947 932	8 250 162	1 209 698	13 025 825	-	87 463 188
Other non-tariff service charges	-	-	-	-	-	-
Total non-tariff revenue	484 222 258	34 220 008	1 960 936	31 829 664	-	416 210 719
Revenue required from tariffs	55 326 979	49 414 365	6 080 912	39 841 701	-	-
Total revenue	579 509 237	83 634 373	8 042 798	71 671 346	-	416 210 719

	Medimole Local Municipality	Water	Waste Water	Electricity	Solid Waste	Total Deficit / Surplus
Revenue Required from the Tariff	49 414 365	6 080 912	39 841 701	-	-	95 336 978
Revenue Subsidised	-	-	-	-	-	-
Surplus/Deficit	-	49 414 365	6 080 912	39 841 701	-	95 336 978

SERVICE CHARGES NOT SET USING THIS MODEL

This tool only sets tariffs for services. There are a number of other service charges identified in mSCOA v6.3 that are not set using this tool. The user must allocate the values of these service charges anticipated in the year for which the tariffs are being set in the yellow highlighted cells below.

Non-tariff revenue	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)
Water	-	-			
Connection/reconnection					
Meter reading fees					
Industrial water (non-potable)					
Availability charges					
Wastewater management	-		-		
Industrial effluent					
Treatment of effluent					
Availability charges					
Connection/reconnection					
Pump-out or wastewater (from houses)					
Electricity	-			-	
Appliance maintenance					
Connection/reconnection					
Joint pole usage					
Water compaction					
Meter reading fees					
Notice revenues					
Temporary services					
Electricity distribution revenue for services					
Availability charges					
Waste management	-				-
Carrier bags					
Disposal facilities					
Refuse bags					
Waste bins					
Availability charges					
Ship					
Total non-tariff service charges	-	-	-	-	-



Year 3								
Operational grants and subsidies	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	administration (R)	Check
Equitable Share (Transfers and Subsidies)	210 484 250	18 979 320	-	12 652 880	-	89 980 720	88 851 330	-
Total grant allocation per service	210 484 250	18 979 320	-	12 652 880	-	89 980 720	88 851 330	-

Property Rates	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Check
Rates funding allocated to publicly accessed functions	212 975 241	-	-	-	-	212 975 241	-
Total Rates Funding allocated to each	212 975 241	-	-	-	-	212 975 241	-

Local Income Sources	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	Check = 0
Exchange Revenue								
Sale of Goods and Rendering of Services	6 033 944	-	70 854	-	-	6 963 792	964 148	-
Agency services	2 862 968	-	-	-	-	2 862 968	-	-
Interest	-	-	-	-	-	-	-	-
Interest earned from Receivables	13 964 544	2 727 042	-	4 650 200	-	6 953 782	33 530	-
Interest earned from Current and Non Current	12 572 733	-	-	-	-	-	12 572 733	-
Dividends	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-
Rental from Fixed Assets	1 589 156	-	476 906	-	-	79 696	1 012 554	-
Licence and permits	693 054	-	-	-	-	388 744	76 310	-
Operational Revenue	6 727 956	-	193 385	-	-	5 953 867	640 694	-
Non-Exchange Revenue								
Surcharges and Taxes	1 547 240	-	-	-	-	-	1 547 240	-
Fines, penalties and forfeits	55 023 901	-	-	-	-	54 916 795	107 106	-
Licences or permits	818 915	-	-	-	-	818 915	-	-
Interest	2 432 960	-	-	-	-	-	2 432 960	-
Fuel Levy	-	-	-	-	-	-	-	-
Operational Revenue	14 788 181	3 370 447	-	6 294 749	-	5 122 985	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-
Total	120 773 252	6 097 488	741 095	10 944 949	-	83 062 864	19 986 855	-

Expenditure	Type of expenditure	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	check = 0
Employees related costs		395 995 115	27 893 000	3 069 500	22 148 368	-	219 892 961	123 192 286	-
Remuneration of councillors		7 685 178	-	-	-	-	-	7 685 178	-
Bulk purchases - electricity		250 424 624	-	-	-	-	250 424 624	-	-
Inventory consumed		22 813 707	1 700 000	95 000	1 042 161	-	17 910 930	2 465 616	-
Debt impairment		24 449 877	3 930 000	9 000 000	3 309 471	-	6 995 406	1 615 000	-
Depreciation and amortisation		42 227 707	2 448 973	366 151	10 531 917	-	24 937 431	3 816 286	-
Interest		16 046 284	408 181	-	2 236 983	-	11 963 744	1 437 376	-
Contracted services		138 170 902	5 685 000	450 000	4 407 555	-	91 185 168	37 443 169	-
Transfers and subsidies		12 383 334	5 600 000	-	-	-	4 163 334	2 000 000	-
Irrecoverable debts written off		61 650 000	9 000 000	-	14 000 000	-	37 350 000	1 400 000	-
Operational costs		85 345 654	9 303 440	286 948	3 152 397	-	25 754 046	51 848 823	-
Losses on disposal of Assets		-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-
Total direct costs per service		1 062 192 472	64 875 634	13 266 999	60 928 862	-	689 917 644	233 903 733	-

