

**A - F (32 – 2026)
CM 23/06/2026**

**FINANCE DEPARTMENT: MEDIUM-TERM REVENUE
AND EXPENDITURE FRAMEWORK (MTREF) FOR
2026/27 TO 2028/29 AND THE AMENDMENT 2022/23
TO 2026/27 INTERGRATED DEVELOPMENT PLAN
(IDP) (2026/27).**

9.10. That Council **APPROVE** the amended **Policies** and **By-Laws** as contained in **Annexure E** to guide the implementation of the municipality's annual budget.

POLICIES

Annexure E1 Medium – Term Budget Statement Policy (Reviewed).....

Annexure E2 Pricing Policy Statement (Reviewed).....

Annexure E3 Property Rates Policy (Reviewed).....

Annexure E4.1 Provision of Free Basic Electricity Policy (Reviewed).....

Annexure E4.2 Provision of free Basic Water supply services (Reviewed).....

Annexure E5 Waste Management Tariff Policy (Reviewed).....

Annexure E6 Consumer Deposit Policy (Reviewed).....

Annexure E7 Indigent Support Policy (Reviewed).....

Annexure E8 Credit Control & Debt Collection Policy (Reviewed).....

Annexure E9 Provision for Doubtful Debt and Debt Write-Off Policy (Reviewed)

Annexure E10 Budget Implementation and Monitoring Policy (Reviewed).....

Annexure E11 Municipal Entity Financial Support Policy (Reviewed).....

Annexure E12 Accounting Policy (Reviewed).....

Annexure E13 Electricity Metering for Residential and business Customers (Reviewed)...

Annexure E14 Policy for the vending of pre-paid electricity (Reviewed).....

Annexure E15 Policy for the Estimation and Correction of Energy or Demand Meter Reading and Billing Data
(Reviewed).....

Annexure E16 Electricity Tariff Policy (Reviewed).....

Annexure E17 Virements Policy (Reviewed).....

Annexure E18 Consumer Agreement Policy (Reviewed).....

Annexure E19 Supply Chain Management Policy (Reviewed).....

Annexure E20 Treasury Policy (Reviewed).....

Annexure E21 Expanded Public Works Programme Policy (Reviewed).....

Annexure E22 Asset Management Policy (Reviewed).....

Annexure E23 Cost Containment Policy (Reviewed).....

Annexure E24 Policy for the wheeling of Electricity (Reviewed).....

Annexure E25 Policy for Embedded Generation Ekurhuleni (Reviewed).....

Annexure E26 Ekurhuleni Community Enterprise Development Fund Policy
(Reviewed).....

Annexure E27 Long Term Financial Strategy 2020/21-2029/30 (Reviewed).....

Annexure E28 Ekurhuleni Public Employment Programme & Implementation Framework Policy
(Reviewed).....

Annexure E29 CoE Inventory Management Policy (Reviewed)

Annexure E30 Unauthorised, Irregular and Fruitless and Wasteful Expenditure
Policy (UIFW) (Reviewed).....

Annexure E31 Investment Support Package for Developers Policy (Reviewed).....

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COST CONTAINMENT POLICY

1. DEFINITIONS

- a) “Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- b) “Consultant” means a professional person, individual, partnership, corporation, or a company, registered with a professional institution or body, and appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;
- c) “Cost containment” means measures implemented to curtail spending in terms of these regulations;
- d) “Credit card” means a card issued by a registered financial service provider, which creates a revolving account and grants a line of credit to the cardholder;
- e) *Accounting Officer (MFMA)* in relation to a municipality, means the municipal official referred to in section 60 of the MFMA;
- f) *Chief Financial Officer (MFMA)* in relation to a municipality, means person designated in terms of section 80(2)(a) of the MFMA;
- g) *Head of Department (MFMA)* in relation to a municipality, means a person appointed in terms of section 56 of the Municipal Systems Act;
- h) *Approved Budget (MFMA)* means an annual budget-
 - i. approved by a municipal council; or
 - ii. approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28 of the Act.

2. INTRODUCTION

The Municipal cost containment regulations (2019) gazetted in National Treasury Notice number 317 of 2019, provides that each municipality and municipal entity must revise or develop and implement a cost containment policy which must-

- a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies;
- b) define a municipality or municipal entity's objectives for the use of consultants; and;
- c) be consistent with the Act and the cost containment regulations.

The cost containment policy of a municipality or a municipal entity contemplated above must-

- a) be in writing;
- b) give effect to these regulations;
- c) be reviewed annually, as may be appropriate;
- d) be communicated on the municipality's website and
- e) set out-
 - i. 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.

3. OBJECTIVES OF THE POLICY

The objectives of the policy are to ensure that resources of the City of Ekurhuleni are used effectively, efficient and economically by implementing cost containment measures.

