



MEMORANDUM

DATE: 23 August 2024

TO: CHIEF FINANCIAL OFFICER

SUBJECT: Catering and Beverage Provision Policy CPIX annual adjustment

BACKGROUND

The City's Catering and Beverage Provision Policy effective 01 July 2019, refers "the values of the menus should be automatically adjusted on 1 of July of each year and shall be based on the CPIX as provided by the Finance Directorate" (refer Annexure 1, Policy clause 3.1.8)

The provision of this Policy refers to Menu 1 @ R55 excl VAT and Menu 2 @ R85 for Council Meetings. (Refer Annexure 1, Policy clause 3.1.8).

The Policy menu values were previously updated via the Memorandum with the subject line Catering and Beverage Provision Policy CPIX Y-o-Y, which was signed by the Chief Financial Official on the 04/05/2023. (Refer Annexure 2).

Due to current economic factors, vendors are finding it increasingly difficult to submit quotations for catering services within the current prescribed policy threshold limitations.

The below table outlines the required CPI Table B2 – CPI headline year-on-year rates (refer Annexure 3) as published by Statistics SA via:

<https://www.statssa.gov.za/publications/P0141/P0141June2024.pdf>, and calculated the average CPI for the applicable years as follows.

**Table 1: B2 – CPI headline year-on-year rates
12 month average aligned with the City's Financial Year**

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|-----------|---------|---------|---------|---------|---------|
| July | 4.0 | 3.2 | 4.6 | 7.8 | 4.7 |
| August | 4.3 | 3.1 | 4.9 | 7.6 | 4.8 |
| September | 4.1 | 3.0 | 5.0 | 7.5 | 5.4 |
| October | 3.7 | 3.3 | 5.0 | 7.6 | 5.9 |
| November | 3.6 | 3.2 | 5.5 | 7.4 | 5.5 |
| December | 4.0 | 3.1 | 5.9 | 7.2 | 5.1 |
| January | 4.5 | 3.2 | 5.7 | 6.9 | 5.3 |
| February | 4.6 | 2.9 | 5.7 | 7.0 | 5.6 |
| March | 4.1 | 3.2 | 5.9 | 7.1 | 5.3 |
| April | 3.0 | 4.4 | 5.9 | 6.8 | 5.2 |
| May | 2.1 | 5.2 | 6.5 | 6.5 | 5.2 |
| June | 2.2 | 4.9 | 7.4 | 5.4 | 5.1 |
| 12 Month | 3.7 | 3.6 | 5.7 | 7.1 | 5.3 |

Table2: - Revised catering menus

| Financial Year | FY 2019/20 | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 |
|-------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Period | 01 July 2019 - 30 June 2020 | 01 July 2020 - 30 June 2021 | 01 July 2021 - 30 June 2022 | 01 July 2022 - 30 June 2023 | 01 July 2023 - 30 June 2024 | 01 July 2024 - 30 June 2025 |
| CPI increase % | Approved as per policy | 3.7 | 3.6 | 5.7 | 7.1 | 5.3 |
| Menu 1 (excl VAT) | R55.00 | R57.04 | R59.09 | R62.46 | R66.87 | R70.41 |
| Menu 2 (excl VAT) | R85.00 | R88.15 | R91.32 | R96.52 | R103.34 | R108.82 |

RECOMMENDATION

It is recommended that the increase to the pricing for Menu 1 and Menu 2 contained in the Catering and Beverage Provision Policy, dated 01 July 2019, be approved at **R70.41 (excluding VAT) for Menu 1** and **R108.82 (excluding VAT) for Menu 2** for the current financial year (2024/2025).

The application of the price adjustment will be applied from the date of approval.

ANNEXURE

Annexure 1: Catering and Beverage Provision Policy, July 2019

Annexure 2: Catering and Beverage Provision Policy CPIX

Annexure 3: STATISTICAL RELEASE P0141 June 2024

James van As
Manager: Councillor Support

Vuyokazi Ngcobozi
Director: ECSO

Ernest Sass
Executive Director: Corporate Services

Kevin Jacoby
Chief Financial Officer