5% allocation of Gov & Admin costs	628 688 739	8%	2%	7%	0%	83%	100%	0%
	233 503 733	18 308 506	3 738 195	17 168 227	0	194 288 804	233 503 733	-

Analysis of Surplus/Deficit	Revenue Required from the Tool	Water	Waste Water	Electricity	Solid Waste	Total Deficit	
	55 351 765	15 893 001	52 796 771	-	-	125 041 536	From MT Tariffs Tool
	Revenue Budgeted	112 673 889	89 651 170	313 714 676	58 718 845	574 756 578	From LGBA Scraps - Budget
	Surplus(Deficit)	56 281 923	73 758 169	260 917 903	58 718 845	448 674 940	
Source: The approved 2025/26 Medium Term Revenue & Expenditure Framework information submitted to the Local Government Database and Reporting System (LGDRS).							

SUMMARY: NON-TARIFF REVENUE SOURCES								check = 0
	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)	Governance and administration (R)	
Operating grants and subsidies	210 484 250	18 979 320	-	12 652 880	-	89 980 720	88 851 330	-
Property rates	212 975 241	-	-	-	-	212 975 241	-	-
Other income	120 773 252	6 097 488	741 095	10 944 949	-	83 062 864	19 986 855	-
Non-tariff service charges	-	-	-	-	-	-	-	-
Total	543 812 743	25 076 808	741 095	23 597 829	-	286 158 825	108 238 185	-
	543 812 743	435 514 558						

SUMMARY OF DIRECT AND INDIRECT COSTS

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct costs	628 688 739	64 875 634	13 266 999	60 928 862	-	689 917 644
Indirect costs	233 503 733	18 308 506	3 738 195	17 168 227	-	194 288 804
Total costs	1 062 192 472	83 284 140	17 005 194	78 097 089	-	884 206 448
% direct costs		78%	78%	78%	#DIV/0!	78%
% indirect costs (overheads)		22%	22%	22%	#DIV/0!	22%

SUMMARY: EXPENDITURE ALLOCATED AND NON-TARIFF REVENUE RECEIVED AFTER ALLOCATION OF GOVERNANCE AND ADMINISTRATION

The table below summarises the allocation of expenditure and revenues in the previous sheets. Any non-tariff revenue allocated to the Governance and Administration function has been distributed between the services according to the allocation of the Governance and Administration expenditure between the services. There may be a gap to be filled through tariffs on 'Other services' if the property rates revenue and other non-tariff revenues are not sufficient to cover the costs of providing these services.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct expenditure	828 689 739	64 975 634	13 266 589	60 928 862	-	689 517 644
Indirect expenditure	235 903 733	18 308 506	3 738 195	17 168 227	-	194 288 804
Total expenditure	1 062 192 472	83 284 140	17 004 784	78 097 089	-	883 806 448
Non-tariff revenue allocated to service	435 574 508	25 076 809	741 095	23 597 829	-	386 158 825
Non-tariff revenue allocated to Gov & Admin	108 238 185	8 823 230	1 801 510	8 273 707	-	93 631 604
Total non-tariff revenue allocated	543 812 743	33 900 039	2 542 605	31 871 536	-	479 790 429
Gap to be filled through tariffs	518 379 729	49 384 101	14 462 189	46 225 553	-	404 016 019

DEFICIT TO BE ACCEPTED ON SERVICES

Municipalities should move towards ensuring that all services at least break even. However, currently municipalities operate some services at a deficit. Enter the deficit that you are willing to accept on providing a service in the grey cells below. Bear in mind that you will have to generate surpluses on other services to cross-subsidise these deficits.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	1 062 192 472	83 284 140	17 004 784	78 097 089	-	883 806 448
Enter deficit to be accepted as % of expenditure						
Deficit generated	404 016 019	-	-	-	-	404 016 019

