



**Western Cape
Government**

Provincial Treasury

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Reference: RCS/5.C

TREASURY CIRCULAR MUN NO. 5/2017

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THE MAYOR, MATZIKAMA MUNICIPALITY: MS G STEPHAN
THE MAYOR, CEDERBERG MUNICIPALITY: MR J BARNARD
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
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THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: MS G VAN DEVENTER
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBOEG MUNICIPALITY: MR HM JANSEN
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR S FRANKEN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS CJM VOSLOO
THE MAYOR, OVERSTRAND MUNICIPALITY: MR RJ SMITH
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR PJ SWART
THE MAYOR, SWELLENDAAM MUNICIPALITY: MR NG MYBURGH
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDELS
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR HJ LEVENDAL
THE MAYOR, GEORGE MUNICIPALITY: MR MG NAIK
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR CF SYLVESTER
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES
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THE MAYOR, LAINGSBURG MUNICIPALITY: MR AA MARTHINUS
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY

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THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR T NDLOVU
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MUNICIPAL BUDGET CIRCULAR FOR THE 2017/18 MTREF

1. PURPOSE

- 1.1 The purpose of this Circular is to brief municipalities on the 2017 Local Government Medium Term Expenditure Committee Process (i.e. LG MTEC) and related matters.

2. BACKGROUND

- 2.1 The Western Cape Provincial Government has institutionalised the 'LG MTEC' process in fulfilment of its obligations under:
 - 2.1.1 Sections 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003; and
 - 2.1.2 Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA].
- 2.2 The 2017 process will build on the 2016 Integrated Municipal Engagement processes in order to strengthen the alignment between municipal and provincial planning and budgeting and reinforce the theme of municipal sustainability at the advent of the 4th Generation Integrated Development Planning Cycle.

3. AN INTEGRATED APPROACH TO PLANNING AND BUDGETING

- 3.1 The Western Cape Government and municipalities collectively adopted an Integrated Workplan in 2016 to facilitate a more coordinated, integrated and strategic approach to planning, budgeting and implementation. This process has been institutionalised under the auspices of the Provincial Strategic Goal (PSG) 5: Integrated Management Work Group (Work Group 4), which seeks to improve service delivery through improved coordination while creating maximum socio-economic impact.
- 3.2 The Integrated Management approach seeks to ensure that, inter alia, the budgets, programmes and projects of municipalities and provincial and national departments are derived from robust and integrated planning processes, at the heart of which is the development of an Integrated Development Plan (IDP) inclusive of its core components, such as a Spatial Development Framework (SDF). The SDF must direct the spatial location of growth and development within the municipal areas for a period of up to 20 years, and the evidence of the implementation of this spatial vision must be evident in the programmes, projects and budget allocations within the IDP. This golden thread must be clearly and unambiguously evident. It is for this reason that it has been communicated to all municipalities to ensure that the 4th Generation

IDP be approved together with the SDF, and the steps to compile the SDF be followed as per communication previously issued by the Department of Environmental Affairs and Development Planning.

- 3.3 The LG MTEC engagements follow the Strategic Integrated Municipal Engagements that took place during October 2016 and the Technical Integrated Municipal Engagements scheduled during February/March 2017.
- 3.4 The LG MTEC process will thus build on these engagements and continue to focus on the sustainability of municipalities. The key issues that affect municipal sustainability include amongst others:
 - 3.4.1 The constrained economic and fiscal environment impacting on revenue, employment and poverty;
 - 3.4.2 Rising cost pressures affecting in particular input costs related to personnel and bulk purchases;
 - 3.4.3 The prolonged drought affecting both agricultural crops, animal and human life; and
 - 3.4.4 Growing service delivery demands.
- 3.5 In response to these challenges municipalities are encouraged to:
 - 3.5.1 From a risk perspective, adopt a more realistic approach in estimating municipal revenue and tighten poverty relief policies ensuring that the most deserving population are targeted;
 - 3.5.2 Seek and implement efficiencies in processes, systems and operations to contain rising cost pressures and progressively move towards green technology and renewables;
 - 3.5.3 Fast-track service delivery objectives within affordable revenue and expenditure parameters; and
 - 3.5.4 Manage water and electricity losses by amongst others replacing dilapidated infrastructure, fix water leaks, embarking on educational campaigns and implement effective water pricing strategies.

