

A wide-angle photograph of a mountainous landscape. The foreground and middle ground consist of rolling green hills covered in grass. In the distance, several sharp, rocky mountain peaks rise against a bright blue sky filled with scattered white clouds. A winding road is visible in the valley between the hills.

IDP & BUDGET e-PUBLIC PARTICIPATION: APRIL 2021

BACKGROUND

By the end of 2019 the world experienced a pandemic called Covid-19 which effected all walks of human life. This had an impact on all businesses and the way of operations. Organisations had to adapt to new ways of operations and work from home became the new norm.

This has significant effect on the manner and reach of **Public Participation** processes for Local Government. The way we communicate, interact and participate during these times has changed drastically and requires transformation of Public Participation processes by transitioning into the ICT era and the shift in communication and participation to e-participation, which is part of the paradigm shift of the 21st century.

THE OVERALL PURPOSE OF THIS INFORMATION:

IS TO PROVIDE A 'SECOND ROUND' OF OPPORTUNITY FOR COMMUNITIES TO PARTICIPATE IN THE CURRENT DRAFT BUDGET & IDP PROCESS.

LEGISLATIVE BACKGROUND

In terms of Section 25 of the Municipal Systems Act, 2000, each municipal council must, within a prescribed period after the start of its elected term, adopt an IDP which inter alia –

- a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- b) aligns the resources and capacity of the municipality with the implementation of the plan;
- c) forms the policy framework and general basis which annual budgets must be based;

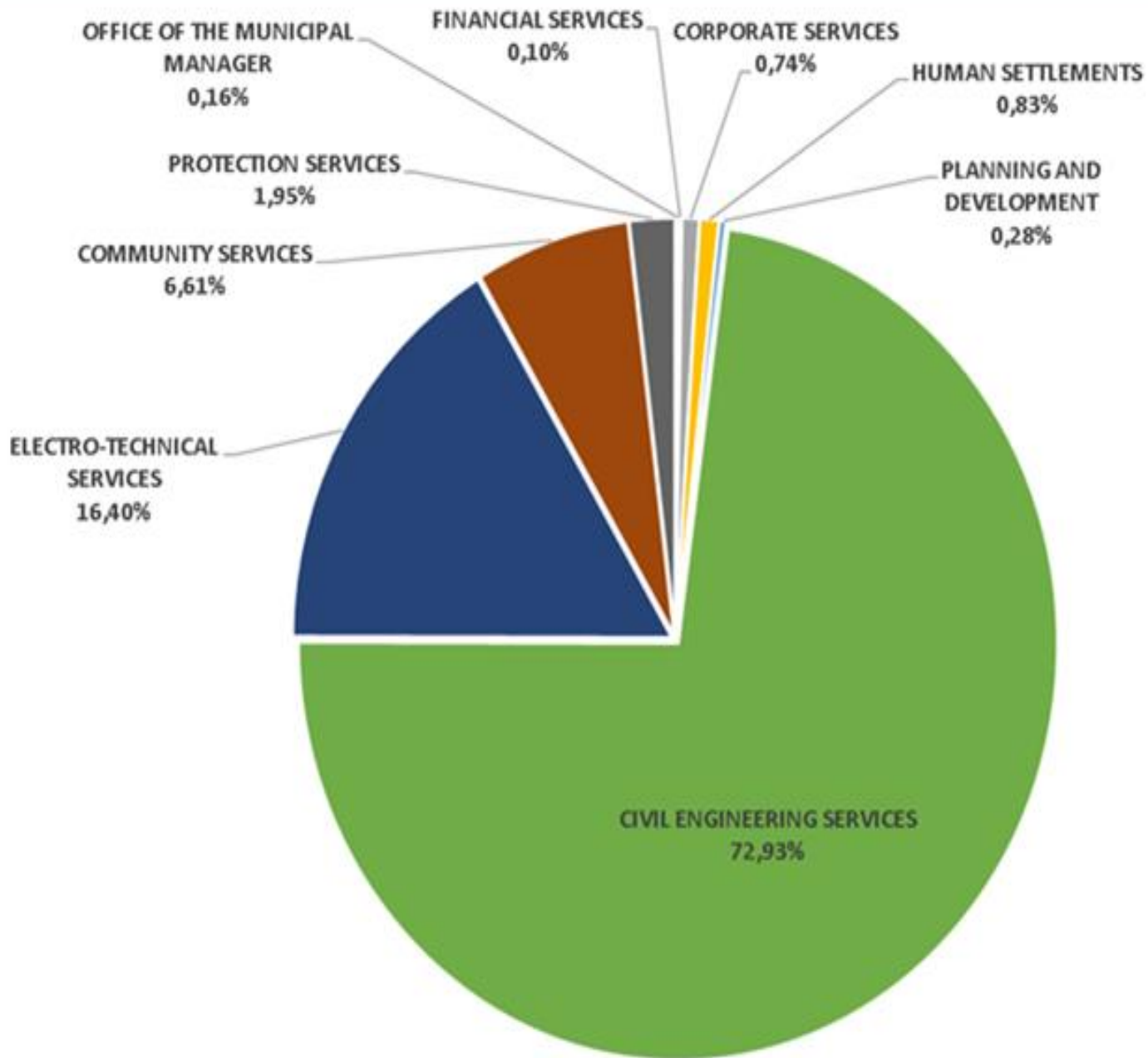
A wide-angle photograph of a mountainous landscape. The foreground and middle ground consist of rolling green hills covered in grass, with a winding dirt road visible in the valley. In the background, there are several prominent, rocky mountain peaks under a bright blue sky with scattered white clouds. The image is framed by a red and white decorative border at the top and bottom.