SURPLUS TO BE GENERATED ON SERVICES

Enter the surplus to be generated on each service in the table below. Make sure that you have not indicated a surplus to be generated if you have already indicated that there will be a deficit in the table above. If you do this, the cell entry will be highlighted in bold red text.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Expenditure	1 062 192 472	83 284 140	17 004 784	78 097 089	-	883 806 448
Enter surplus to be generated as % of expenditure						
Surplus generated	-	-	-	-	-	-

In order for the budget to be fully funded, surpluses generated must be sufficient to at least cover anticipated deficits. If this is not the case, the user must reduce the deficits anticipated or increase the surpluses to be generated. The net surplus below in the total surpluses less the total deficits. It must be positive. If it is negative, adjust the deficits to be accepted on services or the surpluses to be generated until a positive figure is obtained.

Net surplus or deficit	-	404 016 019	Net surplus is negative. Adjust deficits to be accepted or surpluses to be generated until a positive figure is obtained.			
Net surplus or deficit as % of expenditure	-	-36.9%				

ALLOCATION OF SURPLUS

If you are generating surpluses on some services and deficits on others, you will need to transfer some surpluses across from one service to another to cross-subsidise the deficits. This must be done in the table below. The model provides a default allocation that allocates the available surplus to services in proportion to the deficit generated on a service. The user can choose to define an alternative allocation. Entries must be made in the grey cells only. This is not necessary for tariff setting, but only to confirm the overall funding of the budget.

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Deficit generated	404 016 019	-	-	-	-	404 016 019
Surplus generated	-	-	-	-	-	-
Default allocation of surplus to cover deficit	-	-	-	-	-	-
Default % allocation of surplus		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Use default allocation?	Yes					
User defined allocation of surplus to cover	-					
User defined % allocation of surplus						

REVENUE REQUIRED

	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)	Other services (R)
Direct expenditure	828 689 739	64 975 634	13 266 589	60 928 862	-	689 517 644
Indirect expenditure	235 903 733	18 308 506	3 738 195	17 168 227	-	194 288 804
Total expenditure	1 062 192 472	83 284 140	17 004 784	78 097 089	-	883 806 448
Surplus or deficit	-	404 016 019	-	-	-	404 016 019
Total expenditure plus surplus or deficit	658 176 453	83 284 140	17 004 784	78 097 089	-	479 790 429
Operating grants and transfers	218 349 288	26 564 203	1 548 067	19 765 366	-	170 471 053
Property rates revenue	212 575 241	-	-	-	-	212 575 241
Other income	117 185 081	7 335 636	993 838	12 106 170	-	96 744 135
Other non-tariff service charges	-	-	-	-	-	-
Total non-tariff revenue	548 104 609	33 900 039	2 542 605	31 871 536	-	479 790 429
Revenue required from tariffs	110 071 844	49 384 101	14 462 189	46 225 553	-	-
Total revenue	658 176 453	83 284 140	17 004 784	78 097 089	-	479 790 429

	Modimole Local Municipality	Water	Waste Water	Electricity	Solid Waste	Total Deficit / Surplus
Revenue Required from Tariffs	110 071 844	49 384 101	14 462 189	46 225 553	-	110 071 844
Revenue Budgeted	-	-	-	-	-	-
Surplus/Deficit	-	49 384 101	14 462 189	46 225 553	-	110 071 844

SERVICE CHARGES NOT SET USING THIS MODEL

This tool only sets tariffs for services. There are a number of other service charges identified in mSCOA v 6.3 that are not set using this tool. The user must allocate the value of these service charges anticipated in the year for which the tariffs are being set in the yellow highlighted cells.

Non-tariff revenue	Total (R)	Water (R)	Sanitation (R)	Electricity (R)	Solid waste (R)
Water	-	-			
Connection/disconnection					
Meter reading fees					
Industrial water (non-potable)					
Availability charges					
Wastewater management	-		-		
Industrial effluent					
Treatment of effluent					
Availability charges					
Connection/reconnection					
Pump/removal of wastewater (from tanks)					
Electricity	-			-	
Appliance maintenance					
Connection/disconnection					
Joint pole usage					
Meter compliance testing					
Meter reading fees					
Notice of non-compliance					
Temporary service client					
Electricity distribution revenue for services					
Availability charges					
Waste management	-				-
Carrier bags					
Disposal facilities					
Refuse bins					
Waste bins					
Availability charges					
Slip					
Total non-tariff service charges	-	-	-	-	-