3.6 Water and sanitation increases

- 3.6.1 Municipalities should consider the full cost of rendering water and sanitation services when determining tariffs related to these services.
- 3.6.2 Circular 78 also advised that a pricing strategy be developed to phase in any tariff increases to ensure full cost recovery of the service.
- 3.6.3 Municipalities in arrears with water boards should ensure that their payment arrangements are effected in their 2017/18 MTREF Budgets.
- 3.6.4 To mitigate the need for water tariff increases as a result of the current drought across a large part of the province, municipalities must put in place appropriate strategies to limit water losses to acceptable levels.
- 3.6.5 With regard to the risk associated with water provision, municipalities must include and publish two sets of water tariffs with the approval of the 2017/18 MTREF budget, one set for normal circumstances and another set for emergencies when drought and water shortages are encountered. This should be reflected in the municipal tariff policies and by-laws.
- 3.6.6 Alternative measures should be considered to curb water consumption to address the water shortage by reducing the amount of water to its users and regulate the availability of water during certain time periods.
- 3.6.7 Municipalities are urged to develop a Drought Management Policy that would indicate the actions municipalities should take if water resources fall to and below predetermined levels. Provincial Disaster Management and the Department of Water and Sanitation are willing to assist municipalities to develop these policies. Municipalities that need assistance can contact the Director: Disaster Recovery Services: Ms J Pandaram on **021 937 6306**.

4. **KEY DATES/PROCESSES**

- 4.1 Municipalities are advised to take note of the following key dates/processes:
 - 4.1.1 Municipal Budget Day

According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget at a council meeting at least 90 days (i.e. by 31 March each year) before the start of the budget year. Furthermore, section 25 of the MSA requires that each municipal council must draft an IDP after the start of its elected term which forms the policy framework on which the annual budgets must be based.

Municipalities are kindly requested to indicate any changes to the confirmed tabling dates as per **Appendix A** with the Provincial Treasury as it is crucial for the collection of the budget documentation and the assessment process leading up to the LG MTEC engagements. Municipalities are requested to indicate any changes to the confirmed tabling dates to Tania.Bosser@westerncape.gov.za by **17 March 2017**.

4.1.2 Adoption of Municipal Budgets

According to section 24(1) of the MFMA, the Municipal Council must at least 30 days before the start of the budget year (by 31 May each year) consider approval of the annual budget and any changes to the municipality's IDP. Furthermore, an annual budget must be approved by the Municipal Council before the start of the budget year (1 July each year) in line with section 24(2) of the MFMA. Failure to approve an annual budget by the start of the financial year will result in the Provincial Executive having to intervene in terms of section 139(4) of the Constitution.

4.1.3 Non-compliance with the provisions of Chapter 4 of the MFMA

As per section 27 of the MFMA, the mayor of a municipality must inform the MEC for Finance in writing of any impending non-compliance with the provisions of the MFMA or any other legislation pertaining to the tabling or approval of an annual budget or compulsory consultation processes.

If the impending non-compliance pertains to a time provision, except section 16(1) of the MFMA, the mayor may apply to the MEC for Finance for an extension, which should reach the MEC for Finance in writing by 15 March 2017 in accordance with Schedule G of the Municipal Budget and Reporting Regulations.

5. **NATIONAL AND PROVINCIAL TREASURY GUIDELINES**

5.1 Municipalities are advised to include the National and Provincial Treasury Budget Circulars as part of the source documents consulted in the preparation of the 2017/18 MTREF Budget documents and to table it as part of the budget documentation in the Municipal Council.

