



George Municipality Draft Budget 2021/22 to 2023/24

Medium Term Revenue and
Expenditure Framework (MTREF)

31 March 2021

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
Budget – The financial plan of the Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality
KPI's – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also, includes details of the previous and current years' financial position.
Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.
Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at directorate / department level.

Part 1 – Annual Budget

1.1 Mayoral Budget Speech

The budget speech will be made available after the Council meeting.

1.2 Council Resolutions

The Council of George Municipality at a meeting that will take place on 31 March 2021 will table the draft annual budget. The following draft resolutions are contained in the agenda of the Special Council meeting to be held on 31 March 2021:

RECOMMENDATION

That the following draft resolutions in terms of sections 16(2) and 17(3) of the Municipal Finance Management Act, (Act 56 of 2003) be noted for final approval in May 2021.

DRAFT COUNCIL RESOLUTIONS (To be approved in May 2021)

- a) that the following draft policies be tabled for public comment:
 - (i) Customer Care, Credit Control and Debt Collection Policy and By-law;
 - (ii) Property Rates Policy and By-law;
 - (iii) Tariff Policy and By-law,
 - (iv) Unauthorized, Irregular and Fruitless and Wasteful Expenditure Policy;
 - (v) Indigent Policy;
 - (vi) Virement Policy;
 - (vii) Cash Management and Investment Policy;
 - (viii) Travel & Subsistence Policy;
 - (ix) Supply Chain Management Policy;
 - (x) PPPFA Policy;
 - (xi) Asset Management Policy;
 - (xii) Funding Borrowing & Reserve Policy;
 - (xiii) Long Term Financial Plan;
 - (xiv) Liquidity Policy.

The policies will be reviewed by Council to be approved in May 2021.

- (b) that the draft annual budget for the financial 2021/22 year and indicative outer years 2022/23 and 2023/24 be approved as set-out:
 - (i) Capital expenditure by project;
 - (ii) Capital funding by source;
 - (iii) Operating revenue by source as contained in Table A4 of the report;
 - (iv) Operating expenditure by type as contained in Table A4 of the report;
- (c) that the tariffs for property rates as reflected in the report be tabled for the budget 2021/22 year;

- (d) that tariffs and services charges as reflected in the formal tariff list be tabled for the budget year 2021/22;
- (e) that the draft Service Delivery and Budget Implementation Plan (SDBIP) be tabled for the budget year 2021/22;
- (f) that the capital funding, both internal and external funding, be secured prior to the commencement of any new capital project;
- (g) that the draft annual budget documentation for 2021/22– 2023/24 as outlined in the budget regulations be submitted to National and Provincial Treasury.

1.3 Budget 2020/21 Mid-year Review and Adjustments Budget

The following table shows the original and adjustments budget for 2020/21.

	Original Budget 2020/21 R'000	Adjusted Budget 2020/21 R'000	Difference R'000
Capital	387 975	254 924	133 051
Operating Income	2 334 589	2 338 509	(3 920)
Operating Expenditure	2 379 689	2 315 375	64 314

The 2020/21 adjustments budget approved on 25 February 2021 was considered in the preparation of the 2021/22 MTREF. The capital budget must be set at a level that is realistic in terms of the capacity to deliver and the ability to fund.

1.4 Executive Summary

As is annually the case, the Budget Committee was confronted with numerous challenges during the budget process. It remains a complex task balancing the needs of the community with limited resources whilst having to operate within the legislative framework determined by the various spheres of government in ensuring a credible, funded budget is implemented.

Some of the crucial factors taken into account in the Budget Process are listed and discussed below for further clarity.

1.4.1 A Credible Funded Budget

A budget makes budgetary provision for service delivery to the community of George. The community should realistically expect to receive services that are affordable for which provision is made in a budget.

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- Does not jeopardize the financial viability of the municipality i.e ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

Furthermore, draft budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and close to the final approved budget. During this financial year 9 Budget Steering Committee meetings were held. The Budget Committee was again confronted with various challenges during the budget process. The following had an impact:

- The 1.3 per cent moderate improvement in the local economy's projected GDP growth was forecasted for 2021 however National Treasury projects a real economic growth of 3.3 per cent in 2021. Real GDP growth is expected to moderate to 1.9 per cent in 2022 and 2023. (MFMA Circular No.108);
- The economic effects of the pandemic are far-reaching and there were 1.7 million fewer jobs by the third quarter of 2020 compared to the same period in 2019 (MFMA Circular No. 108);
- A further risk to the South-African economy remains the ongoing problems with Eskom's operations that continue to disrupt the supply of electricity to households and businesses with periodical load shedding;
- The aforementioned impacts on local government ability to markedly contribute to reducing unemployment and poverty;
- The pressures of the slow economy on collection rates and the ability of George Municipality's residents to pay their municipal bill which has since been exacerbated by the COVID19-pandemic's effects;
- The addressing of service delivery shortcomings as identified in the adjustments budget in February 2021 and its effect on the available funding;
- The continued funding constraints with regards to the low available funding for the Capital Budget through the Capital Replacement Reserve and the ability to take up loans to meet the demand for upgrading and replacing of infrastructure. The stopping of MIG grants and the non-approval of

roll over applications have set back the municipality's infrastructure upgrading. The development of the Capital Expenditure Framework (CEF) will assist in guiding the municipality in prioritizing the capital budget in line with the Spatial Development Framework (SDF), Long Term Financial Plan (LTFP) etc.

A strategy guided by council's long-term financial plan (LTFP) was followed with the compilation of the draft budget, whereby the following was done:

- The municipality needs to focus on its core functions especially during the COVID19 pandemic. During the February 2021 adjustments budget the Budget Committee and portfolio councilors in conjunction with the heads of departments, scrutinized the budget to affect all possible savings and to align the capital budget to achievable goals;
- The reduced 2020/21 adjustments budget is the base for the 2021/22 MTREF;
- The need to maximize income through efficiencies and the way we do business before we decide to increase our rates, service charges and other tariffs was again emphasized;
- Revenue "enhancement" focusses on ensuring that all consumers are billed correctly and are contributing to the municipality's revenue as set out in our tariff policy;
- A provision of R126.7 million was made for debtor's impairment in the operating budget. The writing off, of irrecoverable debt will continue to be scrutinized through the business processes of the internal credit control unit. The unit is guided by an internal credit control committee to ensure that proper credit control measures are performed and to recommend to council the writing off, of debt;
- The effects of the COVID-19 pandemic has compelled Council to adopt a more lenient approach to the tourism and business sector that have debt collection issues;
- George Municipality is in the process of amending the Land Use Planning By-Law for George Municipality, 2015 in relation to certain provisions which pertain to the imposition of development charges to bring the Planning By-Law in line with the Western Cape Land Use Planning Act, 3 of 2014. See paragraph relating to the development charges below;
- A greater emphasis will be placed on improving our cash management practices, within the legal prescripts, to improve our liquidity position;
- All attempts need to be made to maximize available National and Provincial Government Grants to service part of our capital program. In this regard George Municipality, will liaise with National Treasury regarding additional grant funding;

- The Budget Committee considered the possibility of selling land to generate much needed CRR funding for infrastructure development. The property market is however in a downward phase and it would therefore not make sense to sell prime land at this stage.

1.4.2 Legal Directives

The following legal directives/prescriptions were followed with the compilation of this draft budget:

- National Treasury sent out MFMA Budget Circular No. 107 on 4 December 2020 providing guidance to municipalities on their 2020/21 budget and Medium-Term Revenue and Expenditure Framework (MTREF).
- This was followed by MFMA Budget Circular No. 108 – on 08 March 2021.

1.4.3 Municipal Standard Chart of Accounts (mSCOA)

The mSCOA Regulations apply to all municipalities from 1 July 2017. George Municipality has early adopted mSCOA in July 2016 and has been transacting across all the segments. Although the municipality is transacting in mSCOA there are areas of improvement needed for example further expanding on the project segment. The further integration of our sub-modules within SAMRAS is also receiving attention for example the SDBIP and contract management modules.

George Municipality implemented mSCOA version 5.4 in 2016. We are currently budgeting on mSCOA version 6.5 for the 2021/22 financial year. The changes in versions create its own challenges with the implementation thereof.

1.4.4 Review of Budget Related Policies

In terms of section 17 (3) (e) of the Municipal Finance Management Act, No. 56 of 2003 it prescribes that the Municipality must review the budget related policies and by-laws (where applicable) annually.

This administration has reviewed the policies and workshops were held where changes are being made to the following policies and by-laws:

- Customer Care, Credit Control and Debt Collection Policy and By-laws;
- Property Rates Policy and By-laws;
- Tariff Policy and By-laws;
- 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.

The draft policies are contained in the budget documentation and will be placed on the municipal website for public comment.

1.4.5 Municipal Budget and Reporting Regulations

The Local Government: Municipal Finance Management Act (Act No. 56 of 2003): Municipal Budget and Reporting Regulations regulate the format of the budget documentation as set out in Schedule A (version 6.5) of the Municipal Budget and Reporting Regulations. This includes the main Tables A1 – A10 as well as the supporting tables.

1.4.6 George Integrated Public Transport Network (GIPTN)

George Municipality has commenced with the phased roll-out of the GO GEORGE public transport service that aims to provide reliable, affordable, accessible scheduled public transport service to the community of George. The first trial phase commenced on 8 December 2014 and subsequently phases two and three were rolled out in accordance with the schedule agreed to with the Vehicle Operating Company (VOC), George Link (Pty) Ltd, during the 2015/2016 financial year. Phase 4B was successfully rolled-out on 22 March 2020. The roll-out for Phase 4A is currently projected for the first quarter of the 2021/22 financial period followed by phases, 5 and 6 thereafter.

The Automatic Fare Collection System was successfully implemented on 14 November 2018. Fares have been set at the same level as paper tickets however there was additional cost related to the issuing of EMV card - (Europay, MasterCard® and Visa®).

The introduction of the GIPTN service required that the fare structure for GO GEORGE be included in the tariff list and that the approved fare structure be gazetted. There is currently a process underway with Council for the fare tariff to be reviewed and increased by an average 4.7% for the various multi-journey product types. During the 2020/21 financial year, GIPTN introduced an off-bus single trip to encourage greater usage of the smart card system. This off-bus single trip is sold at a premium. The on-bus single trip has been suspended as part of the COVID-19 preventative measures. The proposed fare increase is in line with the increase for other municipal services. The tariffs need to be increased annually to align with the increased costs of providing the service and to ensure the financial sustainability of GIPTN.

The following municipal processes are included within the GIPTN project, and must be managed to meet the project milestones:

- Legislatively required approvals from Council;
- Legislatively required public comment processes;
- Progress updates to Mayoral Planning, Mayco and Council;
- Supply chain management processes for contracting (on-going);
- National grant funding requires milestones for coming years;
- Transfer of PTI/PTNO funds contingent on reaching milestones;
- High-level milestones will be submitted to NT for payment schedule.

The following key milestones of the GIPTN project have been set for the 2021/22 financial period:

- | | |
|---|---|
| ➤ Infrastructure | Continued construction Tabata Street; Market Street and Makriel Street |
| ➤ Infrastructure maintenance
Rosedale | Road reseal main entry |
| ➤ Shelters
repair | Continued maintenance and
on vandalised shelters. |
| ➤ Continued monitoring of the system
and | Intelligent Transport Systems
Automated Fare Collection
System |
| ➤ COVID-19 response | Sanitising of public transport
facilities |
| ➤ Procurement

field | Appointment of service providers
for facilities management and
monitoring |
| ➤ Asset transfer
the | Transfer of sprinter vehicles to
Vehicle Operating Company |

Corporate Structure – A Council decision taken in 2016 placed the GIPTN function under the Municipal Manager's structure. The latest macro structure has moved the GIPTN function to Protection Services. It would be crucial to ensure that the necessary personnel structure to manage and operate the function is established and capacitated.

It must be specifically noted that the roll-out of the GIPTN project is being implemented on a very restricted budget and roll-out influence's revenue required to fund operational costs.

An application was submitted to National Treasury via the National Department of Transport for additional funding in the 2020/21 financial year toward the Upgrading of Market Street. In terms of this application the Municipality will contribute a certain percentage if funding is made available by the Department of Transport. Infrastructure is a key element, but is dependent on the grant funding received, however, the estimated shortfall in 2021/22 is in the region of R45 million per annum increasing over the outer years.