SUMMARY: DRAFT 2021/22 BUDGET

SUMMARY OF THE 2021/22 BUDGET

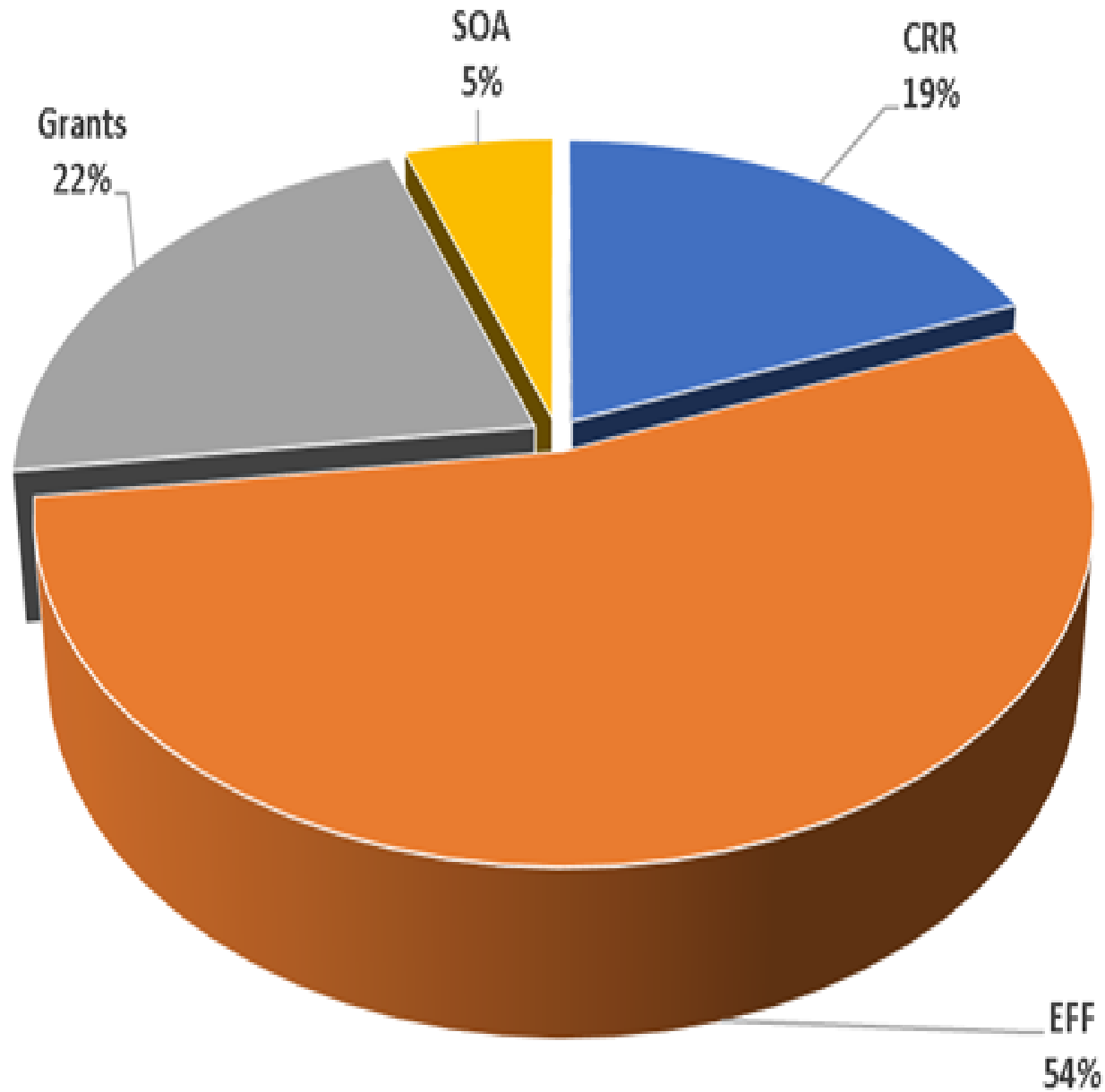
BUDGET	
OPERATING REVENUE	2 627 687 392
OPERATING EXPENDITURE	2 496 428 096
CAPITAL EXPENDITURE	368 290 952

