



PROVINCIAL TREASURY

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To: Municipal Managers
Chief Executive Officers Municipal Entities
Cc: Chief Financial Officers
Limpopo Municipalities and Municipal Entities

PROVINCIAL MFMA CIRCULAR NO. 01 OF 2018/19: SERVICE LEVEL STANDARDS

1. The purpose of this circular is to provide guidance to municipalities and municipal entities in Limpopo province on the formulation of service level standards. This circular must be read together with MFMA Circular 72.
2. MFMA Circular 72 stated that municipalities must formulate service level standards, which must form part of the budget documentation. The service standards need to be tabled before the municipal council for formal adoption. During the 2018/19 municipal budget preparation period, Provincial Treasury observed that a number of municipalities failed to formulate and table the Service Level Standards together with the tabled budgets. Consequently, majority of municipalities in Limpopo Province did not submit the draft Service level standards for the 2018/19 financial year.
3. In terms of MFMA Section 5(4) (a) (ii), to the extent necessary to comply with subsection (3) of the MFMA, Provincial Treasury must monitor the preparation by municipalities in the province of their budgets. In line with the aforementioned

section, Provincial Treasury will assess the adopted service level standards together with the municipal budget documents.

4. National Treasury issued MFMA Circular 89 in order to guide municipalities with the compilation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF). In MFMA Circular 89, municipalities were advised to update the service level standards to align to the new IDPs that were compiled after the 2016 Local Government Elections.
5. The following can be used as a guide in the development of these service standards:

a) Administrative service standards

- i. Turnaround time in dealing with correspondence (electronically or other) received.
- ii. Turnaround time in opening a consumer account.

b) Technical service standards


- i. Turnaround time in dealing with reported incidents (water leakage, pothole, etc.).
- ii. Turnaround time in restoring water and electricity connectivity.

c) Economic development service standards

- i. Turnaround time in processing rezoning applications.
- ii. Turnaround time in processing building plans.
- iii. Turnaround time in processing special business applications.

6. In addition to the guideline, a framework was developed as an outline to assist municipalities in finalising their service level standards. The outline is attached as Annexure A and can be accessed on the National Treasury website as an annexure to MFMA Circular 75. The outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

7. For assistance with the preparation of the service level standards, please contact Limpopo Provincial Treasury.
8. All municipalities are required to submit the 2018/19 Service level standards to National and Provincial Treasuries on or before 14 June 2018 together with the final adopted budget.
9. A service standards table has been included for your reference and completion


Pratt G CA (SA)
Head of Department

Annexure A

Province: Municipality(Code) - Schedule of Service Delivery Standards Table XX

Standard	Description	Service Level
Solid Waste Removal		
Premise based removal (Residential Frequency)		
Premise based removal (Business Frequency)		
Bulk Removal (Frequency)		
Removal Bags provided (Yes/No)		
Garden refuse removal included (Yes/No)		
Street Cleaning Frequency in CBD		
Street Cleaning Frequency in areas excluding CBD		
How soon are public areas cleaned after events (24hours/48hours/longer)		
Clearing of illegal dumping (24hours/48hours/longer)		
Recycling or environmentally friendly practices (Yes/No)		
Licensed landfill sites (Yes/No)		
Water Service		
Water Quality rating (Blue/Green/Amber/NO drop)		
Is free water available to all? (Availability to the indigent consumers)		
Frequency of meter reading? (per month, per year)		
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)		
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions):		
One service connection affected (number of hours)		
Up to 5 service connections affected (number of hours)		
Up to 20 service connections affected (number of hours)		
Feeder pipe larger than 300mm (number of hours)		
What is the average maximum water flow in your municipality?		
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		
How long does it take to replace faulty water meters? (days)		
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)		
Electricity Service		
What is your electricity availability percentage on average per month?		
Do you municipality have a ripple control in place that is operational? (Yes/No)		
How much do you estimate is the cost saving in utilizing the ripple control system?		
What is the frequency of meters being read? (per month, per year)		
Are estimated consumption calculated on consumption over (two month's/three month's/longer period)		
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		
Duration before availability of electricity is restored in cases of breakages (immediate/one day/two days/longer)		
Are accounts normally calculated on actual readings? (Yes/No)		
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		
How long does it take to replace faulty meters? (days)		
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)		
How effective is the action plan in curbing illegal uses? (Satisfied)		
How soon does the municipality provide a provision to a customer upon a written request? (days)		
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)		
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)		
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)		
Sewerage Service		
Are your purification system effective enough to put water back in to the system after purification?		
To what extent do you subsidize your indigent consumers?		
How long does it take to restore sewerage breakages on average		
Severe overflow? (Hours)		
Sewer blocked pipes - Large pipes? (Hours)		
Sewer blocked pipes- Small pipes? (Hours)		
Sewage clean-up? (Hours)		
Replacement of manhole covers? (Hours)		
Road Infrastructure Services		
Time taken to repair a single pothole on a major road? (Hours)		
Time taken to repair a single pothole on a minor road? (Hours)		
Time taken to repair a road following an open trench service crossing? (Hours)		
Time taken to repair walkways? (Hours)		

Property valuations

How long does it take on average from completion to the first account being issued? (One month/Some months or longer)

Do you have any special rating properties? (Yes/No)

Financial Management

Is there any change in the situation of cashflow and waste/expenditure over time? (Decrease/increase)

Are the financial statement audited? (Yes/No)

Are there Council adopted business process structuring the flow and management of expenditure feeding to Total Balance?

How long does it take for an invoice to be paid from the date it has been received?

Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?

Administration

Reaction time on enquiries and requests?

Time to respond to a verbal customer enquiry or request? (working days)

Time to respond to a written customer enquiry or request? (working days)

Time to resolve a customer enquiry or request? (working days)

What percentage of calls are not answered? (5%, 10% or more)

How long does it take to respond to voice mails? (hourly)

Does the municipality have customer over locked enquiries? (Yes/No)

Is there a reduction in the number of complaints or not? (Yes/No)

How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)

How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?

Community safety and licensing services

How long does it take to register a vehicle? (minutes)

How long does it take to renew a vehicle license? (minutes)

How long does it take to issue a duplicate registration certificate vehicle? (minutes)

How long does it take to re-register a vehicle? (minutes)

How long does it take to renew a driver's license? (minutes)

What is the average reaction time of the fire service to an incident? (minutes)

What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)

What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)

Economic development

How many economic development projects does the municipality drive?

How many economic development programs are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?

What percentage of the projects have created sustainable job security?

Does the municipality have any specific plans in place to create an conducive environment for economic development? (Yes/No)

Other Service delivery and communication

Is a information package handed to the new customer? (Yes/No)

Does the municipality have training or information sessions to inform the community? (Yes/No)

Are customers treated in a professional and friendly manner? (Yes/No)