The municipality has not received any adjustment budget funding during the 2020/21 financial year. It should be noted that adjustment funding is highly influenced by performance of cities. MFMA Circular 98 of 2019 noted the revision to the PTNG grant which has funded 13 cities over the past decade of which only six (including George) have launched operations. It should be noted that GIPTN achieved an outstanding “raw score” for the incentive component of the PTNG resulting in an additional R60m being allocated to GIPTN over and above the base allocation. The Provincial subsidy has increased by 2% when compared to the base allocation for the 2020/21 financial period.

The gazetted national 2021/22 three-year budget for public transport is as follows:

Description	2021/22	2022/23	2023/24
National Grant	(R '000)	(R'000)	(R'000)
Operations	156 903	137 315	143 450
Infrastructure	26 476	-	-
Sub-Total: PTNG	183 379	137 315	143 450
Provincial Grant			
Operation	160 587	154 868	154 868
Total - Grants	343 966	292 183	298 318

In terms of paragraph 4.2.4.4 of the Financial Agreement the allocation of the Municipal GIPTN Infrastructure financing shortfall after the sixth year of operation shall be as agreed between the parties. At this stage, such an agreement is not in place, but it should be prioritised to ensure the sustainability of infrastructure program going forward.

1.4.7 Budgeted Surplus versus Depreciation

The depreciation budget for the MTREF, calculated on the existing assets, is R158 million for 2021/22, R160 million and R159 million respectively for the two outer years.

Depreciation is calculated by using the straight-line method over the life-span of the asset. The assets in the asset register are funded from different funding sources and the depreciation of these assets is also treated differently.

George Municipality has used the “cost model” to implement GRAP 17. The fact that George Municipality has created 75% of its depreciable asset base in the last ten years has increased the depreciation cost beyond normal tariff increases.

As example, a filtration plant was constructed with funds from the emergency drought relief grant. A capital asset of ± R95 million was created with an estimated life span of 20 years. The impact on the depreciation budget was an additional depreciation to the amount of R4.75 million per year.

It is impossible to give this burden through to the inhabitants of George. To soften the impact of this depreciation a “claw back” of depreciation is done during the budget process as part of the tariff setting. This inevitably leads to a budgeted deficit on the Budgeted Statement of Financial Performance.

1.5 Budget Overview of the 2021/22 MTREF

This section provides an overview of the George Municipality’s 2021/22 to 2023/24 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of George Municipality.

The Municipality’s budget must be seen within the context of the policies and financial priorities of national, provincial and district government. The spheres of Government are partners in meeting the service delivery challenges faced in George. George alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

Per MFMA Circular No. 108, the following headline inflation forecasts underpin the national 2021 Budget:

Fiscal Year	2020/21 Estimate	2021/22	2022/23	2023/24
		Forecast		
Headline CPI Inflation	3.3%	3.9%	4.2%	4.4%

Source: 2021 Budget Review

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise.

The budget process in George followed the requirements of the MFMA. A Table of key deadlines was tabled in Council by the Mayor during August 2020.

A Budget Committee was established to examine, review and prioritise budget proposals from departments.

Over the 3-year period, the Municipality is planning to spend R1 045 million on capital investment for the infrastructure needs of the City. In 2021/22 the capital budget is R368 million. Operating expenditure in 2021/22 is budgeted at R2 496 billion and the operating revenue is budgeted at R2 628 billion.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These “key deliverables” link the financial inputs of the budget to service delivery on the ground.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Draft Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality’s in year monitoring.

The following table is a consolidated overview of the proposed MTREF:

Table 1 – Consolidated Overview of the 2021/22 MTREF

	ADJUSTMENTS BUDGET 2020/21 R	BUDGET YEAR 2021/22 R	BUDGET YEAR 2022/23 R	BUDGET YEAR 2023/24 R
Total revenue (excluding capital transfers and contributions)	2 338 509 031	2 526 946 236	2 623 108 657	2 771 537 810
Less: Total expenditure	-2 315 375 292	-2 496 428 096	-2 610 482 897	-2 777 773 321
Surplus/(Deficit) before capital transfers and contributions	23 133 739	30 518 140	12 625 760	-6 235 511
Plus: Capital transfers and contributions	87 828 136	100 741 146	77 857 000	75 413 000
Surplus/(Deficit)	110 961 875	131 259 286	90 482 760	69 177 489
Capital Expenditure Total Capital Expenditure	254 923 622	368 290 952	356 884 712	319 759 203

1.6 Operating Revenue Framework

For George Municipality to continue maintaining / improving the quality of services provided to its citizens it needs to generate the required revenue.

The municipality’s revenue strategy is built around the following key components:

- National Treasury’s guidelines, MFMA Circular No. 107 & 108;
- The municipality’s Property Rates Policy;
- The municipality’s Credit Control and Indigent Policy and rendering of free basic services;
- Tariff policy and structure;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Revenue enhancement plan.

The following table is a summary of the 2021/22 MTREF (classified by main revenue source):

Table 2 – Summary of revenue classified by main revenue sources

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source										
Property rates	2	235 054	270 173	302 109	311 989	321 989	321 989	341 309	361 789	383 496
Service charges - electricity revenue	2	603 332	624 705	675 646	771 756	758 629	758 629	875 458	927 691	984 587
Service charges - water revenue	2	117 657	129 256	136 925	141 357	132 038	132 038	145 866	154 185	165 264
Service charges - sanitation revenue	2	87 952	98 855	110 680	113 118	122 453	122 453	144 326	152 454	163 842
Service charges - refuse revenue	2	69 778	81 727	92 264	94 476	102 119	102 119	112 663	116 606	123 304
Rental of facilities and equipment		3 271	3 130	2 871	6 480	5 932	5 932	6 019	6 137	6 257
Interest earned - external investments		50 166	46 246	45 170	52 956	58 970	58 970	65 698	65 533	66 643
Interest earned - outstanding debtors		4 677	4 080	3 000	7 746	7 746	7 746	8 353	8 742	9 152
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		81 503	94 581	76 283	80 307	80 307	80 307	81 958	83 653	85 383
Licences and permits		2 742	22	–	3 695	3 795	3 795	3 869	3 943	4 020
Agency services		11 258	13 440	12 270	9 291	9 291	9 291	9 476	9 666	9 859
Transfers and subsidies		402 555	428 619	548 390	634 700	670 894	670 894	621 281	613 430	642 678
Other revenue	2	89 872	79 838	61 199	106 719	64 347	64 347	110 670	119 279	127 052
Gains		–	–	2	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		1 759 815	1 874 672	2 066 811	2 334 589	2 338 509	2 338 509	2 526 946	2 623 109	2 771 538
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		202 853	122 153	83 156	73 914	103 636	103 636	85 982	62 507	59 448
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	13 260	12 716	14 192	14 192	14 192	14 759	15 350	15 965
Transfers and subsidies - capital (in-kind - all)		–	–	4 124	–	–	–	–	–	–
Total Revenue		1 962 668	2 010 085	2 166 806	2 422 695	2 456 337	2 456 337	2 627 687	2 700 966	2 846 951

Revenue generated from property rates and service charges forms a significant percentage of the revenue source of the municipality. The above table considers revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality and capital transfers and contributions.

The operating revenue increases from R2 426 billion to R2 628 billion.

The **8%** increase in revenue is mainly due to:

- An increase in Transport Fees (124%) – is mainly due to an increase in the GIPTN fare revenue for the roll-out of further phases.
- A decrease in Transfers Recognised – Operational is mainly due to a decrease in the Human Settlements Development Grant.
- The increase in Transfers Recognised – Capital is mainly due to an increase in the following grants:
 - Public Transport Network Grant (PTNG) – (R24.5m – 2020/21 to R26.5m - 2021/22);

- Municipal Infrastructure Grant (MIG) – R39.8m – 2019/20 to R42.2m – 2021/212).
- Integrated National Electrification Programme (INEP) – (R7m – 2020/21 to R15m - 2021/22).

The table also gives the percentage increases in property rates and the service charges.

The following table provides a breakdown of the various grants allocated to George Municipality over the medium term:

Table 3 – Grants Allocation

Local government allocations 2021/22 – 2023/24			
	Medium Term Estimates		
	2021/22 R'000	2022/23 R'000	2023/24 R'000
National Grants	381 115	362 053	391 914
Equitable share	170 498	182 794	185 060
Municipal Infrastructure Grant (MIG)	42 262	45 507	47 448
Electrification Programme (INEP)	15 100	12 000	12 000
Integrated National Electrification Programme (Eskom) Grant	4 204	3 207	-
Financial Management (FMG)	1 550	1 721	1 771
Water Services Infrastructure Grant	3 082	5 000	-
Public Transport Network Grant (PTNG)	183 379	137 315	143 171
Expanded Public Works Programme Incentive Grant (EPWP)	3 068	-	-
Infrastructure Skills Development (ISDG)	6 000	6 000	6 000
Provincial Grants	429 143	393 544	395 450
Human Settlement Development Grant (Beneficiaries)	97 112	115 260	140 700
Municipal Accreditation and Capacity Building Grant	503	527	527
Development of sport and recreational facilities	700	-	-
Library Services	8 845	8 995	9 148
Maintenance & Construction of Transport Infrastructure	8 460	460	460
Integrated Transport Planning	600	600	600
Community Development Worker (CDW)	94	94	94
Financial Management Capacity Building Grant	250	-	-
GIPTN – Operations	160 587	154 868	154 868
Thusong Services Centre Grant	-	146	-
Total Allocations	277 151	280 950	306 397

SERVICE CHARGES AND MISCELLANEOUS TARIFFS:

The following tariff increases are proposed:

▪ Electricity	:	14.59%
▪ Water	:	6.00%
▪ Rates	:	6.00%
▪ Refuse	:	6.00%
▪ Sewerage	:	4.50%
▪ Other (miscellaneous)	:	2.00%

TARIFF CHANGES SUGGESTED FOR 2021/22**Rates Tariffs**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

Implementation of General Valuation Roll on 1 July 2018

The new General Valuation Roll was implemented on 1 July 2018 and will be valid to 30 June 2022. The implementation of the General Valuation Roll necessitates an evaluation of the current practices regarding applicable discounts and rebates on rates. The 15% rebate that was applicable on all residential properties charges for rates has been discontinued.

The budget committee is evaluating possible rebates for the elderly.

Rates Charges**- Municipal Valuation Threshold**

On qualifying residential properties, up to a maximum valuation of R150 000 which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and the R135 000 reduction granted as per paragraph E1.1.2 of the approved Rates Policy will be deducted from the total valuation before rates are levied.

- Rates Revenue

The public's reaction to the ever-increasing tariff hikes in electricity charges has resulted in a decline in revenue from electricity sales. George Municipality must reduce its reliance on electricity as its main source of income and will have to focus on the rates revenue. Given the afore-mentioned it is proposed that rates increase by 6%

Table 4 – Proposed rates to be levied for the 2021/22 financial year

Category of Property	Proposed tariff (R) (from 1 July 2021)
Residential properties (include Rural res)	0.007610
State owned business properties	0.010737
Business & Commercial	0.010737
Agricultural	0.001903
Vacant land – Residential	0.010341
Municipal properties	-
Industrial	0.010737
Public Service Infrastructure property (PSI)	0.001903
Public benefit organisation properties	0.001903
	(100% rebate)

Water Tariffs

South Africa faces similar challenges regarding water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition, National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective.

During the tariff modelling exercise, it was acknowledged that the basic charge for water does not cover the basic cost for the water service and that the structure needs to be changed and remodelled in future budgets.

A tariff increase of 6% from 1 July 2021 for water is proposed. In addition, 6kl water per 30-day period will be granted free of charge to all households. The tariff structure is designed to charge higher levels of consumption at a higher rate per kilolitre.

The tariff structures of the DMA and George are different. The 6% increase in the current tariff will apply to the DMA area as well. George Municipality is

reassessing the basic charge for water service to ensure that it is cost reflective of the fixed costs components needed to deliver water to the consumers.