DIRECTORATE	2021/22	2022/23	2023/24
OFFICE OF THE MUNICIPAL MANAGER	586 000	492 000	340 000
FINANCIAL SERVICES	364 000	200 000	250 000
CORPORATE SERVICES	2 730 000	4 987 000	3 235 000
HUMAN SETTLEMENTS	3 050 000	5 770 000	6 766 000
PLANNING AND DEVELOPMENT	1 043 000	6 564 280	9 582 680
CIVIL ENGINEERING SERVICES	268 066 207	248 298 087	206 087 523
ELECTRO-TECHNICAL SERVICES	60 268 809	62 691 826	69 010 000
COMMUNITY SERVICES	24 822 936	17 590 219	12 313 000
PROTECTION SERVICES	7 360 000	10 291 300	12 175 000
TOTAL	368 290 952	356 884 712	319 759 203



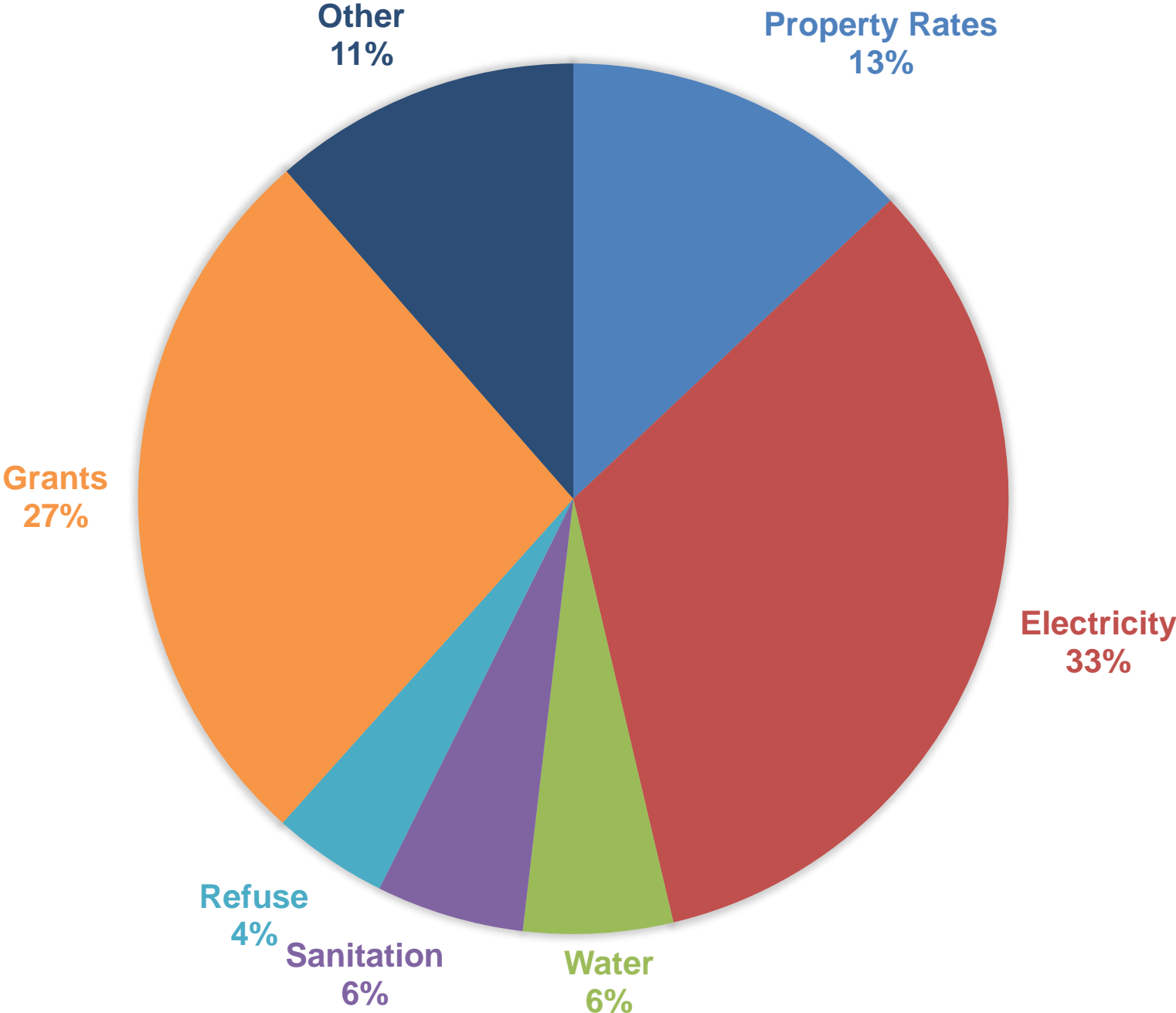
2021/22 Capital Budget

2021/22 Capital Funding



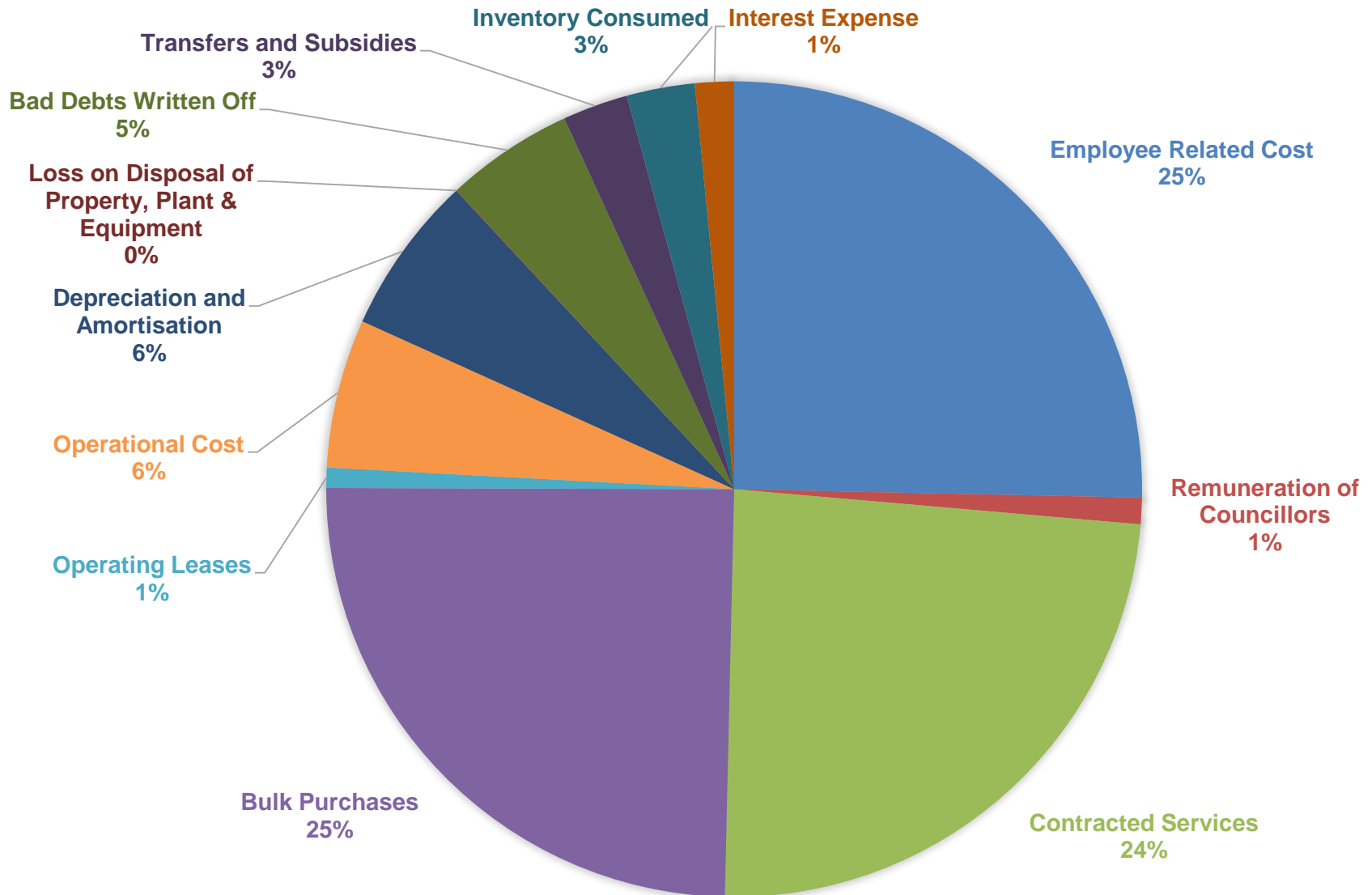
	Amended Budget 2020/21	Draft Budget 2021/22	% Increase
Revenue by Source			
Property Rates	321 989 000	341 309 000	6%
Service Charges - Electricity	758 628 942	875 457 891	15,40%
Service Charges - Water	132 037 518	145 866 385	10%
Service Charges - Sanitation	122 453 192	144 325 935	18%
Service Charges - Refuse	102 119 179	112 662 557	10%
Fines, Penalties and Forfeits	80 306 792	81 958 000	2%
Licences or Permits	3 794 725	3 869 315	2%
Agency Services	9 290 500	9 476 000	2%
Rental from Fixed Assets	5 931 610	6 019 000	1%
Transfers and Subsidies - Capital	73 636 236	85 982 146	17%
Transfers and Subsidies - Operational	670 893 997	621 280 827	-7%
Interest Earned - External Investments	58 970 110	65 698 073	11%
Interest Earned - Outstanding Debtors	7 746 400	8 353 000	8%
Operational Revenue	19 703 476	18 184 000	-8%
Transport Fees	38 542 190	86 386 253	124%
Capital Contributions	20 293 300	20 859 000	3%
Gain on Disposal of PPE			
TOTAL REVENUE	2 426 337 167	2 627 687 382	8%

