

BUDGET-RELATED POLICIES AND AMENDMENTS

THE FOLLOWING ARE THE KEY MAJOR POLICIES THAT GOVERN THE BUDGET:

- Debt management policy statement;
- Investment policy;
- Tariff policy;
- Credit control and debt collection policy;
- Indigent person policy;
- Provision for bad debt policy; and
- Supply chain management.

Budget policy statement

- The budget will continue to support the Mayoral priorities and City strategy;
- Departments should ensure that administrative and non-service areas (administrative functions) have been reduced and savings identified should be used towards service delivery areas (Health, Libraries, Social Services, etc.);
- Ongoing costs should be funded with ongoing revenues. Aligning continuing expenditures with continuing revenues, on a level that can be reasonably sustained and reduce reliance on one-time funding;
- Revenue forecasts will be neither overly optimistic nor overly conservative. They will be as realistic as possible based on the best available information. Should economic downturns develop which could result in revenue shortfalls or fewer available resources, the City will make adjustments in anticipated expenditures to compensate for the shortfall in revenue;
- Mandated programmes should normally be implemented at the level of funding provided by other spheres of government and similarly, to the extent that services are not jeopardised;
- Reduce the use of Contractors – Consultants. The choice of a service provider should be based on which entity can provide the service most effectively at lowest cost, whether it is the City, a non-profit organisation, a private business, or another jurisdiction;
- Borrowed funds will only be used for capital budget;
- The City will maintain all of its assets at a level adequate to protect the capital investment and minimise future maintenance and replacement costs;
- The City should phase in funding of unfunded liabilities; and
- Each Municipal Entity and Core Department must produce a balanced budget.