The budget committee was confronted with the call by National Treasury to keep the tariff increases within the upper limit of 3 to 6 per cent target band together with the double-digit electricity bulk purchase tariff increase on the one hand and the need for additional budget for capital renewal and operational costs in the departments on the other hand. The committee elected to increase water tariffs by 6 per cent for usage in the normal band of 6-20 kilolitres. The step tariffs for domestic households (excluding industries/businesses) will be reviewed for the water usage above 20 kilolitres per month. This will lead to an increase in the tariff of above 6%.

Council has embarked on a war on leaks – project to curb water losses. The installation of smart water meters has also been approved to assist in the process. This will bring down the water losses and a decline in the associated cost of purifying water. It will also improve the management of the water usage by indigent households where excessive usage is often registered.

A summary of the proposed tariffs for households (residential) and non-residential in George are as follows:

Table 5 – Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS	PROPOSED TARIFFS
	2020/21	2021/22
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period	Free	Free
(ii) 6 to 15 kℓ per 30-day period	16.67	17.67
(iii) 15 to 20 kℓ per 30-day period	19.21	20.36
(iv) 20 to 30 kℓ per 30-day period	24.96	26.46
(v) 30 to 50 kℓ per 30-day period	31.28	33.16
(vi) 50 kℓ per 30-day period	37.15	39.38
NON-RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period	16.67	17.67
(ii) 6 to 15 kℓ per 30-day period	16.67	17.67
(iii) 15 to 20 kℓ per 30-day period	19.21	20.36
(iv) 20 to 30 kℓ per 30-day period	23.01	24.39
(v) 30 to 50 kℓ per 30-day period	25.25	26.77
(vi) 50 kℓ per 30-day period	27.63	29.29

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 6 – Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
20	341.28	361.76	20.48	6%
30	571.38	605.66	34.28	6%
40	847.68	898.54	50.86	6%
50	1 123.98	1 191.42	67.44	6%
80	1 952.88	2 070.05	117.17	6%
100	2 505.48	2 655.81	150.33	6%

A summary of the proposed tariffs for households (residential) and non-residential in the DMA area is as follows:

Table 7 – Comparison between current water charges and increases in the DMA area (Domestic)

CATEGORY	CURRENT TARIFFS 2020/21	PROPOSED TARIFFS 2021/22
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period	Free	Free
(ii) 6 to 12 kℓ per 30-day period	7.42	7.87
(iii) 12 to 20 kℓ per 30-day period	8.5	9.01
(iv) 20 to 30 kℓ per 30-day period	10.22	10.83
(v) 30 to 50 kℓ per 30-day period	12.24	12.97
(vi) 50 kℓ per 30-day period	13.98	14.82
NON-RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period	7.42	7.87
(ii) 6 to 12 kℓ per 30-day period	7.42	7.87
(iii) 12 to 20 kℓ per 30-day period	8.5	9.01
(iv) 20 to 30 kℓ per 30-day period	10.22	10.83
(v) 30 to 50 kℓ per 30-day period	11.19	11.86
(vi) 50 kℓ per 30-day period	12.27	13.01

Electricity Tariffs

A tariff increase of 15.49% for electricity from 1 July 2021 is proposed.

The local authority tariff increase is effective from 1 July 2021 to 30 June 2022. During the April 2021 to June 2021 three-month period, the 2020/21 local authority tariffs are still applicable.

NERSA sets benchmark tariffs as a guideline and it should be noted that the guideline is not an automatic increase in tariffs. This municipality has a distribution license and is still required to apply to NERSA for the approval of our tariffs.

The following table shows the impact of the proposed increases in electricity tariffs on the domestic customers:

Table 8 – Comparison between current electricity charges and increases Domestic – Single phase consumer: one part Pre-Paid (VAT exclusive)

Monthly consumption kWh	Current amount Payable 206.39 c / unit R	Proposed amount Payable 238.36 c / unit R	Difference (Increase) R	Percentage change
100	206.39	238.36	31.97	15.49%
250	515.98	595.91	79.93	15.49%
500	1031.95	1191.80	159.85	15.49%
750	1547.93	1787.70	239.77	15.49%
1 000	2063.9	2383.60	319.70	15.49%
2 000	4127.8	4767.20	639.40	15.49%

Table 9 – Indigent – single phase consumers: One part Pre-paid meter (VAT exclusive)

Monthly consumption kWh	Current amount Payable 146.48 c / unit R	Proposed amount Payable 169.17 c / unit R	Difference (Increase) R	Percentage change
100	43.94	50.75	6.81	15.49%
250	263.66	304.50	40.84	15.49%
450	556.61	642.83	86.22	15.49%

Indigent households will receive 70kWh electricity free at the beginning of each month.

Sanitation tariffs

A tariff increase of 6% for sanitation from 1 July 2021 is proposed.

The following table compares the current and proposed tariffs:

Table 10 – Comparison between current sanitation charges and increases

CURRENT TARIFF 2020/21 Rand per year	PROPOSED TARIFF 2021/22 Rand per year	DIFFERENCE R	% INCREASE
2823.73	2993.15	169.42	6%

Waste Removal tariff

A 4.5% increase in the waste removal tariff is proposed from 1 July 2021.

Table 11 – Comparison between current waste fees and increases for a single dwelling-house

CURRENT TARIFF 2020/21 Rand per year	PROPOSED TARIFF 2021/22 Rand per year	DIFFERENCE R	% INCREASE
2 654.52	2 773.97	119.45	4.5%

Table 12 – Comparison between current waste removal fees and increases

	CURRENT TARIFFS 2020/21		PROPOSED TARIFFS 2021/22	
Tariff per container per month or part of a month: Areas serviced by means of: (Tariff is multiplied by the number of service rounds per week and the number of containers.)	Per litre (per service) (R)	Per month (R)	Per litre (per service) (R)	Per month (R)
7 X 85l container (black bag) removed once a week	0.09372	221.21	0.09372	231.16
1 x 240l container removed once a week (per business)	0.37712	362.13	0.37712	378.43
2 x 240l container removed 3 times a week	0.2415	1 391.69	0.2415	1454.32

The service provider appointed to develop the first cell of the new regional landfill site withdrew and this has halted the project. As a result the 2021/22 tariff is 4.5% which is less than the 6.5% 2020/21 when it was anticipated it would accommodate the costs associated with the new regional landfill site. The district municipality is in the process of taking the project forward.

Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases on a large and small household, as well as an indigent household receiving free basic services.

It needs to be noted that most indigent households in George are situated in the affordable house areas. The valuation of these houses is below R150 000 and due to rebates do not pay property rates.

Indigent households receive a discount on their services equal to the basic charge for water plus 6kl water free, 70kwh electricity units, the monthly levy for refuse and sanitation.

Table 13 – MBRR Table SA14 – Household bills

The follow tables give the monetary impact of the tariff increases on the monthly household bills.

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		316,68	359,63	386,63	409,80	409,80	409,80	6,0%	434,40	460,47	488,10
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		1 636,00	1 719,50	1 944,24	2 065,17	2 065,17	2 065,17	14,6%	2 368,48	2 508,47	2 658,98
Water: Basic levy		78,45	84,73	89,81	95,20	95,20	95,20	6,0%	100,91	106,96	113,38
Water: Consumption		398,60	423,81	449,27	476,18	476,18	476,18	6,0%	504,73	535,01	567,11
Sanitation		187,69	203,64	220,95	235,31	235,31	235,31	6,0%	249,43	264,40	280,26
Refuse removal		165,70	190,56	207,70	221,20	221,20	221,20	4,5%	231,15	245,02	259,72
Other		-	-	-	-	-	-	-	-	-	-
sub-total		2 783,12	2 981,87	3 298,60	3 502,86	3 502,86	3 502,86	11,0%	3 887,10	4 120,34	4 367,56
VAT on Services		345,30	393,34	436,80	463,96	463,96	463,96	11,6%	517,91	548,98	581,92
Total large household bill:		3 128,42	3 375,21	3 735,40	3 966,82	3 966,82	3 966,82	11,0%	4 405,01	4 669,31	4 949,48
% increase/-decrease			7,9%	10,7%	6,2%	-	-	11,0%	6,0%	6,0%	
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		224,22	254,63	273,74	290,15	290,15	290,15	6,0%	307,57	326,03	345,59
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		818,00	859,75	972,12	1 032,59	1 032,59	1 032,59	14,6%	1 183,24	1 254,23	1 329,49
Water: Basic levy		78,45	84,73	89,81	95,20	95,20	95,20	6,0%	100,91	106,96	113,38
Water: Consumption		303,80	321,41	340,72	361,13	361,13	361,13	6,0%	382,78	405,75	430,09
Sanitation		187,69	203,64	220,95	235,31	235,31	235,31	6,0%	249,43	264,40	280,26
Refuse removal		165,70	190,56	207,70	221,20	221,20	221,20	4,5%	231,15	245,02	259,72
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1 777,86	1 914,72	2 105,04	2 235,58	2 235,58	2 235,58	9,8%	2 455,08	2 602,39	2 758,53
VAT on Services		217,51	249,01	274,69	291,81	291,81	291,81	10,4%	322,13	341,45	361,94
Total small household bill:		1 995,37	2 163,73	2 379,73	2 527,39	2 527,39	2 527,39	9,9%	2 777,21	2 943,84	3 120,47
% increase/-decrease			8,4%	10,0%	6,2%	-	-	9,9%	6,0%	6,0%	
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		319,62	341,49	386,12	410,14	410,14	410,14	14,6%	469,98	498,18	528,07
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		209,00	225,76	239,34	253,70	253,70	253,70	6,0%	268,90	285,03	302,14
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		528,62	567,25	625,46	663,84	663,84	663,84	11,3%	738,88	783,21	830,21
VAT on Services		74,01	85,09	93,82	99,58	99,58	99,58	11,3%	110,83	117,48	124,53
Total small household bill:		602,63	652,34	719,28	763,42	763,42	763,42	11,3%	849,71	900,69	954,74
% increase/-decrease			8,2%	10,3%	6,1%	-	-	11,3%	6,0%	6,0%	

1.7 Operating Expenditure Framework

The expenditure framework for the 2021/22 budget and MTREF is informed by the guidelines of National Treasury.

The following table is a summary of the 2021/22 MTREF (classified by main expenditure types):

Table 14 – Summary of operating expenditure by type

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Expenditure By Type										
Employee related costs	2	468 428	520 124	533 150	634 506	604 144	604 144	632 295	652 176	680 835
Remuneration of councillors		21 519	22 017	22 516	25 140	25 140	25 140	26 171	27 479	28 853
Debt impairment	3	111 776	96 719	125 304	74 956	74 956	74 956	126 696	131 718	137 353
Depreciation & asset impairment	2	161 537	142 900	158 186	168 269	168 269	168 269	157 539	159 920	159 318
Finance charges		44 140	42 264	43 772	36 179	34 179	34 179	38 539	53 891	65 876
Bulk purchases	2	397 810	428 852	485 199	529 112	523 612	523 612	616 288	682 781	756 334
Other materials	8	38 835	57 574	62 866	68 556	64 294	64 294	67 324	70 053	72 487
Contracted services		448 956	419 779	418 312	615 286	604 473	604 473	598 788	613 647	654 395
Transfers and subsidies		73	65 525	83 378	60 860	71 935	71 935	64 785	52 055	51 739
Other expenditure	4, 5	88 463	119 270	89 701	166 112	143 660	143 660	167 304	166 063	169 883
Losses		2 763	709	1 476	715	715	715	700	700	700
Total Expenditure		1 784 301	1 915 735	2 023 860	2 379 689	2 315 375	2 315 375	2 496 428	2 610 483	2 777 773

The operating expenditure has increased from R 2, 315 billion in 2020/21 (February adjustments budget) to R2,496 billion in 2021/22. The 8% increase in expenditure as contained in the table above giving the year-on-year growth/decline in expenditure by type.

The increase/decrease in expenditure is mainly due to:

- Contracted Services: The decrease is mainly due to the decrease in the budget for operational expenditure on Housing Projects and the GIPTN.
- Bulk Purchases for Electricity: Increased by 17.8% based on the Eskom tariff.

