

Mahikeng Development Charges Policy

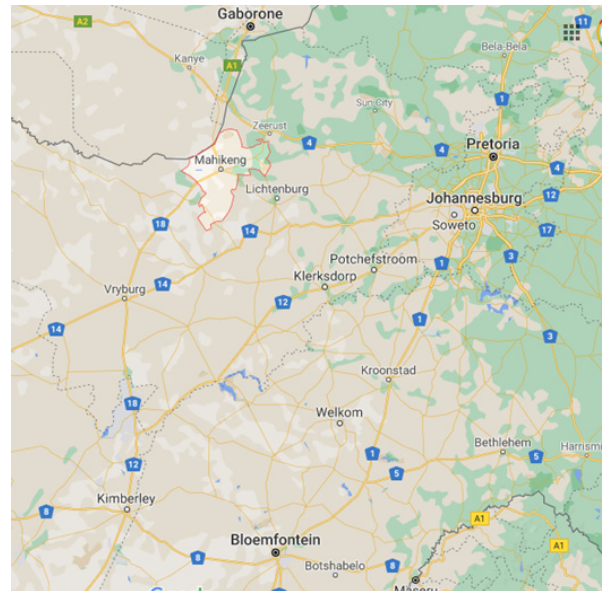


Mahikeng Local Municipality has a responsibility to provide bulk infrastructure to service future development but has severe capital constraints. Development charges represent an important potential source of capital funding to be able to cater for growth and development of the capital of the North-West province. PDG and Pegasys were appointed by ME Tlou & Associates attorneys, on behalf of the municipality, to draft a development charges policy and provide a calculator with which the municipality could calculate the charges.

The development charges policy was drafted in line with the latest guidance from National Treasury and following strategic engagements with the municipality. The institutional and technical context of Mahikeng Local Municipality meant that their development charges calculation needed to be highly customised. The municipality does not provide bulk water and sanitation services (provided by the district) or electricity (provided by Eskom) and thus development charges are only collected for roads, stormwater and solid waste.

The municipality also did not have many long-term infrastructure plans from which to calculate unit costs, so alternative methodologies needed to be used to derive realistic and defensible costs. The geography of the municipality also meant that development charges would only apply in urban areas, which needed to be defined.

Guidelines were produced and training undertaken to assist municipal officials to consistently apply the policy and the calculator. The municipality is now equipped with a robust and defensible development charges which can be applied to development applications with confidence to assist the



municipality with raising much needed capital to support development in Mahikeng.

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MKDC PROJECT:

Project Profile: Mahikeng Development Charges Policy

Client: Mahikeng Local Municipality (Led by M.E. Tlou & Associates)

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