5.2 Municipalities are advised to consult MFMA Circulars 85 and 86 and incorporate the requirements in preparing its budget documentation. The following are highlights and explanatory notes from MFMA Circular 86:

MFMA Circular 86 Highlights	Circular section
<p>The South African economy and inflation targets</p> <ul style="list-style-type: none"> Domestic GDP growth rate is forecasted to increase moderately over the medium term. Economic growth of 1.3 per cent is projected for 2017, 2.0 per cent in 2018 and reaching 2.2 per cent by 2019. CPI inflation has been estimated at 6.4 per cent for 2016/17 and 2017/18 respectively and forecasted to ease to 5.7 for 2018/19 and 5.6 per cent for 2019/20. 	Section 1
<p>Key focus areas for the 2017/18 Budget process</p> <p>The key focus areas for the 2017/18 Budget Process are:</p> <p>2.1 Increased conditional grants and additional allocations to local government resulting in local government share of national non-interest spending totalling 9.7 per cent (inclusive of direct and indirect transfers).</p> <p>2.2 Municipal Standard Chart of Accounts (mSCOA) Regulations apply to all municipalities with effect from 1 July 2017. Municipalities are advised to consult the addendum to MFMA Circular No. 80 which describes what constitutes mSCOA compliance by 1 July 2017.</p> <p>2.3 mSCOA training/support for municipal officials should be directed towards National Treasury in partnership with CIGFARO and Provincial Treasury.</p>	Section 2
<p>The Revenue Budget</p> <p>Municipalities are required to justify all increases in excess of the 6.4 per cent projected inflation target in their budget narratives.</p> <p>3.1 Eskom bulk tariff increase - NERSA issued a media statement on 23 February 2017, announcing a 2.2 per cent increase in the approved bulk tariffs for Eskom for 2017/18, which translates to 0.31 per cent increase in bulk tariffs to municipalities which must be used in the interim until the final determination on 5 April 2017.</p>	Section 3
<p>Funding choices and management issued</p> <p>4.1 Employee related costs</p> <p>The South African Local Government Bargaining Council entered into a three-year salary and wage collective agreement for the period 1 July 2015 to 30 June 2018 where the following agreement was reached:</p> <ul style="list-style-type: none"> 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent. <p>4.2 Remuneration of councillors</p> <p>Municipalities are advised to budget for actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by the Department of Cooperative Governance.</p>	Section 4

MFMA Circular 86 Highlights	Circular section
<p>Conditional Grant Transfer to Municipalities</p> <p>5.1 Unspent Conditional Grants for 2016/17</p> <p>Municipalities must be aware that National Treasury uses the pre-audited Annual Financial Statements (AFS) to determine the unspent conditional grants.</p> <p>Municipalities have 14 days to decide upon the receipt of the letter from National Treasury informing them to repay the unspent conditional grants to the National Revenue Fund.</p>	Section 5
<p>The Municipal Budget and Reporting Regulations (MBRR)</p> <ul style="list-style-type: none"> • Municipalities should note that version 6.1 of the A-Schedules (the Excel Formats) which is aligned to version 6.1 of the mSCOA classification framework) contains major changes and must be used when compiling the 2017/18 MTREF Budget. • If municipalities fail to adhere to the MBRR, they will be required to go back to the municipal council and table a complete budget document aligned to the requirements of MBRR. • If municipalities fail to provide complete budget information, the municipal budget will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. • Municipalities must ensure that tabled budgets are funded, and if not it must be corrected to ensure that budgets are funded for adoption and implementation. • Municipal managers must ensure that the annual budget is accompanied by a Quality Certificate and Council Resolution in accordance with format specified in Item 31 of Schedule A of the Municipal Budget and Reporting Regulations. • Municipalities with municipal entities must submit a consolidated budget (A-Schedules) for the municipality (plus entities) and the budget of the parent municipality. D-Schedules must be submitted for each entity. 	Section 6