Table 15 – Repairs and maintenance per asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue &		
R thousand	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
Repairs and Maintenance by Asset Class									
Roads Infrastructure	28 674	15 443	32 124	19 584	20 454	20 454	29 434	20 267	20 708
Storm water Infrastructure	3 500	5 342	3 484	4 079	3 559	3 559	3 749	3 960	4 151
Electrical Infrastructure	5 951	6 369	7 655	10 001	9 201	9 201	9 908	10 497	11 099
Water Supply Infrastructure	11 300	9 315	10 970	15 694	14 354	14 354	8 620	8 146	8 157
Sanitation Infrastructure	6 504	5 415	6 918	10 831	9 361	9 361	9 650	10 221	10 821
Solid Waste Infrastructure	–	144	65	500	290	290	–	–	–
Rail Infrastructure	289	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	56 217	42 027	61 216	60 688	57 218	57 218	61 361	53 091	54 937
Community Facilities	–	–	4 488	5 693	5 579	5 579	5 618	5 425	5 751
Sport and Recreation Facilities	56	30	1 825	2 052	1 714	1 714	1 817	1 927	2 043
Community Assets	56	30	6 313	7 744	7 293	7 293	7 435	7 352	7 794
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	171	318	124	124	131	139	147
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	171	318	124	124	131	139	147
Operational Buildings	688	1 037	1 433	1 302	2 022	2 022	2 012	2 272	2 409
Housing	–	–	–	–	–	–	–	–	–
Other Assets	688	1 037	1 433	1 302	2 022	2 022	2 012	2 272	2 409
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	1	1	0	9	9	9	9	9	9
Machinery and Equipment	1 921	3 261	2 002	2 906	4 216	4 216	3 508	3 422	3 531
Transport Assets	7 444	1 237	1 458	1 648	1 548	1 548	1 641	1 740	1 845
Libraries	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
TOTAL REPAIRS AND MAINTENANCE	66 327	47 594	72 592	74 616	72 430	72 430	76 097	68 024	70 672

1.8 Capital Budget

The Budget Committee went through several stages of prioritizing the capital budget to contain the budget within the available funding. This commenced with the preparing of the 2020/21 adjustments budget in February 2021.

The budget committee has prioritized the upgrading of the core services infrastructure. Below are a few of the main focus areas.

To achieve this the capital budget has appropriated R 145.59 million over the MTREF for the additions for the sewerage treatment works. The upgrading of sewer pump stations has been prioritized and R120.95 million over the MTREF has been allocated. A further R 216.24 million has been allocated to the extension of the water treatment works.

The Thembaletu / Ballots bay 66KV/11kv substation is a multi-year project. The 2019 budget R25m had to be rolled over to 2020 due to the expected delivery date of the transformer shifting to the 2020/21 financial year. An amount of R44,7 million has been budgeted for this project over the MTREF.

This draft capital budget has been compiled with due consideration to the direct impact that it would have on the operating budget and our cash position where

projects are to be funded from either internal sources or from external borrowings.

The Capital Budget was prioritized within the available funding as indicated in table below. Full provision has been made for the grant funded projects.

1.8.1 Capital Budget - 2021/2022 to 2023/2024

Projects to be funded from the Capital Replacement Reserve (CRR) were capped at R 70,1 million and R 198,7 million for projects linked to external funding (EFF). Full provision was made for grant funded projects as contained in the Division of Revenue Act. An amount of R 79,4 million was budgeted for grants. R 20,2 million of the housing Special Operating Account (SOA) is also earmarked to fund infrastructure projects linked to the provision of housing

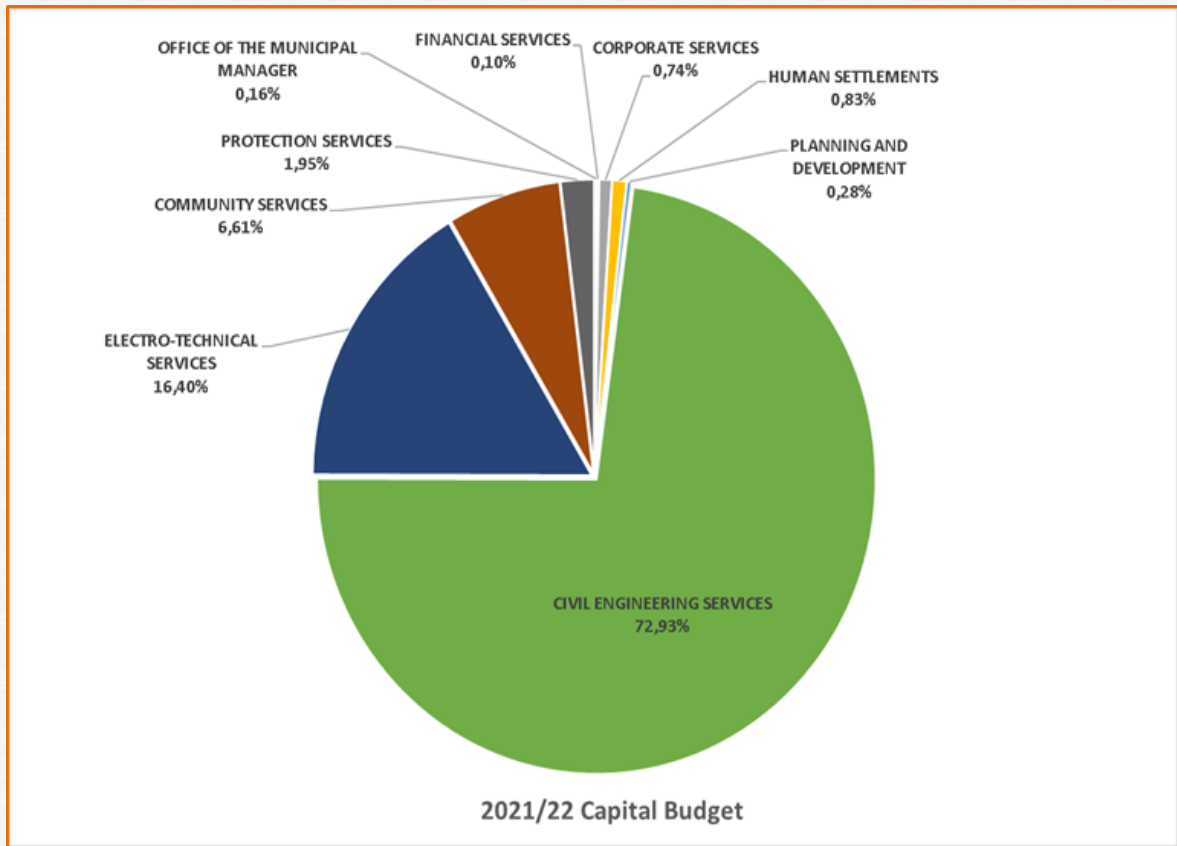
The housing development in Thembaletu is one of the main developments putting pressure on the waterworks as well as the sewage treatment works. The electricity infrastructure is also not sufficient for the housing development. The Western Cape Department of Human Settlements has indicated their willingness to assist with possible grant funding given the magnitude of the housing project and its impact on the bulk infrastructure. This needs to be investigated further given the limited capital funding.

Province is facilitating the housing development projects and as such the grant allocation of R97,112 million has been included in the operating budget R38,392 million will be managed by the department and R58,720 million will go to the beneficiaries.

Table 16 – Capital Budget per department

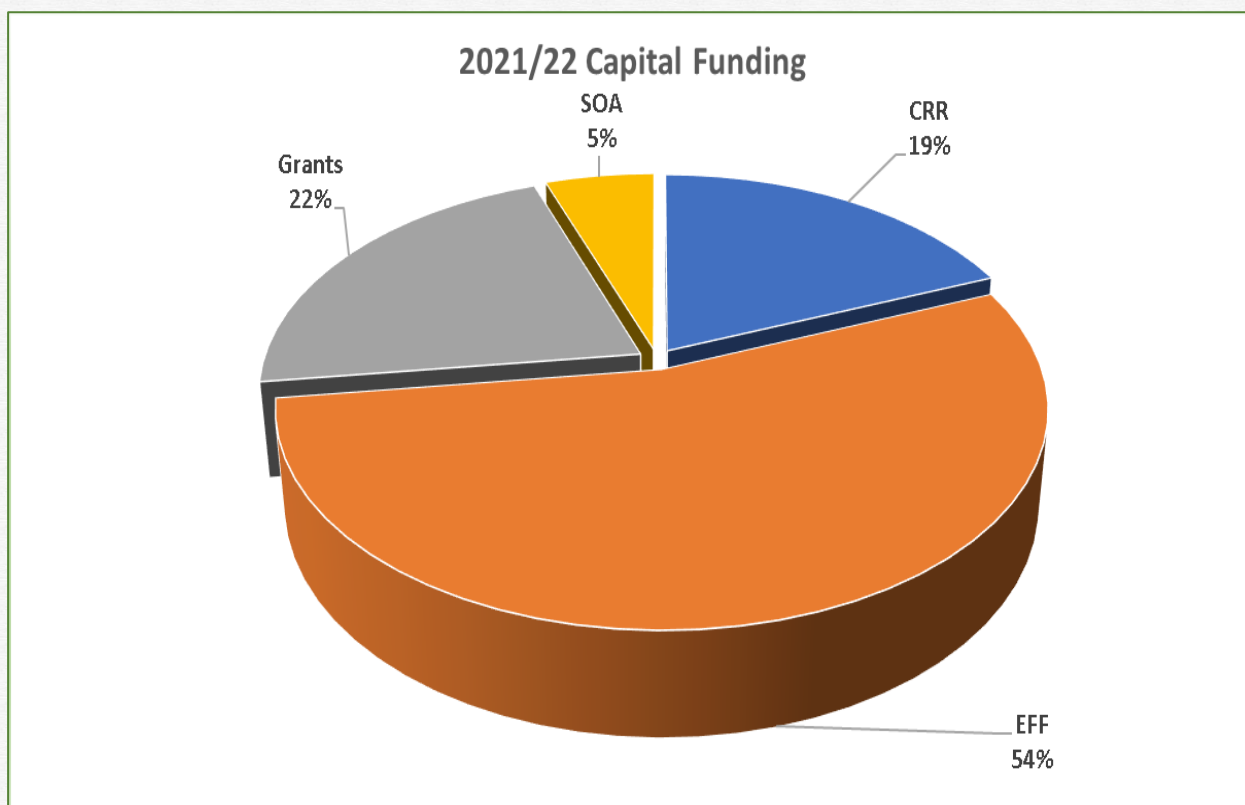
DESCRIPTION	2021/22	2022/23	2023/24
OFFICE OF THE MUNICIPAL MANAGER	586 000	492 000	340 000
FINANCIAL SERVICES	364 000	200 000	250 000
CORPORATE SERVICES	2 730 000	4 987 000	3 235 000
HUMAN SETTLEMENTS	3 050 000	5 770 000	6 766 000
PLANNING AND DEVELOPMENT	1 043 000	6 564 280	9 582 680
CIVIL ENGINEERING 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

The pie chart below indicates the proposed capital budget per department:



R58.3 million (21.77%) of the total budget for Civil Engineering Services is funded from grants. R58.3 million (59.82%) will be funded from external fund finance.

The pie chart below indicates the funding mix of the Capital Budget.



1.8.2 Internal Funding

One of the main challenges impacting on the capital budget is the expected contributions to the Capital Replacement Reserve (CRR) for the current year. This situation also emphasizes the need to expand our current additional income base (sources) and exploring other income sources. The Budget Committee re-affirmed the need to broaden the income base.

A contribution of R62 million was made to the CRR in the February 2021 Adjustments Budget from working capital.

Although the budgeted income and expenditure are realistically anticipated, the situation regarding the available internal funds will be monitored closely and expenditure on capital projects linked to the CRR will be managed per the available cash.

The table below gives a breakdown of the available budgeted CRR funds.

Table 17 – Budgeted CRR funds

BUDGETED CRR FUNDING FOR 2021/22					
DESCRIPTION OF CAPITAL REPLACEMENT RESERVE (CRR)	PROJECTED BALANCE 30/06/2021	CAPITAL CONTRIBUTIONS BUDGET	ADDITIONAL BUDGETED CONTRIBUTION TO CRR	VAT INCOME ON GRANTS BUDGET	TOTAL PROJECTED AMOUNT AVAILABLE FOR CAPITAL EXPENDITURE IN 2021/22
General	9 034 339	1 653 800		0	10 688 139
Electricity	2 153 796	4 299 500		1 969 565	8 422 862
Water	1 716 203	3 858 800		402 000	5 977 003
Sewerage	1 044 293	4 107 100		5 512 435	10 663 828
Sale of Property	140 040	6 000 000		0	6 140 040
Cleansing	927 144	272 700		0	1 199 844
Parking Facilities	0	0		0	0
Contribution from Working Capital	4 203 019	0	26 000 000	0	30 203 019
TOTAL CRR	19 218 835	20 191 900	26 000 000	7 884 000	73 294 735

1.8.3 External Financing Funding

Although the Long Term Financial Plan indicates that George Municipality's gearing has declined, allowing the municipality to take up external funding, the magnitude of external funding required over the MTREF compelled the Budget Committee to further scrutinize the different planning scenarios before committing to taking up loans of more than R 750 million over the MTREF. The multi-year planning needs to be spread out over a 5-7-year period to soften the impact of interest and redemption payments on tariffs to the customers.