4. SCOPE OF THE POLICY

This policy applies to:

- a) All Councillors;
- b) All Board Members of the CoE entities;
- c) All employees of the City of Ekurhuleni and employees of the entities.

5. LEGISLATIVE BACKGROUND

The legislative framework governing cost containment are:

- a) Local Government Municipal Finance Management Act, Act 56 of 2003 section 62(1)(a), 78(1)b, 95(a) and 105(1)(b);
- b) MFMA Circular 82 dated 07th December 2016; and
- c) Municipal Cost Containment Regulations issued in terms of national Treasury Notice 317 of 2019.

6. RELATIONSHIP WITH OTHER POLICIES THAT HAVE FINANCIAL IMPLICATIONS

This policy must be read in conjunction with other municipal policies that have financial implications. The letter and spirit of this policy overrides financial matters contained in other policies.

7. USE OF CONSULTANTS

- a) The City and/ or any of its entities may only appoint consultants if an assessment of the needs and requirements confirms that it does not have the requisite skills or resources in its full -time employ to perform the function;
- b) The remuneration framework for consultants must be fair and reasonable taking into account the rates-
 - i. 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 (SAICA);
 - ii. set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration (DPSA); or
 - iii. as prescribed by the body regulating the profession of the consultant.
- c) 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 above;
- d) When negotiating cost-effective consultancy rates for international consultants, the City may take into account the relevant international and market-determined rates.
- e) When consultants are appointed, the accounting officer must -
 - i. appoint consultants on a time and cost basis with specific start and end dates;

- ii. where practical, appoint consultants on an output-specified basis, subject to specific measurable objectives and associated remuneration;
 - iii. ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
 - iv. ensure the transfer of skills by consultants to the relevant officials of the municipality or municipal entity;
 - v. undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality or municipal entity's supply chain management policy; and
 - vi. develop consultancy reduction plans to reduce the reliance on consultants.
- f) All contracts with consultants must include a fee retention or penalty clause for poor performance;
 - g) The City and all its entities 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;
 - h) The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport (NDOT), as updated from time to time; and
 - i) 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 NDOT.

8. VEHICLES USED FOR POLITICAL OFFICE BEARERS

- a) 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;
- b) The procurement of vehicles mentioned above must be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms in line with the City's policies such as Supply Chain Management Policy and Fleet Policy;
- c) Before deciding to procure a vehicle as contemplated above, the accounting officer or delegated official must provide the council with information relating to the following criteria which must be considered-
 - i. status of current vehicles;
 - ii. affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in (a) above;
 - iii. extent of service delivery backlogs;
 - iv. terrain for effective usage of the vehicle; and
 - v. any other policy of council.
- d) If the rental option referred to in (c)(ii) is preferred, the City must review the costs incurred regularly to ensure that value for money is obtained;
- e) Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres;
- f) Notwithstanding sub section (5), a municipality or municipal entity may replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor

- condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer; and
- g) The use of municipal vehicles for official purposes is subject to a different policy referred to as "Vehicles Policy for municipal officials".

9. TRAVEL AND SUBSISTENCE

- a) The City Manager or delegate-
- i. may approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
 - ii. 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.
- b) 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;
- c) Notwithstanding sub-sections (a) or (b), the accounting officer, or the mayor in the case of an accounting officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition;
- d) International travel is limited to meetings or events that are considered critical for the constitutional and legislative functions of the City. 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;
- e) 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-
- i. during peak holiday periods; or
 - ii. 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.
- f) An official or a political office bearer of a municipality or municipal entity must-
- a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;
 - b) make use of available public transport or a shuttle service if the cost of such a service is lower than-
 - (i) the cost of hiring a vehicle;
 - (ii) the cost of kilometres claimable by the official or political office bearer; and
 - (iii) the cost of parking.
 - c) not hire vehicles from a category higher than Group B or an equivalent class; and
 - d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.
- g) A municipality or a municipal entity must utilise the negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through a notice or any other available cheaper flight and accommodation;
- h) Travelling must be pre-authorised by the appropriately delegated official before such travelling can be undertaken and costs incurred, and the said official must ensure that the kilometers claimed are justifiable; and
- i) Travelling outside the province of Gauteng must be pre-approved by the Head of Department before the employee can embark on it.

10. DOMESTIC ACCOMMODATION

- a) The accounting officer or delegate 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 and
- b) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.

11. CREDIT CARDS

- a) The accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality or a municipal entity is issued to any official or political office bearer, including members of the board of directors of municipal entities; and
- b) Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement in accordance with the written approved Petty Cash policy and processes.