REVENUE 2021/2022



	Amended Budget 2020/21	Draft Budget 2021/22	% Increase
Expenditure by Type			
Employee Related Cost	604 080 525	632 294 749	5%
Remuneration of Councillors	25 139 943	26 170 670	4%
Contracted Services	604 496 045	598 787 870	-1%
Bulk Purchases	523 612 280	616 288 122	17,70%
Operating Leases	19 872 923	20 001 740	1%
Operational Cost	123 917 352	147 301 797	19%
Depreciation and Amortisation	168 268 784	157 538 927	-6%
Loss on Disposal of Property, Plant & Equipment	714 610	700 000	-2%
Bad Debts Written Off	74 955 520	126 696 000	69%
Transfers and Subsidies	71 935 190	64 785 410	-10%
Inventory Consumed	64 203 524	67 323 787	5%
Interest Expense	34 178 596	38 539 024	13%
TOTAL EXPENDITURE	2 315 375 292	2 496 428 096	8%

On what will the money be spent?



POLICIES

The following draft policies will be approved end of May 2021:

- Customer Care, Credit Control and Debt Collection Policy and By-law;
- Property Rates Policy and By-law;
- Tariff Policy and By-law,
- Unauthorized, Irregular and Fruitless and Wasteful Expenditure Policy;
- Indigent Policy;
- Virement Policy;
- Cash Management and Investment Policy;
- Travel & Subsistence Policy;
- Supply Chain Management Policy;
- PPPFA Policy;
- Asset Management Policy;
- Funding Borrowing & Reserve Policy;
- Long Term Financial Plan;
- Liquidity Policy;
- Cost Containment Policy.

The policies is also available on the municipal website: www.george.gov.za

TARIFFS

Average tariff increase				
Category	Base Budget 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2022/23
Property Rates	6.00%	6.00%	6.00%	6.00%
Electricity	6.22%	14.59%	6.00%	6.00%
Water	6.00%	6.00%	6.00%	6.00%
Sanitation	6.50%	6.00%	6.00%	6.00%
Refuse	6.50%	4.50%	6.00%	6.00%
Other	5.00%	2.00%	6.00%	6.00%

Examples of Approved Draft Tariffs per Household

1. Large Household
2. Small Household
3. Indigent Household

1. Impact of the tariff increase on a municipal account – “Large Household”

Description	2019/20	2020/21 MTREF	2021/22 Medium Term Revenue & Expenditure Framework		
	Actual	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year 2021/22 % incr.	Budget Year 2021/22
Rand/cent					
Monthly Account for Household - 'Middle Income Range'					
Rates and services charges:					
Property rates	386,63	6,0%	409,80	6,0%	434,40
Electricity: Basic levy	–		–		–
Electricity: Consumption	1 944,24	6,2%	2 065,17	14,59%	2 366,48
Water: Basic levy	89,81	6,0%	95,20	6,0%	100,91
Water: Consumption	449,27	6,0%	476,18	6,0%	504,73
sub-total for water	539,08	6,0%	571,38	6,0%	605,64
Sanitation	220,95	6,5%	235,31	6,0%	249,43
Refuse removal	207,70	6,5%	221,20	4,5%	231,15
Other					
Sub-total	3 298,59	6,2%	3 502,86	11,0%	3 887,11
VAT on Services	436,80		463,96		517,91
Total large household bill:	3 735,39	6,2%	3 966,82	11,0%	4 405,01
Increase		231,43		438,19	11,0%