The Budget Committee considered the requests by the technical departments to take up external loans to fund major upgrading of infrastructure and new infrastructure to provide for the demand created by new developments.

Although the upgrading of the sewerage treatment works as well as the upgrading of the water treatment works are receiving priority since the 2019/20 financial year the necessary milestones could not be reached. Due to funding constraints one of the major upgrades could not be included in the draft capital budget namely the Extension of the Waterworks-20 MI that require R200 million over the MTREF. Attempts will be made to source funding from National Treasury and Provincial Treasury.

Table 18 – Capital expenditure by GFS classification

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Capital Expenditure - Functional									
<i>Governance and administration</i>	5 803	9 559	5 928	7 911	12 448	12 448	2 350	2 986	2 427
Executive and council	630	564	76	978	1 073	1 073	–	–	–
Finance and administration	5 174	8 928	5 824	6 812	11 300	11 300	2 320	2 956	2 397
Internal audit	–	67	29	122	75	75	30	30	30
<i>Community and public safety</i>	15 410	19 270	14 639	45 651	28 972	28 972	29 933	28 067	27 575
Community and social services	3 452	3 403	2 638	10 457	7 689	7 689	4 284	5 835	3 678
Sport and recreation	8 847	4 777	871	19 811	5 959	5 959	16 174	8 431	6 036
Public safety	1 608	10 303	7 246	13 132	13 079	13 079	6 585	7 855	10 480
Housing	1 504	532	3 811	2 106	2 136	2 136	2 630	5 686	7 131
Health	–	255	74	145	108	108	260	260	250
<i>Economic and environmental services</i>	129 025	89 733	58 448	48 858	90 605	90 605	57 848	41 149	50 571
Planning and development	330	535	550	1 484	1 067	1 067	846	5 792	8 953
Road transport	128 695	89 199	57 897	46 704	88 868	88 868	57 002	35 357	41 618
Environmental protection	–	–	–	670	670	670	–	–	–
<i>Trading services</i>	118 807	124 525	76 531	284 148	151 708	151 708	277 963	283 910	238 557
Energy sources	31 873	46 330	28 465	72 931	55 230	55 230	60 269	62 692	69 010
Water management	29 168	18 067	23 786	108 976	15 668	15 668	74 704	66 126	121 879
Waste water management	49 124	48 726	17 687	96 824	73 180	73 180	135 360	147 244	42 340
Waste management	8 642	11 402	6 594	5 418	7 630	7 630	7 630	7 848	5 328
<i>Other</i>	85	148	472	1 408	1 191	1 191	197	772	630
Total Capital Expenditure - Functional	269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759

1.9 Budget Schedules

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

Narrative will only be provided at certain tables to clarify certain aspects otherwise it will be a repetition of what has already been documented.

Table 19 – A1: Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands									
<u>Financial Performance</u>									
Property rates	235 054	270 173	302 109	311 989	321 989	321 989	341 309	361 789	383 496
Service charges	878 718	934 543	1 015 515	1 120 707	1 115 239	1 115 239	1 278 313	1 350 936	1 436 998
Investment revenue	50 166	46 246	45 170	52 956	58 970	58 970	65 698	65 533	66 643
Transfers recognised - operational	402 555	428 619	548 390	634 700	670 894	670 894	621 281	613 430	642 678
Other own revenue	193 323	195 091	155 626	214 237	171 417	171 417	220 346	231 420	241 723
Total Revenue (excluding capital transfers and contributions)	1 759 815	1 874 672	2 066 811	2 334 589	2 338 509	2 338 509	2 526 946	2 623 109	2 771 538
Employee costs	468 428	520 124	533 150	634 506	604 144	604 144	632 295	652 176	680 835
Remuneration of councillors	21 519	22 017	22 516	25 140	25 140	25 140	26 171	27 479	28 853
Depreciation & asset impairment	161 537	142 900	158 186	168 269	168 269	168 269	157 539	159 920	159 318
Finance charges	44 140	42 264	43 772	36 179	34 179	34 179	38 539	53 891	65 876
Materials and bulk purchases	436 645	486 427	548 065	597 668	587 906	587 906	683 612	752 834	828 822
Transfers and grants	73	65 525	83 378	60 860	71 935	71 935	64 785	52 055	51 739
Other expenditure	651 958	636 477	634 793	857 068	823 803	823 803	893 487	912 127	962 331
Total Expenditure	1 784 301	1 915 735	2 023 860	2 379 689	2 315 375	2 315 375	2 496 428	2 610 483	2 777 773
Surplus/(Deficit)	(24 486)	(41 063)	42 951	(45 100)	23 134	23 134	30 518	12 626	(6 236)
Transfers and subsidies - capital (monetary allocations)	202 853	122 153	83 156	73 914	103 636	103 636	85 982	62 507	59 448
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	13 260	16 840	14 192	14 192	14 192	14 759	15 350	15 965
Surplus/(Deficit) after capital transfers & contributions	178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177
<u>Capital expenditure & funds sources</u>									
Capital expenditure	269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759
Transfers recognised - capital	196 288	113 833	56 450	67 624	97 293	97 293	79 360	46 768	55 518
Public contributions & donations	-	-	4 124	-	-	-	-	-	-
Borrowing	19 525	18 776	4 549	244 441	62 277	62 277	218 848	219 932	194 355
Internally generated funds	53 318	110 627	90 896	75 910	125 353	125 353	70 082	90 185	69 886
Total sources of capital funds	269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759
<u>Financial position</u>									
Total current assets	903 808	876 348	1 112 791	1 049 426	1 963 171	1 963 171	1 090 122	1 047 236	1 060 689
Total non current assets	3 029 799	3 130 836	3 123 641	3 514 441	3 462 337	3 462 337	3 487 180	3 696 601	3 855 746
Total current liabilities	437 448	413 529	499 723	1 270 884	874 781	874 781	656 593	649 157	752 769
Total non current liabilities	532 329	533 010	533 118	146 115	544 286	544 286	544 286	544 286	544 286
Community wealth/Equity	2 963 830	3 060 645	3 203 591	3 146 867	4 006 441	4 006 441	3 376 423	3 550 395	3 619 381
<u>Cash flows</u>									
Net cash from (used) operating	402 561	232 706	358 640	76 671	(58 016)	44 888	287 326	265 324	243 467
Net cash from (used) investing	(265 636)	(242 917)	(150 372)	(387 975)	(284 924)	(284 924)	(368 291)	(356 885)	(319 759)
Net cash from (used) financing	(24 581)	(44 969)	28 633	160 000	160 000	160 000	191 964	518 459	576 888
Cash/cash equivalents at the year end	617 784	562 604	799 506	648 202	616 566	719 470	1 043 985	1 470 883	1 971 480
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	617 784	562 604	799 506	491 947	1 585 491	1 585 491	774 763	753 613	791 243
Application of cash and investments	(439 842)	(419 828)	(516 153)	(1 036 289)	(690 557)	(690 557)	(516 384)	(313 959)	(268 015)
Balance - surplus (shortfall)	1 057 627	982 431	1 315 658	1 528 236	2 276 048	2 276 048	1 291 147	1 067 571	1 059 258
<u>Asset management</u>									
Asset register summary (WDV)	3 029 118	104 201	(5 071)	3 477 395	6 078 504	6 078 504	3 450 793	3 660 214	3 819 359
Depreciation	161 537	142 900	158 186	168 269	168 269	168 269	157 539	159 920	159 318
Renewal of Existing Assets	118 314	67 149	38 906	28 411	77 745	77 745	50 542	22 112	33 768
Repairs and Maintenance	66 327	47 594	72 592	74 616	72 430	72 430	76 097	68 024	70 672
<u>Free services</u>									
Cost of Free Basic Services provided	106 155	114 651	114 559	140 402	159 170	159 170	145 491	155 984	157 917
Revenue cost of free services provided	39 569	33 021	35 935	41 022	38 600	38 600	40 916	43 370	45 973
<u>Households below minimum service level</u>									
Water:	1	1	3	1	1	1	1	2	2
Sanitation/sewage:	-	1	1	-	-	-	-	-	-
Energy:	4	4	4	4	4	4	5	5	5
Refuse:	-	-	-	-	-	-	-	-	-

Table 20 – A2: Budgeted Financial Performance by standard classification

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		312 926	352 506	372 945	393 332	403 637	403 637	425 913	446 014	464 487
Executive and council		185	23	463	185	185	185	37	38	39
Finance and administration		312 740	352 044	372 482	393 147	403 453	403 453	425 876	445 976	464 448
Internal audit		0	439	-	-	-	-	-	-	-
<i>Community and public safety</i>		133 440	167 131	125 730	269 848	244 526	244 526	210 199	224 229	247 134
Community and social services		15 386	16 959	19 241	17 789	10 883	10 883	15 039	14 588	14 678
Sport and recreation		(3 084)	5 132	563	14 418	1 972	1 972	10 635	5 045	700
Public safety		79 708	93 443	75 395	78 293	78 552	78 552	79 177	80 593	82 205
Housing		41 369	51 504	30 512	159 264	153 035	153 035	105 267	123 923	149 471
Health		61	92	18	84	84	84	80	80	80
<i>Economic and environmental services</i>		388 509	344 080	464 724	423 596	445 649	445 649	479 859	427 524	441 638
Planning and development		9 559	11 663	8 096	11 302	11 059	11 059	11 228	11 309	11 503
Road transport		378 950	332 416	456 627	412 293	434 589	434 589	468 629	416 213	430 133
Environmental protection		1	1	2	2	2	2	2	2	2
<i>Trading services</i>		1 127 193	1 146 332	1 203 091	1 335 392	1 361 777	1 361 777	1 511 338	1 603 124	1 693 615
Energy sources		645 577	671 581	716 190	820 190	809 485	809 485	927 453	979 013	1 036 680
Water management		172 946	184 273	184 749	209 314	179 989	179 989	224 980	246 937	260 054
Waste water management		203 315	171 496	168 595	168 836	219 865	219 865	201 497	213 454	225 840
Waste management		105 354	118 981	133 557	137 052	152 439	152 439	157 408	163 719	171 042
<i>Other</i>	4	600	36	317	527	747	747	379	75	76
Total Revenue - Functional	2	1 962 668	2 010 085	2 166 806	2 422 695	2 456 337	2 456 337	2 627 687	2 700 966	2 846 951
Expenditure - Functional										
<i>Governance and administration</i>		290 596	318 979	315 243	389 289	376 249	376 249	405 948	437 293	466 955
Executive and council		58 093	65 252	48 364	80 234	76 687	76 687	78 267	80 404	83 703
Finance and administration		224 229	242 185	255 460	293 484	285 150	285 150	312 683	341 176	366 909
Internal audit		8 274	11 542	11 419	15 570	14 412	14 412	14 998	15 714	16 342
<i>Community and public safety</i>		267 020	314 125	278 281	412 771	402 017	402 017	374 804	399 671	432 100
Community and social services		47 256	50 656	53 115	62 726	56 494	56 494	60 064	61 094	62 937
Sport and recreation		25 342	30 698	31 695	36 393	34 579	34 579	35 213	34 744	35 716
Public safety		123 381	138 315	137 514	114 317	111 543	111 543	129 646	134 239	137 252
Housing		67 904	91 714	53 082	195 079	195 554	195 554	145 605	165 364	191 776
Health		3 138	2 743	2 873	4 255	3 846	3 846	4 275	4 231	4 420
<i>Economic and environmental services</i>		320 129	330 864	397 803	459 760	440 412	440 412	497 077	470 696	485 280
Planning and development		21 548	27 139	25 532	35 464	30 577	30 577	29 881	31 178	32 100
Road transport		296 819	302 132	370 858	421 669	407 264	407 264	464 605	436 672	450 291
Environmental protection		1 762	1 593	1 413	2 626	2 572	2 572	2 591	2 846	2 890
<i>Trading services</i>		896 850	937 967	1 017 697	1 102 314	1 081 195	1 081 195	1 202 418	1 286 760	1 376 729
Energy sources		505 423	541 826	611 509	675 043	664 213	664 213	789 000	859 262	937 646
Water management		120 101	112 808	138 477	134 396	130 950	130 950	128 079	129 492	133 294
Waste water management		182 161	169 416	184 588	197 867	195 146	195 146	198 263	209 013	214 038
Waste management		89 165	113 917	83 123	95 009	90 885	90 885	87 075	88 994	91 751
<i>Other</i>	4	9 706	13 800	14 837	15 556	15 503	15 503	16 181	16 062	16 708
Total Expenditure - Functional	3	1 784 301	1 915 735	2 023 860	2 379 689	2 315 375	2 315 375	2 496 428	2 610 483	2 777 773
Surplus/(Deficit) for the year		178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177