MFMA Circular 86 Highlights	Circular section		
<p>Budget process and submission for the 2017/18 MTREF</p> <p>7.1 Budgeting for the audited years on the A-Schedule (mSCOA):</p> <ul style="list-style-type: none"> • Municipalities must disclose audited and current years' (2016/17) information using version 2.8 of the A-Schedules. • The 2017/18 MTREF figures must be based on version 6.1 of the A-Schedule. • By implication two separate schedules must be submitted. <p>7.2 Submitting budget documentation and schedules for 2017/18 MTREF:</p> <ul style="list-style-type: none"> • Budget documentation must be submitted to NT and PT immediately after tabling, in both hard and electronic formats; if tabled on 31 March 2017, the final date of submission electronically is Monday 3 April 2017 and for hard copies Friday 7 April 2017. This include the submission of the mSCOA data string. • Section 24(3) of the MFMA, read together with regulations 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. In cases where the council approved the annual on 30 June 2017, the final date for submission is Friday 14 July 2017, otherwise an earlier date applies. • NT electronic documents should be submitted to: lgdocuments@treasury.gov.za or if the budget documentation are too large (exceeds 4 MB) via lgbigfiles@gmail.com. • PT electronic documents should be submitted to: MFMA.MFMA@westerncape.gov.za or if too large (exceeds 3 MB) must be submitted via the lift server function (http://lift.pgwc.gov.za/). <p>How to lift:</p> <ol style="list-style-type: none"> 1. Go to the website: http://lift.pgwc.gov.za/ 2. Type in the email address: MFMA.MFMA@westerncape.gov.za 3. Browse to correct file for uploading 4. Press: Submit <ul style="list-style-type: none"> • Municipalities are required to submit the signed hard copies of their budget documents and council resolutions to the following addresses: <table border="0" data-bbox="443 1585 1181 1720"> <tr> <td style="vertical-align: top;"> <p>National Treasury Ms Linda Kruger 40 Church Square Pretoria, 0002</p> </td><td style="vertical-align: top;"> <p>Provincial Treasury Mr Paul Pienaar Wale Street, Room 3-50 Cape Town, 8000</p> </td></tr> </table> <ul style="list-style-type: none"> • Metropolitan municipalities should submit BEPP to Yasmin.coovadia@treasury.gov.za or if exceeds 4 MB to Yasmin.coovadia@gmail.com. Hardcopies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3rd Floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001. 	<p>National Treasury Ms Linda Kruger 40 Church Square Pretoria, 0002</p>	<p>Provincial Treasury Mr Paul Pienaar Wale Street, Room 3-50 Cape Town, 8000</p>	<p>Section 7</p>
<p>National Treasury Ms Linda Kruger 40 Church Square Pretoria, 0002</p>	<p>Provincial Treasury Mr Paul Pienaar Wale Street, Room 3-50 Cape Town, 8000</p>		

MFMA Circular 86 Highlights	Circular section
<p>7.3 Budget reform returns to the local government database for publication</p> <ul style="list-style-type: none"> • Budget reform returns to be submitted to: lgdatabase@treasury.gov.za. • Municipalities must submit returns for both the tabled budget and the final adopted budget as this will assist the national and provincial treasuries with the annual benchmark process. • mSCOA compliant data strings to be submitted to LG Upload Portal. <p>7.4 Publication of budgets on municipal websites</p> <ul style="list-style-type: none"> • In terms of section 75 of the MFMA, municipalities are required to publish their tabled budget, adopted budgets, annual reports (containing audited and annual financial statements) and other relevant information on the municipal website. • This will assist in promoting public accountability and good governance. <p>7.5 The use of private emails for business purposes</p> <ul style="list-style-type: none"> • There are municipalities that use private email addresses for business purposes (e.g. gmail). • For the purpose of the implementation of mSCOA the Local Government Database requires municipalities to update their contact details and provide official email addresses instead of private. • Municipalities must follow the process of ensuring that their Information and Communication Technology Infrastructure can accommodate official email addresses. 	

6. CONTENTS OF TABLED BUDGET DOCUMENTS

6.1 When an annual budget is tabled in council by the Mayor it must be accompanied by the documents and information as set out in terms of section 17(3)(a-m) of the MFMA:

6.1.1 The draft Budget Documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations **[Version 6.1]**, including:

- The main tables (A1 - A10); and
- The supporting tables (SA1 - SA38).

6.1.2 Draft Council Resolution.

6.1.3 Draft Integrated Development Plan.

- 6.1.4 Draft Service Delivery and Budget Implementation Plan (SDBIP).
- 6.1.5 Draft Service Level Standards.
- 6.1.6 Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations.
- 6.1.7 Schedules D, E and F specific for the entities.
- 6.2 Municipalities with one or more municipal entity(ies) are also required to produce a **consolidated annual budget** for the parent municipality and all its municipal entities in the prescribed formats.
- 6.3 The Provincial Treasury has previously requested municipalities to submit a draft SDBIP with the tabling of the annual budgets in order to aid the “responsiveness” assessment of the tabled budget and IDP. In this regard, municipalities are reminded of Regulation 14(2) of the MBRR which reads, “When complying with section 68 of the Act (MFMA), the municipal manager must submit the draft municipal service delivery and budget implementation plan to the mayor together with the annual budget to be considered by the mayor for tabling in terms of section 16(2) of the Act”. Furthermore, Regulation 14(4) of the MBRR reads, “For effective planning and implementation of the annual budget, the draft service delivery and budget implementation plan may form part of the budget documentation and be tabled in the municipal council if so recommended by the budget steering committee”.