12. SPONSORSHIPS, EVENTS AND CATERING

- a) The City or its entity may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality or municipal entity, unless the prior written approval of the accounting officer is obtained;
- b) At the discretion of the City Manager or delegate, catering and refreshment expenses may be incurred at meetings with overseas visitors and other spheres of government (National/ Provincial) after budget availability has been confirmed by the Budget Office;
- c) Catering expenses may only be incurred for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours;
- d) Entertainment allowances of qualifying officials may not exceed two thousand rand (R2,000) per person per financial year, unless approved otherwise by the accounting officer;
- e) No expenses may be incurred for alcoholic beverages unless the City or entity can recover the cost from the sale of such beverages;
- f) Social events, team building exercises, year-end functions, sporting events and budget vote dinners are not to be financed from the municipality or the municipal entity's budgets or by any suppliers or sponsors;
- g) No expenses may be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model; and
- h) Expenditure may be incurred that does not exceed the limits for petty cash usage (R2,000) to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health.

13. COMMUNICATION

- a) The City and/ or the entity may, as far as possible, advertise municipal related events on its website instead of advertising in magazines, radios or newspapers;
- b) Allowances to officials for private calls and data costs are limited to an amount as determined by the accounting officer in the Cell Phone and Data Policy of the municipality or municipal entity;
- c) The costs of private calls exceeding the allowances must be recovered by all departments by providing a schedule to Finance Department (Pay Office) so that the necessary deductions can be made from the affected municipal employees' salaries;
- d) Telephone and/ or video conferencing facilities must be used, where possible, to avoid unnecessary travelling and subsistence costs;
- e) 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; and
- f) The City or its entities may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

14. CONFERENCES, MEETINGS AND STUDY TOURS

- a) Appropriate policies and procedures must be followed 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;
- b) 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-
 - i. the official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
 - ii. whether the conference or event addresses relevant concerns of the institution;
 - iii. the appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and
 - iv. the availability of funds to meet expenses related to the conference or event.
- c) 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;
- d) The benchmark costs referred to in sub-section (c) may not exceed an amount as determined from time to time by the National Treasury through a notice;
- e) The amount referred to in sub -regulation (d) excludes costs related to travel, accommodation and related expenses, but includes-
 - i. conference or event registration expenses; and
 - ii. any other expense incurred in relation to the conference or event.
- f) 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;
- g) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house;
- h) 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;

- i) An accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub-section (b); and
- j) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

15. TEMPORARY APPOINTMENTS, UNEMPLOYED GRADUATES AND EXPERIENTIAL LEARNERS

- a) When making temporary appointments, appointments of unemployed graduates and experiential learners, all relevant policies and procedures must be complied with;
- b) The employment contracts of the people mentioned in sub-section (a) must be consistent with the Human Resources policies of the City; and
- c) The appointments mentioned above must be budgeted for.

16. OVERTIME

- a) Overtime must be undertaken in compliance with the overtime policy of Council, SALGBC Collective Agreements and applicable legislation (e.g. Basic Conditions of Employment Act);
- b) Overtime should only be approved where the necessary budget provision exists, after a need analysis has been undertaken by the relevant Department;
- c) Planned overtime must be submitted to management for consideration of approval on a monthly basis;
- d) Approval to work overtime in excess of 40 hours per month must be obtained from the City Manager prior to the overtime being worked, as this is in contravention of Section 10 of the Basic Conditions of Employment Act (BCEA);
- e) The HoDs must ensure that overtime worked in excess of 40 hours was authorised City Manager prior to the actual overtime being worked; and
- f) Consideration should be given to changing the core working hours of the employees to a shift system, where applicable, to obviate the need for excessive or continuous overtime.

17. OTHER RELATED EXPENDITURE ITEMS

- a) A Fleet or Vehicles Policy must be developed or amended to be consistent with the Cost Containment Regulations, 2019;
- b) Bulk purchases should be considered for regularly consumed inventory such as printing paper and fuel;
- c) All commodities, services and products covered by a transversal contract concluded by the national treasury must be produced through that transversal contract before approaching the market, to benefit from savings where lower prices or rates have been negotiated; and
- d) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during election periods.

18. CONSEQUENCES OF NON-ADHERENCE TO THE POLICY

Failure to implement or comply with these policy may results in any official of the municipality, Political Office Bearer or Director of the Board of the Entity that authorised or incurred any expenditure contrary to these policy being held liable for financial misconduct as set out in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

19. DISCLOSURE OF COST CONTAINMENT MEASURES

- a) The disclosure of cost containment measures applied by the City will be included in the quarterly MFMA section 52(d) reports and annual costs savings disclosed in the annual report.
- b) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipality can refer such reports to an appropriate council committee for further recommendations and actions; and
- c) The reports in sub-section (b) above must be submitted to the Provincial Treasury and National Treasury as part of the quarterly reports.

20. EFFECTIVE DATE

This policy will be effective as from 1 July 2026 or immediately after approval by Council.