Table 21 – A3: Budgeted Financial Performance by municipal vote

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Revenue by Vote	1									
Vote 1 - Office of the Muncpal Manager		2 042	2 450	2 169	2 686	2 686	2 686	2 302	2 457	2 487
Vote 2 - Corporate Services		1 724	1 680	236	772	422	422	256	256	256
Vote 3 - Corporate Services (Continued)		2 225	2 806	3 200	2 630	2 512	2 512	1 833	2 015	1 241
Vote 4 - Community Services		14 281	16 649	18 661	17 239	10 581	10 581	14 768	13 721	13 946
Vote 5 - Community Services (Continued)		102 072	123 591	134 088	151 412	154 401	154 401	168 033	168 754	171 732
Vote 6 - Human Settlements		37 020	46 045	27 247	157 946	151 717	151 717	104 054	122 688	148 213
Vote 7 - Civil Engineering Services		382 302	365 806	396 005	385 015	406 614	406 614	439 635	464 361	488 364
Vote 8 - Electro-Technical Services		647 014	673 680	718 719	822 951	812 262	812 262	932 726	984 013	1 039 180
Vote 9 - Financial Services		290 541	323 136	353 009	368 976	379 641	379 641	399 324	420 971	443 932
Vote 10 - Financial Services (Continued)		4 925	4 861	5 009	4 892	4 892	4 892	4 966	5 102	5 187
Vote 11 - Planning and Development		20 191	28 641	14 652	20 708	20 685	20 685	20 543	20 379	20 634
Vote 12 - Protection Services		458 319	420 739	493 810	487 285	509 741	509 741	539 062	496 058	511 586
Vote 13 - Protection Services (Continued)		13	-	-	182	182	182	186	190	194
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 962 668	2 010 085	2 166 806	2 422 695	2 456 337	2 456 337	2 627 687	2 700 966	2 846 951
Expenditure by Vote to be appropriated	1									
Vote 1 - Office of the Muncpal Manager		84 376	98 535	84 364	120 440	119 533	119 533	119 194	124 003	129 159
Vote 2 - Corporate Services		29 424	31 797	33 736	36 879	35 035	35 035	35 084	36 326	37 261
Vote 3 - Corporate Services (Continued)		28 380	29 124	32 732	36 554	37 140	37 140	37 520	39 050	39 293
Vote 4 - Community Services		47 957	54 557	59 764	72 399	64 248	64 248	68 817	70 673	72 829
Vote 5 - Community Services (Continued)		103 552	130 939	100 125	113 854	108 312	108 312	105 113	105 920	108 937
Vote 6 - Human Settlements		64 909	85 457	47 765	185 852	181 586	181 586	131 678	151 037	177 162
Vote 7 - Civil Engineering Services		319 441	305 336	351 169	362 102	353 100	353 100	359 808	363 115	372 029
Vote 8 - Electro-Technical Services		522 216	561 037	631 381	700 014	689 223	689 223	814 207	886 442	966 042
Vote 9 - Financial Services		65 050	58 620	67 961	78 835	78 737	78 737	100 276	120 662	140 219
Vote 10 - Financial Services (Continued)		33 762	32 943	40 631	54 358	53 417	53 417	59 239	60 674	63 005
Vote 11 - Planning and Development		41 781	61 850	41 693	48 927	44 240	44 240	43 234	44 367	45 722
Vote 12 - Protection Services		443 225	465 111	532 076	568 728	550 059	550 059	621 469	607 389	625 262
Vote 13 - Protection Services (Continued)		228	429	464	746	746	746	788	824	854
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 784 301	1 915 735	2 023 860	2 379 689	2 315 375	2 315 375	2 496 428	2 610 483	2 777 773
Surplus/(Deficit) for the year	2	178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177

Table 22 – A4: Budgeted Financial Performance by revenue source and expenditure type

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Revenue By Source										
Property rates	2	235 054	270 173	302 109	311 989	321 989	321 989	341 309	361 789	383 496
Service charges - electricity revenue	2	603 332	624 705	675 646	771 756	758 629	758 629	875 458	927 691	984 587
Service charges - water revenue	2	117 657	129 256	136 925	141 357	132 038	132 038	145 866	154 185	165 264
Service charges - sanitation revenue	2	87 952	98 855	110 680	113 118	122 453	122 453	144 326	152 454	163 842
Service charges - refuse revenue	2	69 778	81 727	92 264	94 476	102 119	102 119	112 663	116 606	123 304
Rental of facilities and equipment		3 271	3 130	2 871	6 480	5 932	5 932	6 019	6 137	6 257
Interest earned - external investments		50 166	46 246	45 170	52 956	58 970	58 970	65 698	65 533	66 643
Interest earned - outstanding debtors		4 677	4 080	3 000	7 746	7 746	7 746	8 353	8 742	9 152
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		81 503	94 581	76 283	80 307	80 307	80 307	81 958	83 653	85 383
Licences and permits		2 742	22	-	3 695	3 795	3 795	3 869	3 943	4 020
Agency services		11 258	13 440	12 270	9 291	9 291	9 291	9 476	9 666	9 859
Transfers and subsidies		402 555	428 619	548 390	634 700	670 894	670 894	621 281	613 430	642 678
Other revenue	2	89 872	79 838	61 199	106 719	64 347	64 347	110 670	119 279	127 052
Gains		-	-	2	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 759 815	1 874 672	2 066 811	2 334 589	2 338 509	2 338 509	2 526 946	2 623 109	2 771 538
Expenditure By Type										
Employee related costs	2	468 428	520 124	533 150	634 506	604 144	604 144	632 295	652 176	680 835
Remuneration of councillors		21 519	22 017	22 516	25 140	25 140	25 140	26 171	27 479	28 853
Debt impairment	3	111 776	96 719	125 304	74 956	74 956	74 956	126 696	131 718	137 353
Depreciation & asset impairment	2	161 537	142 900	158 186	168 269	168 269	168 269	157 539	159 920	159 318
Finance charges		44 140	42 264	43 772	36 179	34 179	34 179	38 539	53 891	65 876
Bulk purchases	2	397 810	428 852	485 199	529 112	523 612	523 612	616 288	682 781	756 334
Other materials	8	38 835	57 574	62 866	68 556	64 294	64 294	67 324	70 053	72 487
Contracted services		448 956	419 779	418 312	615 286	604 473	604 473	598 788	613 647	654 395
Transfers and subsidies		73	65 525	83 378	60 860	71 935	71 935	64 785	52 055	51 739
Other expenditure	4, 5	88 463	119 270	89 701	166 112	143 660	143 660	167 304	166 063	169 883
Losses		2 763	709	1 476	715	715	715	700	700	700
Total Expenditure		1 784 301	1 915 735	2 023 860	2 379 689	2 315 375	2 315 375	2 496 428	2 610 483	2 777 773
Surplus/(Deficit)		(24 486)	(41 063)	42 951	(45 100)	23 134	23 134	30 518	12 626	(6 236)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		202 853	122 153	83 156	73 914	103 636	103 636	85 982	62 507	59 448
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	13 260	12 716	14 192	14 192	14 192	14 759	15 350	15 965
Transfers and subsidies - capital (in-kind - all)		-	-	4 124	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177

Table 23 – A5: Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Office of the Municipal Manager	-	-	-	200	49	49	50	52	50
Vote 2 - Corporate Services	13	-	-	-	-	-	-	-	900
Vote 3 - Corporate Services (Continued)	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	954	98	371	474	474	-	1 000	250
Vote 5 - Community Services (Continued)	-	9 475	5 007	2 235	302	302	959	669	1 900
Vote 6 - Human Settlements	-	-	-	1 050	1 464	1 464	2 250	3 759	5 295
Vote 7 - Civil Engineering Services	100 832	122 630	69 903	26 543	74 024	74 024	76 602	82 890	59 408
Vote 8 - Electro-Technical Services	4 132	19 587	10 679	28 701	12 761	12 761	30 652	13 695	5 520
Vote 9 - Financial Services	-	-	-	-	-	-	-	-	-
Vote 10 - Financial Services (Continued)	713	4 082	-	500	640	640	250	250	250
Vote 11 - Planning and Development	-	-	-	925	525	525	700	3 300	5 000
Vote 12 - Protection Services	13 682	-	-	17 256	582	582	12 994	7 250	13 735
Vote 13 - Protection Services (Continued)	-	-	-	-	-	-	-	-	-
Vote 14 - 0	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	119 372	156 729	85 686	77 780	90 821	90 821	124 458	112 865	92 308
Single-year expenditure to be appropriated									
Vote 1 - Office of the Municipal Manager	959	866	697	1 486	2 746	2 746	61	90	40
Vote 2 - Corporate Services	1 289	1 256	1 500	3 850	1 784	1 784	2 730	4 140	2 135
Vote 3 - Corporate Services (Continued)	-	142	197	892	402	402	-	847	200
Vote 4 - Community Services	4 558	2 223	1 191	6 088	5 265	5 265	1 067	1 745	2 368
Vote 5 - Community Services (Continued)	14 911	8 356	2 233	21 191	11 450	11 450	22 003	14 176	7 796
Vote 6 - Human Settlements	819	2 007	3 905	2 972	2 903	2 903	800	2 011	1 471
Vote 7 - Civil Engineering Services	80 213	31 886	29 762	208 137	105 192	105 192	180 314	158 408	137 229
Vote 8 - Electro-Technical Services	27 742	26 742	17 785	44 230	42 469	42 469	29 616	48 997	63 490
Vote 9 - Financial Services	379	236	688	1 214	1 108	1 108	364	200	250
Vote 10 - Financial Services (Continued)	2 443	976	237	1 722	2 197	2 197	225	100	-
Vote 11 - Planning and Development	1 806	1 283	2 551	2 067	1 833	1 833	343	3 264	4 583
Vote 12 - Protection Services	14 641	10 519	9 585	15 744	16 702	16 702	6 310	9 541	7 890
Vote 13 - Protection Services (Continued)	-	16	-	604	53	53	-	500	-
Vote 14 - 0	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	149 760	86 507	70 332	310 195	194 103	194 103	243 833	244 019	227 451
Total Capital Expenditure - Vote	269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759

Table 23 – A5: Budgeted Capital Expenditure by vote, standard classification and funding (continue)

