

**EXTRACT FROM THE COUNCIL MINUTES HELD ON 30 SEPTEMBER 2019**

Item A1. 30.09.2019

**COST CONTAINMENT POLICY**

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**PURPOSE**

To submit a report to Council for consideration.

**BACKGROUND**

On 27 May 2019 Council approved a Cost Containment Policy.

On 7 June 2019 the Minister of Finance issued the Municipal Cost Containment Regulations in the Government Gazette (No. 42514) which became effective as from 1 July 2019. The Regulations apply to all officials and political office bearers in municipalities.

The policy as approved by Council on 27 May 2019 did not comply fully with the Cost Containment Regulations, and therefore the policy have been adjusted to align with the Regulations.

The new Cost Containment Regulations were discussed at the Big Team meeting on 31 July 2019.

On 8 August 2019 MFMA Circular 97 dated 31 July 2019 was received, and the Cost Containment Policy will be adjusted accordingly. Due to the fact that Circular 97 gave/provided clarity and guidance regarding certain sections of the Regulations, the policy will be amended again and be discussed by management. The amended policy will be submitted to the Council meeting on 19 August 2019.

Feedback regarding the background, importance, challenges and impact of the Cost Containment Policy will be provided at the Council meeting.

**FINANCIAL IMPLICATIONS**

The Cost Containment Policy should reduce operational costs for Overberg District Municipality.

**ATTACHMENTS**

- Cost containment Policy
- The Cost Containment Regulations of 2019 and MFMA Circular 97 dated 31 July 2019.
- Extract from the Council Minutes held on 19 August 2019 with response on the comments
- Government Gazette

**UNANIMOUSLY RESOLVED:** (Proposed by Ald A Franken and seconded by Cllr A Klaas)

That the Cost Containment Policy, as amended in accordance with the Cost Containment Regulations, are approved.