Basis used: Property value R700,000, 1000 units electricity and 30kl water

2. Impact of the tariff increase on a municipal account – “Small Household”

Description	2019/20	2020/21 MTREF	2021/22 Medium Term Revenue & Expenditure Framework		
	Actual	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year 2021/22 % incr.	Budget Year 2021/22
Rand/cent					
Monthly Account for Household - 'Affordable Range'					
Rates and services charges:					
Property rates	273,74	6,0%	290,15	6,0%	307,57
Electricity: Basic levy	–		–		–
Electricity: Consumption	972,12	6,2%	1 032,58	14,6%	1 183,24
Water: Basic levy	89,81	6,0%	95,20	6,0%	100,91
Water: Consumption	340,72	6,0%	361,13	6,0%	382,78
sub-total for water	430,53	6,0%	456,33	6,0%	483,69
Sanitation	220,95	6,5%	235,31	6,0%	249,43
Refuse removal	207,70	6,5%	221,20	4,5%	231,15
Other					
Sub-total	2 105,04	6,2%	2 235,57	9,8%	2 455,08
VAT on Services	274,69	6,2%	291,81		322,13
Total small household bill:	2 379,73	6,2%	2 527,38	9,9%	2 777,21
Increase		147,65		249,83	9,9%

Basis used: Property value R500,000, 500 units electricity and 25kl water

3. Impact of the tariff increase on a municipal account – “Indigent Household”

Description	2019/20	2020/21 MTREF	2021/22 Medium Term Revenue & Expenditure Framework		
	Actual	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year 2021/22 % incr.	Budget Year 2021/22
Rand/cent					
Monthly Account for Household - 'Indigent' Household receiving free basic services					
Rates and services charges:					
Property rates			-		-
Electricity: Basic levy			-		-
Electricity: Consumption	482,65	6,22%	512,68	14,59%	587,48
less: free units	(96,53)	6,22%	(102,54)	14,59%	(117,50)
Sub-total	386,12	6,22%	410,14	14,59%	469,98
Water: Basic levy	89,81	6,0%	95,20	6,0%	100,91
Water: Consumption	239,34	6,0%	253,70	6,0%	268,90
less: equitable share	(89,81)	6,0%	(95,20)	6,0%	(100,91)
Sub-total	239,34	6,00%	253,70	5,99%	268,90
Sanitation	220,95	6,5%	235,31	6,0%	249,43
less: equitable share	(220,95)	6,5%	(235,31)	6,0%	(249,43)
Sub-total	0,00		-		-
Refuse removal	207,70	6,5%	221,20	4,5%	231,15
less: equitable share	(207,70)	6,5%	(221,20)	4,5%	(231,15)
Sub-total	-		-		-
Sub-total	625,46	6,1%	663,84	11,3%	738,88
VAT on Services	93,82	6,1%	99,58		110,83
Total indigent household bill:	719,28	6,1%	763,42	11,3%	849,71
Increase		44,14		86,29	11,3%

Basis used: Property Value R150,000, 350 units electricity and 20kl water

Indigent support offered to Indigent Households

Description	Escalation (%)	2020/21 (R)	2021/22 (R)
Water (Basic)	6%	95.20	100.91
Water 6kl	6%	100.04	106.04
Electricity	14.59%	102.53	117.49
Refuse	4.5%	221.20	231.15
Sewer	6%	235.31	249.43
Total		R754.28	R805.02

Qualifying criteria for Indigent Support

- **Income not exceeding R4 000 per month;**
- **Agreement must be put in place with George Municipality;**
- **Must complete an official application form;**
- **Must be a full-time occupant and may not own any other property in South Africa;**
- **Property only to be used for residential purposes; and**
- **In cases where the second dwelling is used for business purposes, indigent subsidy will not be applicable.**

How to participate

Via email:

Ward Committee Office: Ms P Saaiman at pasaaiman@George.gov.za

Budget Office: Ms C Jansen van Vuuren at cejansenvanvuuren@george.gov.za

IDP Office: Ms R Le Fleur at rle fleur@george.gov.za

Via Social Media:

George Municipal App

WhatsApp on 060 779 7634

Facebook

SMS on 060 779 7634

ALL COMMENTS MUST REACH THE MUNICIPALITY BY 30 APRIL 2021