7. **SUBMISSION OF BUDGET DOCUMENTS**

- 7.1 Section 22(b)(i) of the MFMA requires that immediately after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats.
- 7.2 The Western Cape Provincial Treasury requires the budget documents on the tabling date in order to start with the assessment process. In order to facilitate this, the Provincial Treasury will again deploy officials to attend the budget tabling proceedings and collect the tabled budget documentation.
- 7.3 The Chief Financial Officer (or representative) must ensure that a set of these documents is prepared in both hard and electronic copy, except for the budget policies which are only required in electronic copy. The Chief Financial Officer (or representative) needs to co-sign the accompanying checklist (see **Appendix B**) as confirmation that the set of budget documents have been submitted.

- 7.4 **Please ensure that** (as per MFMA Circular 72) **each page of the hard copy of the budget documentation** as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting Tables (SA1 – SA38) and prescribed minimum narrative information that is submitted to Provincial Treasury (and National Treasury) **has been stamped and signed** by the secretariat responsible for ensuring accurate records of council decisions.

8. LG MTEC ENGAGEMENTS

- 8.1 The LG MTEC engagements are proposed to take place from 24 April 2017 to 11 May 2017. The proposed Schedule of the LG MTEC engagements is attached as **Appendix C**.

Municipalities are kindly requested to confirm if the proposed LG MTEC engagement dates are suitable. In setting up the engagement dates we have had to take into account the public holidays over this period. It will be appreciated if you can confirm suitability of the proposed LG MTEC engagement date (together with the tabling date) in writing to Tania.Bosser@westerncape.gov.za by **17 March 2017**. Your timeous feedback in this regard will greatly assist in finalising logistical arrangements and will be appreciated.

- 8.2 The assessment of the tabled budget and IDP will be submitted to the municipality 5 working days prior to the engagements.

- 8.3 The structure of the assessment will be as follows:

SECTION 1: EXECUTIVE SUMMARY

SECTION 2: PREVIOUS UNRESOLVED LG MTEC FINDINGS

SECTION 3: COMPLIANCE REVIEW

SECTION 4: INTEGRATED PLANNING

SECTION 5: ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS

SECTION 6: ASSESSMENT OF BUDGET RESPONSIVENESS

SECTION 7: CREDIBILITY AND SUSTAINABILITY

SECTION 8: MAIN POINTS AND RISKS/RECOMMENDATIONS

- 8.4 Technical engagements may be set up with the Provincial Government prior to the LG MTEC engagement, depending on the need and where it is logistically possible. It will however be the prerogative of the municipality to make contact with the Provincial Treasury to request such an engagement. Municipalities should note that if such an engagement is requested, it has to take place in Cape Town.

8.5 The discussions at the engagements will be pitched at a strategic level. Hence, the representation at the LG MTEC engagements between the Province and municipalities will be as follows:

- The Provincial Government - senior officials from the Provincial Treasury, Department of Local Government, Department of Environmental Affairs and Development Planning, the Department of the Premier and the Economic Development Partnership.
- Municipalities - Municipal Manager, section 56 Managers, Budget and Treasury officials, IDP Manager/officials and Planning officials.

8.6 There will be a joint presentation by Provincial Government on key issues for discussion.

8.7 Municipalities will be required to make presentations at the LG MTEC engagements in response to the Provincial Government's budget and IDP assessment. An agenda and guiding template for this presentation will be sent to municipalities prior to the engagements.

9. **CONCLUSION**

The Provincial Government wishes you well with the preparation of your Annual Budget, IDP, SDBIP and related documents and look forward to the LG MTEC engagement with your Municipality.

Please direct any queries regarding this circular to:

Tembela.Nabe@westerncape.gov.za.