Vote Description R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional									
<i>Governance and administration</i>	5 803	9 559	5 928	7 911	12 448	12 448	2 350	2 986	2 427
Executive and council	630	564	76	978	1 073	1 073	–	–	–
Finance and administration	5 174	8 928	5 824	6 812	11 300	11 300	2 320	2 956	2 397
Internal audit	–	67	29	122	75	75	30	30	30
<i>Community and public safety</i>	15 410	19 270	14 639	45 651	28 972	28 972	29 933	28 067	27 575
Community and social services	3 452	3 403	2 638	10 457	7 689	7 689	4 284	5 835	3 678
Sport and recreation	8 847	4 777	871	19 811	5 959	5 959	16 174	8 431	6 036
Public safety	1 608	10 303	7 246	13 132	13 079	13 079	6 585	7 855	10 480
Housing	1 504	532	3 811	2 106	2 136	2 136	2 630	5 686	7 131
Health	–	255	74	145	108	108	260	260	250
<i>Economic and environmental services</i>	129 025	89 733	58 448	48 858	90 605	90 605	57 848	41 149	50 571
Planning and development	330	535	550	1 484	1 067	1 067	846	5 792	8 953
Road transport	128 695	89 199	57 897	46 704	88 868	88 868	57 002	35 357	41 618
Environmental protection	–	–	–	670	670	670	–	–	–
<i>Trading services</i>	118 807	124 525	76 531	284 148	151 708	151 708	277 963	283 910	238 557
Energy sources	31 873	46 330	28 465	72 931	55 230	55 230	60 269	62 692	69 010
Water management	29 168	18 067	23 786	108 976	15 668	15 668	74 704	66 126	121 879
Waste water management	49 124	48 726	17 687	96 824	73 180	73 180	135 360	147 244	42 340
Waste management	8 642	11 402	6 594	5 418	7 630	7 630	7 630	7 848	5 328
<i>Other</i>	85	148	472	1 408	1 191	1 191	197	772	630
Total Capital Expenditure - Functional	269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759
Funded by:									
National Government	148 511	107 813	52 954	66 892	96 561	96 561	79 360	46 768	55 518
Provincial Government	47 777	6 020	3 496	732	732	732	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	196 288	113 833	56 450	67 624	97 293	97 293	79 360	46 768	55 518
Public contributions & donations	–	–	4 124	–	–	–	–	–	–
Borrowing	19 525	18 776	4 549	244 441	62 277	62 277	218 848	219 932	194 355
Internally generated funds	53 318	110 627	90 896	75 910	125 353	125 353	70 082	90 185	69 886
Total Capital Funding	269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759

Table 24 – A6: Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSETS										
Current assets										
Cash		617 784	562 604	652 506	491 947	1 438 491	1 438 491	627 763	753 613	791 243
Call investment deposits	1	–	–	147 000	–	147 000	147 000	147 000	–	–
Consumer debtors	1	102 309	122 644	134 082	400 325	74 021	74 021	71 919	53 689	35 671
Other debtors		41 222	64 306	57 147	37 501	117 260	117 260	66 259	59 354	52 254
Current portion of long-term receivables		161	229	166	1 039	7 677	7 677	3 839	3 914	3 914
Inventory	2	142 331	126 566	121 891	118 614	178 721	178 721	173 342	176 666	177 607
Total current assets		903 808	876 348	1 112 791	1 049 426	1 963 171	1 963 171	1 090 122	1 047 236	1 060 689
Non current assets										
Long-term receivables		681	508	255	37 045	72 775	72 775	36 387	36 387	36 387
Investments		–	–	–	–	–	–	–	–	–
Investment property		152 152	151 983	144 399	151 944	288 614	288 614	144 361	144 699	145 287
Investment in Associate		–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	2 875 611	2 974 338	2 977 289	3 317 929	3 089 079	3 089 079	3 299 424	3 504 884	3 657 713
Agricultural		–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–
Intangible		1 355	2 137	1 698	3 287	3 397	3 397	2 772	6 395	12 122
Other non-current assets		–	1 871	–	4 236	8 472	8 472	4 236	4 236	4 236
Total non current assets		3 029 799	3 130 836	3 123 641	3 514 441	3 462 337	3 462 337	3 487 180	3 696 601	3 855 746
TOTAL ASSETS		3 933 607	4 007 184	4 236 432	4 563 866	5 425 508	5 425 508	4 577 302	4 743 838	4 916 435
LIABILITIES										
Current liabilities										
Bank overdraft	1	–	–	–	–	–	–	–	–	–
Borrowing	4	44 339	35 636	41 219	481 429	151 394	151 394	125 659	263 638	357 161
Consumer deposits		27 168	27 597	29 652	46 946	79 320	79 320	58 560	68 560	79 060
Trade and other payables	4	308 380	276 272	334 934	566 429	432 277	432 277	346 235	168 458	148 023
Provisions		57 561	74 024	93 918	176 080	211 790	211 790	126 139	148 501	168 525
Total current liabilities		437 448	413 529	499 723	1 270 884	874 781	874 781	656 593	649 157	752 769
Non current liabilities										
Borrowing		293 656	258 023	281 329	3 438	292 497	292 497	292 497	292 497	292 497
Provisions		238 673	274 988	251 789	142 677	251 789	251 789	251 789	251 789	251 789
Total non current liabilities		532 329	533 010	533 118	146 115	544 286	544 286	544 286	544 286	544 286
TOTAL LIABILITIES		969 777	946 539	1 032 841	1 416 999	1 419 067	1 419 067	1 200 879	1 193 443	1 297 054
NET ASSETS	5	2 963 830	3 060 645	3 203 591	3 146 867	4 006 441	4 006 441	3 376 423	3 550 395	3 619 381
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		2 900 889	2 999 056	3 145 824	3 017 928	3 800 535	3 800 535	3 196 491	3 435 463	3 569 449
Reserves	4	62 941	61 589	57 767	128 939	205 907	205 907	179 932	114 932	49 932
TOTAL COMMUNITY WEALTH/EQUITY	5	2 963 830	3 060 645	3 203 591	3 146 867	4 006 441	4 006 441	3 376 423	3 550 395	3 619 381

Table 25 – A7: Budgeted Cash Flow

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		230 345	278 983	300 797	408 511	404 428	404 428	420 988	457 766	480 959
Service charges		833 199	941 562	1 015 450	1 119 918	1 119 918	1 119 918	1 268 059	1 340 149	1 423 647
Other revenue		127 463	83 211	37 430	81 721	38 972	38 972	86 824	95 098	102 529
Transfers and Subsidies - Operational	1	444 164	506 089	675 703	634 600	669 592	669 592	621 281	613 430	642 678
Transfers and Subsidies - Capital	1	156 606	–	–	73 182	–	102 904	85 982	62 507	59 448
Interest		50 166	46 246	49 932	3 924	13 905	13 905	15 685	14 519	14 609
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		(1 396 153)	(1 516 228)	(1 593 778)	(2 245 184)	(2 304 831)	(2 304 831)	(2 108 169)	(2 212 199)	(2 362 788)
Finance charges		(43 154)	(41 631)	(43 516)	–	–	–	(38 539)	(53 891)	(65 876)
Transfers and Grants	1	(73)	(65 525)	(83 378)	–	–	–	(64 785)	(52 055)	(51 739)
NET CASH FROM/(USED) OPERATING ACTIVITIES		402 561	232 706	358 640	76 671	(58 016)	44 888	287 326	265 324	243 467
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		2 285	220	1 240	–	–	–	–	–	–
Decrease (increase) in non-current receivables		55	99	283	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–
Payments										
Capital assets		(267 976)	(243 236)	(151 895)	(387 975)	(284 924)	(284 924)	(368 291)	(356 885)	(319 759)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(265 636)	(242 917)	(150 372)	(387 975)	(284 924)	(284 924)	(368 291)	(356 885)	(319 759)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	69 865	160 000	160 000	160 000	11 070	182 800	134 750
Increase (decrease) in consumer deposits		–	–	–	–	–	–	9 500	10 000	10 500
Payments										
Repayment of borrowing		(24 581)	(44 969)	(41 232)	–	–	–	171 394	325 659	431 638
NET CASH FROM/(USED) FINANCING ACTIVITIES		(24 581)	(44 969)	28 633	160 000	160 000	160 000	191 964	518 459	576 888
NET INCREASE/ (DECREASE) IN CASH HELD		112 344	(55 181)	236 902	(151 304)	(182 940)	(80 035)	110 999	426 898	500 597
Cash/cash equivalents at the year begin:	2	505 441	617 784	562 604	799 506	799 506	799 506	932 986	1 043 985	1 470 883
Cash/cash equivalents at the year end:	2	617 784	562 604	799 506	648 202	616 566	719 470	1 043 985	1 470 883	1 971 480

Table 26 – A8: Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	617 784	562 604	799 506	648 202	616 566	719 470	(2 930 164)	1 043 985	1 470 883	1 971 480
Other current investments > 90 days		(0)	0	–	(156 255)	968 925	866 021	3 059 059	(269 222)	(717 271)	(1 180 237)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		617 784	562 604	799 506	491 947	1 585 491	1 585 491	128 895	774 763	753 613	791 243
Application of cash and investments											
Unspent conditional transfers		(75 144)	(44 623)	(93 467)	(88 750)	(74 764)	(74 764)	(213 938)	(74 764)	(74 764)	(74 764)
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(364 640)	(406 243)	(417 409)	(947 539)	(615 793)	(615 793)	48 934	(441 620)	(239 195)	(193 252)
Other provisions		(59)	31 039	(5 276)	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		(439 842)	(419 828)	(516 153)	(1 036 289)	(690 557)	(690 557)	(165 005)	(516 384)	(313 959)	(268 015)
Surplus(shortfall)		1 057 627	982 431	1 315 658	1 528 236	2 276 048	2 276 048	293 900	1 291 147	1 067 571	1 059 258