MR ML BOOYSEN

pp CHIEF DIRECTOR: PUBLIC POLICY SERVICES

DATE: 14 March 2017

CONFIRMED 2017 BUDGET TABLING DATES

Municipality	Confirmed date
City of Cape Town	30 March 2017, Thursday
Matzikama	31 March 2017, Friday
Cederberg	28 March 2017, Tuesday
Bergrivier	28 March 2017, Tuesday
Saldanha Bay	28 March 2017, Tuesday
Swartland	30 March 2017, Thursday
West Coast DM	29 March 2017, Wednesday
Witzenberg	29 March 2017, Wednesday
Drakenstein	29 March 2017, Wednesday
Stellenbosch	29 March 2017, Wednesday
Breede Valley	28 March 2017, Tuesday
Langeberg	27 March 2017, Monday
Cape Winelands DM	30 March 2017, Thursday
Theewaterskloof	29 March 2017, Wednesday
Overstrand	29 March 2017, Wednesday
Cape Agulhas	28 March 2017, Tuesday
Swellendam	23 March 2017, Thursday
Overberg DM	27 March 2017, Monday
Kannaland	31 March 2017, Friday
Hessequa	30 March 2017, Thursday
Mossel Bay	30 March 2017, Thursday
George	28 March 2017, Tuesday
Oudtshoorn	28 March 2017, Tuesday
Bitou	30 March 2017, Thursday
Knysna	30 March 2017, Thursday
Eden DM	31 March 2017, Friday
Laingsburg	31 March 2017, Friday
Prince Albert	20 March 2017, Monday
Beaufort West	30 March 2017, Thursday
Central Karoo DM	27 March 2017, Monday

LG MTEC: 2017/18 CHECKLIST
SUBMISSION OF TABLED BUDGET DOCUMENTATION

MUNICIPALITY: _____

The Budget Document as set out in Schedule A1 of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10), version 6.1 of Schedule A1 (the Excel formats) and the supporting Tables (SA1 - SA38).

- **Please ensure that** (as per MFMA Circular 72) **each page of the hard copy of the budget documentation** as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting Tables (SA1 – SA38) and prescribed minimum narrative information that is submitted to Provincial Treasury (and National Treasury) **has been stamped and signed** by the secretariat responsible for ensuring accurate records of council decisions.

The IDP Document as set out in sections 26, 32 and 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 and Regulations (MSA) and section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

The Spatial Development Framework, Disaster Management Framework and additional documents that must be submitted as required in terms of budget circulars.

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
Council Resolution in terms of the Budget						
Draft Service Delivery and Budget Implementation Plan						
Draft Service Level Standards						
Signed Quality Certificate as prescribed in the MBRR						
Prescribed Minimum Budget Narrative Information	Stamped and Signed Hard Copy Budget Narrative					
Budget Narrative						
Municipal Budget Tables: Tables A1 to A10	Stamped and Signed Hard Copy A1 – A10					
Table A1: Budget Summary						
Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A2A: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A3: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A3A: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A4: Budgeted Financial Performance (revenue and expenditure)						
Table A5: Budgeted Capital Expenditure by vote, standard classification & funding source)						
Table A5A: Budgeted Capital Expenditure by vote, standard classification & funding source)						
Table A6: Budgeted Financial Position						
Table A7: Budgeted Cash Flow						
Table A8: Cask backed reserves/ accumulated surplus reconciliation						
Table A9: Asset Management						
Table A10: Basic service delivery measurement						

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
Municipal Budget Supporting Tables: Supporting Tables SA1 to SA38	Stamped and Signed Hard Copy SA1 – SA38					
SA1: Supporting Detail to Budgeted Financial Performance						
SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept.)						
SA3: Supporting detail to Budgeted Financial Position						
SA4: Reconciliation of IDP strategic objectives and budget (revenue)						
SA5: Reconciliation of IDP strategic objectives and budget (operating expenditure)						
SA6: Reconciliation of IDP strategic objectives and budget (capital expenditure)						
SA7: Measurable performance objectives						
SA8: Performance Indicators and benchmarks						
SA9: Social, economic and demographic statistics and assumptions						
SA10: Funding measurement						
SA11: Property rates summary						
SA12a: Property rates by category (current year)						
SA12b: Property rates by category (budget year)						
SA13a: Service Tariffs by category						
SA13b: Service Tariffs by category (explanatory)						
SA14: Household bills						
SA15: Investment particulars by type						
SA16: Investment particulars by type						
SA17: Borrowing						
SA18: Transfers and grant receipts						
SA19: Expenditure on transfers and grant programme						
SA20: Reconciliation of transfers, grant receipts and Unspent funds						
SA21: Transfers and grants made by the municipality						
SA22: Summary councillor and staff benefits						

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
SA23: Salaries, allowances and benefits (political office bearers/councillors/senior managers)						
SA24: Summary of personnel numbers						
SA25: Budgeted monthly revenue and expenditure						
SA26: Budgeted monthly revenue and expenditure (municipal vote)						
SA27: Budgeted monthly revenue and expenditure (standard classification)						
SA28: Budgeted monthly capital expenditure (municipal vote)						
SA29: Budgeted monthly capital expenditure (standard classification)						
SA30: Budgeted monthly cash flow						
SA31: Aggregated entity budget (where applicable)						
SA32: List of external mechanisms						
SA33: Contracts having future budgetary Implications						
SA34a: Capital expenditure on new assets by asset class						
SA34b: Capital expenditure on the renewal of existing assets by asset class						
SA34c: Repairs and maintenance expenditure by asset class						
SA34d: Depreciation by assets class						
SA35: Future Financial implications of the capital budget						
SA36: Detail capital budget						
SA37: Projects delayed from previous financial years						
SA38: Consolidated detailed operational projects						
Budget Related Policies						
Information on any amendments to budget related policies						
Suite of budget related policies	<i>(Only soft copies)</i>					

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
IDP Documentation						
Council Resolution in terms of the IDP (optional for tabling of IDP but compulsory for approval of IDP)						
Draft Integrated Development Plan						
Process Plan according to section 32(1)(b) of the MSA read in conjunction with section 21 (b) of the MFMA						
Spatial Development Framework						
A SDF must be adopted as a core component of the 5-year IDP. As such, the status of the SDF must be confirmed together with the intention of the Council in terms of adoption of the SDF (once the Council has adopted the IDP a copy of the Council Resolution must be provided which indicates that the SDF was adopted with the IDP).						
Key SDF performance indicators and performance targets determined in terms of section 21 (p) of SPLUMA and section 41 of the MSA.						
Indicate the budget responsiveness in terms of: <ul style="list-style-type: none"> Any SDF compliance and performance issues that require specific action; The strategies, programmes and projects set out in the SDF; and Spatial alignment and sequencing with the budgets of Provincial and National Government. 						
Integrated Waste Management Plan						
An IWMP must be adopted as part of the 5-year IDP. As such, the status of the IWMP must be confirmed together with the intention of the Council in terms of adoption of the IWMP (once the Council has adopted the IDP a copy of the Council Resolution must be provided which indicates that the IWMP was adopted with the IDP).						
Key IWMP performance indicators and performance targets determined in terms of section 12 and 13(3) of NEMWA and section 41 of the MSA.						

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
Indicate the budget responsiveness in terms of: <ul style="list-style-type: none"> Any waste management compliance and performance issues that require specific action; and The strategies, programmes and projects set out in the IWMP. 						
Air Quality Management Plan						
An AQMP must be adopted as part of the 5-year IDP. As such, the status of the AQMP must be confirmed together with the intention of the Council in terms of adoption of the AQMP (once the Council has adopted the IDP a copy of the Council Resolution must be provided which indicates that the AQMP was adopted with the IDP).						
Key AQMP performance indicators and performance targets determined in terms of section 15(2) and 17 of NEMAQA and section 41 of the MSA.						
Indicate the budget responsiveness in terms of: <ul style="list-style-type: none"> Any air quality management compliance and performance issues that require specific action; and The strategies, programmes and projects set out in the AQMP. 						
Coastal Management Programme (Coastal Municipalities only)						
A CMP must be adopted by Council but may be adopted as part of the 5-year IDP. As such, the status of the CMP must be confirmed together with the intention of the Council in terms of adoption of the CMP (once the Council has adopted the CMP a copy of the Council Resolution must be provided).						
Key CMP performance indicators and performance targets determined in terms of section 49 of ICMA and section 41 of the MSA.						

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
Indicate the budget responsiveness in terms of: <ul style="list-style-type: none"> Any coastal management compliance and performance issues that require specific action; and The strategies, programmes and projects set out in the CMP. 						
Applicable Disaster Management Plan						
Council Resolution in terms of the adoption of the Disaster Management Plan.						
Financial Plan						
A financial Plan – including a budget projection of at least the next three years as a core component of the IDP as per section 26 of the MSA.						
A statement clarifying compliance with section 34 of the MSA.						
Key performance indicators and performance targets determined in terms of section 41 of the MSA.						
mSCOA						
mSCOA project plan and progress to date.						

MUNICIPAL REPRESENTATIVE

Name: _____

Signature: _____

Date: _____

PROVINCIAL REPRESENTATIVE

Name: _____

Signature: _____

Date: _____

2017 PROPOSED LG MTEC BUDGET & IDP VISITATION SCHEDULE

GROUP 1				GROUP 2			
REGION	MUNICIPALITY	DAY OF VISIT	TIME	REGION	MUNICIPALITY	DAY OF VISIT	TIME
WCD	SALDANHA BAY	24 April 2017, Monday	08.30-11.30	OD	SWELLENDAM	24 April 2017, Monday	08.30-11.30
WCD	SWARTLAND	24 April 2017, Monday	14.00-17.00	CWD	LANGEBERG	24 April 2017, Monday	14.00-17.00
OD	OVERSTRAND	25 April 2017, Tuesday	08.30-11.30	CWD	WITZENBERG	25 April 2017, Tuesday	08.30-11.30
OD	THEEWATERSKLOOF	TBC		CWD	BREEDE VALLEY	25 April 2017, Tuesday	14.00-17.00
CoCT	CITY OF CAPE TOWN	26 April 2017, Wednesday	08.30-11.30	NO SCHEDULED ENGAGEMENTS		26 April 2017, Wednesday	
FREEDOM DAY		27 April 2017, Thursday		FREEDOM DAY		27 April 2017, Thursday	
NO SCHEDULED ENGAGEMENTS		28 April 2017, Friday		NO SCHEDULED ENGAGEMENTS		28 April 2017, Friday	
		29 April 2017, Saturday				29 April 2017, Saturday	
		30 April 2017, Sunday				30 April 2017, Sunday	
WORKERS DAY		01 May 2017, Monday		WORKERS DAY		01 May 2017, Monday	
ED	BITOU	02 May 2017, Tuesday	14.00-17.00	ED	KANNALAND	02 May 2017, Tuesday	14.00-17.00
ED	KNYSNA	03 May 2017, Wednesday	08.30-11.30	ED	OUUDTSHOORN	03 May 2017, Wednesday	08.30-11.30
ED	EDEN DISTRICT	03 May 2017, Wednesday	14.00-17.00	CKD	BEAUFORT WEST	03 May 2017, Wednesday	14.00-17.00
ED	GEORGE	TBC		CKD	CENTRAL KAROO DISTRICT	04 May 2017, Thursday	08.30-11.30
ED	MOSSEL BAY	04 May 2017, Thursday	14.00-17.00	CKD	PRINCE ALBERT	04 May 2017, Thursday	14.00-17.00
ED	HESSEQUA	05 May 2017, Friday	09.00-12.00	CKD	LAINGSBURG	05 May 2017, Friday	10.00-13.00
		06 May 2017, Saturday				06 May 2017, Saturday	
		07 May 2017, Sunday				07 May 2017, Sunday	
OD	OVERBERG DISTRICT	TBC		CWD	CAPE WINELANDS DISTRICT	08 May 2017, Monday	08.30-11.30
OD	CAPE AGULHAS	08 May 2017, Monday	13.00-16.00	WCD	WEST COAST DISTRICT	08 May 2017, Monday	14.00-17.00
CWD	DRAKENSTEIN	TBC		WCD	MATZIKAMA	09 May 2017, Tuesday	08.30-11.30
CWD	STELLENBOSCH	11 May 2017, Thursday	14.00-17.00	WCD	CEDERBERG	09 May 2017, Tuesday	14.00-17.00
				WCD	BERGRIVIER	10 May 2017, Wednesday	08.30-11.30