Table 27 – A9: Asset Management

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	150 818	121 330	75 736	249 423	119 410	119 410	171 250	155 394	198 034
Roads Infrastructure		38 432	13 572	8 665	3 932	6 906	6 906	-	1 500	7 408
Storm water Infrastructure		118	225	400	500	500	500	300	300	300
Electrical Infrastructure		23 132	41 032	21 700	62 826	38 721	38 721	51 274	53 607	60 160
Water Supply Infrastructure		21 230	7 974	5 940	84 518	6 715	6 715	46 989	23 244	77 279
Sanitation Infrastructure		20 700	8 855	7 077	15 966	7 723	7 723	29 450	33 670	22 250
Solid Waste Infrastructure		213	9 475	5 007	2 400	2 486	2 486	1 500	1 000	1 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		10 303	1 170	1 211	3 933	4 000	4 000	1 320	1 390	1 490
Infrastructure		114 129	82 304	50 000	174 074	67 051	67 051	130 833	114 711	169 887
Community Facilities		75	2 263	948	4 420	3 920	3 920	2 009	3 455	2 450
Sport and Recreation Facilities		3 804	2 687	343	16 168	1 932	1 932	13 328	6 170	2 100
Community Assets		3 879	4 950	1 291	20 588	5 852	5 852	15 337	9 625	4 550
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	300	300	300	-	500	750
Non-revenue Generating		1 131	-	-	-	-	-	50	250	-
Investment properties		1 131	-	-	300	300	300	50	750	750
Operational Buildings		1 152	4 685	2 440	7 997	7 660	7 660	4 390	4 527	1 750
Housing		-	-	-	-	-	-	-	2 250	1 000
Other Assets		1 152	4 685	2 440	7 997	7 660	7 660	4 390	6 777	2 750
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		983	1 328	-	1 200	705	705	550	130	100
Intangible Assets		983	1 328	-	1 200	705	705	550	130	100
Computer Equipment		3 238	6 512	1 827	4 044	5 624	5 624	1 598	1 248	1 107
Furniture and Office Equipment		2 409	1 822	1 002	2 028	1 032	1 032	578	1 241	1 168
Machinery and Equipment		22 095	9 807	5 685	14 637	15 673	15 673	11 804	8 707	7 023
Transport Assets		1 802	9 921	13 491	24 556	15 513	15 513	6 110	12 205	9 700
Land		-	-	-	-	-	-	-	-	1 000
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	118 314	67 149	38 906	28 411	77 745	77 745	50 542	22 112	33 768
Roads Infrastructure		71 132	57 627	36 858	15 611	67 262	67 262	41 332	15 497	23 858
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		6 393	2 631	920	1 400	3 145	3 145	2 450	50	100
Water Supply Infrastructure		5 444	5 828	375	6 250	2 980	2 980	3 700	6 200	8 200
Sanitation Infrastructure		25 566	240	199	3 000	2 668	2 668	250	270	290
Solid Waste Infrastructure		2 286	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		110 822	66 326	38 352	26 261	76 055	76 055	47 732	22 017	32 448
Community Facilities		961	754	553	2 000	1 400	1 400	2 250	-	300
Sport and Recreation Facilities		5 509	-	-	-	-	-	540	-	1 000
Community Assets		6 470	754	553	2 000	1 400	1 400	2 790	-	1 300
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 022	69	-	100	100	100	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1 022	69	-	100	100	100	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	50	190	190	20	20	20
Furniture and Office Equipment		-	-	-	-	-	-	-	75	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Table 27 – A9: Asset Management (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
CAPITAL EXPENDITURE										
<u>Total Upgrading of Existing Assets</u>	6	-	54 758	41 377	110 141	87 768	87 768	146 499	179 379	87 957
Roads Infrastructure		-	7 606	7 762	8 000	10 602	10 602	15 860	14 450	14 850
Storm water Infrastructure		-	2 231	3 360	3 000	28 470	28 470	3 000	22 014	6 000
Electrical Infrastructure		-	3 371	2 777	2 220	3 991	3 991	2 250	5 100	5 700
Water Supply Infrastructure		-	3 368	16 057	16 655	4 853	4 853	19 905	34 203	35 500
Sanitation Infrastructure		-	34 845	4 383	73 001	32 591	32 591	101 000	97 450	19 790
Solid Waste Infrastructure		-	-	495	300	300	300	-	1 400	500
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	51 421	34 835	103 176	80 808	80 808	142 015	174 617	82 340
Community Facilities		-	1 038	4 539	3 226	3 176	3 176	1 950	1 850	2 315
Sport and Recreation Facilities		-	1 625	292	675	968	968	1 034	1 099	1 190
Community Assets		-	2 663	4 831	3 901	4 145	4 145	2 984	2 949	3 505
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	665	1 709	2 839	2 815	2 815	1 150	1 460	1 460
Housing		-	-	-	-	-	-	350	350	650
Other Assets		-	665	1 709	2 839	2 815	2 815	1 500	1 810	2 110
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	9	2	225	-	-	-	2	2
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759
Roads Infrastructure		109 565	78 805	53 285	27 543	84 771	84 771	57 192	31 447	46 116
Storm water Infrastructure		118	2 456	3 760	3 500	28 970	28 970	3 300	22 314	6 300
Electrical Infrastructure		29 525	47 034	25 397	66 446	45 857	45 857	55 974	58 757	65 960
Water Supply Infrastructure		26 675	17 170	22 372	107 423	14 548	14 548	70 594	63 647	120 979
Sanitation Infrastructure		46 266	43 940	11 659	91 968	42 983	42 983	130 700	131 390	42 330
Solid Waste Infrastructure		2 499	9 475	5 502	2 700	2 786	2 786	1 500	2 400	1 500
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		10 303	1 170	1 211	3 933	4 000	4 000	1 320	1 390	1 490
Infrastructure		224 950	200 050	123 187	303 512	223 915	223 915	320 580	311 346	284 675
Community Facilities		1 036	4 055	6 040	9 646	8 496	8 496	6 209	5 305	5 065
Sport and Recreation Facilities		9 313	4 312	635	16 843	2 900	2 900	14 902	7 270	4 290
Community Assets		10 350	8 367	6 675	26 489	11 396	11 396	21 111	12 575	9 355
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	300	300	300	-	500	750
Non-revenue Generating		1 131	-	-	-	-	-	50	250	-
Investment properties		1 131	-	-	300	300	300	50	750	750
Operational Buildings		2 174	5 419	4 149	10 936	10 575	10 575	5 540	5 987	3 210
Housing		-	-	-	-	-	-	350	2 600	1 650
Other Assets		2 174	5 419	4 149	10 936	10 575	10 575	5 890	8 587	4 860
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		983	1 328	-	1 200	705	705	550	130	100
Intangible Assets		983	1 328	-	1 200	705	705	550	130	100
Computer Equipment		3 238	6 512	1 827	4 094	5 814	5 814	1 618	1 268	1 127
Furniture and Office Equipment		2 409	1 831	1 004	2 253	1 032	1 032	578	1 318	1 170
Machinery and Equipment		22 095	9 807	5 685	14 637	15 673	15 673	11 804	8 707	7 023
Transport Assets		1 802	9 921	13 491	24 556	15 513	15 513	6 110	12 205	9 700
Land		-	-	-	-	-	-	-	-	1 000
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759

Table 27 – A9: Asset Management (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5	3 029 118	104 201	(5 071)	3 477 395	6 078 504	6 078 504	3 450 793	3 660 214	3 819 359
Roads Infrastructure		568 739	146 188	36 995	920 051	1 826 185	1 826 185	991 874	980 861	979 720
Storm water Infrastructure		-	(1 557)	(1 426)	7 150	(7 250)	(7 250)	17 955	31 821	28 669
Electrical Infrastructure		311 578	7 038	(4 043)	315 967	474 541	474 541	308 008	350 613	397 202
Water Supply Infrastructure		316 099	30 391	(22 854)	409 399	543 192	543 192	317 670	351 853	440 704
Sanitation Infrastructure		306 521	(10 480)	(13 062)	281 903	333 861	333 861	311 328	415 839	432 641
Solid Waste Infrastructure		9 027	(1 943)	3 578	30 468	66 281	66 281	34 669	35 826	36 079
Rail Infrastructure		-	-	-	450	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		24 842	(1 208)	-	3 261	-	-	3 716	5 006	6 496
Infrastructure		1 536 805	168 428	(813)	1 968 648	3 236 810	3 236 810	1 985 220	2 171 818	2 321 510
Community Assets		97 116	(70 071)	24 832	124 745	231 549	231 549	143 073	162 637	173 246
Heritage Assets		4 236	-	-	4 236	8 472	8 472	4 236	4 236	4 236
Investment properties		152 152	(169)	(7 591)	151 944	288 614	288 614	144 361	144 699	145 287
Other Assets		998 761	2 680	(17 208)	789 510	1 577 995	1 577 995	791 943	793 259	792 514
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		1 355	756	(438)	3 287	3 397	3 397	2 772	6 395	12 122
Computer Equipment		-	3 298	(1 368)	1 555	(3 919)	(3 919)	958	100	(203)
Furniture and Office Equipment		13 678	1 315	1 067	(1 071)	(4 290)	(4 290)	(2 878)	(2 412)	(1 338)
Machinery and Equipment		47 335	4 254	(4 569)	(481 019)	(1 092 818)	(1 092 818)	(530 436)	(526 880)	(524 831)
Transport Assets		177 679	(5 530)	(5 037)	(5 210)	(20 953)	(20 953)	(15 280)	(20 462)	(30 009)
Land		-	(758)	6 054	920 770	1 853 648	1 853 648	926 824	926 824	926 824
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	3 029 118	104 201	(5 071)	3 477 395	6 078 504	6 078 504	3 450 793	3 660 214	3 819 359
EXPENDITURE OTHER ITEMS										
Depreciation	7	161 537	142 900	158 186	168 269	168 269	168 269	157 539	159 920	159 318
Repairs and Maintenance by Asset Class	3	66 327	47 594	72 592	74 616	72 430	72 430	76 097	68 024	70 672
Roads Infrastructure		28 674	15 443	32 124	19 584	20 454	20 454	29 434	20 267	20 708
Storm water Infrastructure		3 500	5 342	3 484	4 079	3 559	3 559	3 749	3 960	4 151
Electrical Infrastructure		5 951	6 369	7 655	10 001	9 201	9 201	9 908	10 497	11 099
Water Supply Infrastructure		11 300	9 315	10 970	15 694	14 354	14 354	8 620	8 146	8 157
Sanitation Infrastructure		6 504	5 415	6 918	10 831	9 361	9 361	9 650	10 221	10 821
Solid Waste Infrastructure		-	144	65	500	290	290	-	-	-
Rail Infrastructure		289	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		56 217	42 027	61 216	60 688	57 218	57 218	61 361	53 091	54 937
Community Facilities		-	-	4 488	5 693	5 579	5 579	5 618	5 425	5 751
Sport and Recreation Facilities		56	30	1 825	2 052	1 714	1 714	1 817	1 927	2 043
Community Assets		56	30	6 313	7 744	7 293	7 293	7 435	7 352	7 794
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	171	318	124	124	131	139	147
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	171	318	124	124	131	139	147
Operational Buildings		688	1 037	1 433	1 302	2 022	2 022	2 012	2 272	2 409
Housing		-	-	-	-	-	-	-	-	-
Other Assets		688	1 037	1 433	1 302	2 022	2 022	2 012	2 272	2 409
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1	1	0	9	9	9	9	9	9
Machinery and Equipment		1 921	3 261	2 002	2 906	4 216	4 216	3 508	3 422	3 531
Transport Assets		7 444	1 237	1 458	1 648	1 548	1 548	1 641	1 740	1 845
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		227 864	190 493	230 778	242 885	240 699	240 699	233 636	227 944	229 989
Renewal and upgrading of Existing Assets as % of total capex		44,0%	50,1%	51,5%	35,7%	58,1%	58,1%	53,5%	56,5%	38,1%
Renewal and upgrading of Existing Assets as % of deprecn		73,2%	85,3%	50,8%	82,3%	98,4%	98,4%	125,1%	126,0%	76,4%
R&M as a % of PPE		2,3%	1,6%	2,4%	2,2%	2,3%	2,3%	2,3%	1,9%	1,9%
Renewal and upgrading and R&M as a % of PPE		6,0%	163,0%	-3015,0%	6,0%	4,0%	4,0%	8,0%	7,0%	5,0%

Table 28 – A10: Basic Service delivery measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets	1									
Water:										
Piped water inside dwelling		40 056	38 677	39 340	43 770	43 770	43 770	45 083	46 435	47 828
Piped water inside yard (but not in dwelling)		18 122	21 319	17 877	19 802	19 802	19 802	20 396	21 008	21 638
Using public tap (at least min.service level)	2	3 362	3 399	6 284	3 674	3 674	3 674	3 784	3 898	4 015
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		61 540	63 395	63 501	67 246	67 246	67 246	69 263	71 341	73 481
Using public tap (< min.service level)	3	193	74	74	211	211	211	215	221	227
Other water supply (< min.service level)	4	328	46	46	358	358	358	368	379	390
No water supply		796	995	2 629	870	870	870	898	925	953
<i>Below Minimum Service Level sub-total</i>		1 317	1 115	2 749	1 439	1 439	1 439	1 481	1 525	1 570
Total number of households	5	62 857	64 510	66 250	68 685	68 685	68 685	70 744	72 866	75 051
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		52 325	53 275	50 372	61 149	61 149	61 149	62 983	64 872	66 818
Flush toilet (with septic tank)		5 370	5 589	5 713	6 275	6 275	6 275	6 463	6 657	6 857
Chemical toilet		1 185	18	18	1 385	1 385	1 385	1 426	1 469	1 513
Pit toilet (ventilated)		–	811	811	–	–	–	–	–	–
Other toilet provisions (> min.service level)		4 625	3 525	8 099	5 405	5 405	5 405	5 567	5 734	5 906
<i>Minimum Service Level and Above sub-total</i>		63 505	63 218	65 013	74 214	74 214	74 214	76 439	78 732	81 094
Bucket toilet		–	155	155	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	812	812	–	–	–	–	–	–
No toilet provisions		–	325	270	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	1 292	1 237	–	–	–	–	–	–
Total number of households	5	63 505	64 510	66 250	74 214	74 214	74 214	76 439	78 732	81 094
Energy:										
Electricity (at least min.service level)		1 143	1 023	648	1 336	1 336	1 336	1 376	1 417	1 459
Electricity - prepaid (min.service level)		41 801	43 220	45 918	48 850	48 850	48 850	50 315	51 824	53 379
<i>Minimum Service Level and Above sub-total</i>		42 944	44 243	46 566	50 186	50 186	50 186	51 691	53 242	54 838
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		3 786	3 976	4 174	4 425	4 425	4 425	4 557	4 694	4 835
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		3 786	3 976	4 174	4 425	4 425	4 425	4 557	4 694	4 835
Total number of households	5	46 730	48 219	50 740	54 611	54 611	54 611	56 248	57 935	59 673
Refuse:										
Removed at least once a week		57 557	60 435	62 722	67 264	67 264	67 264	70 627	72 746	74 928
<i>Minimum Service Level and Above sub-total</i>		57 557	60 435	62 722	67 264	67 264	67 264	70 627	72 746	74 928
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	57 557	60 435	62 722	67 264	67 264	67 264	70 627	72 746	74 928
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		15 532	15 832	15 463	15 000	15 000	15 000	15 450	15 913	16 390
Sanitation (free minimum level service)		15 213	15 832	14 720	15 000	15 000	15 000	15 450	15 913	16 390
Electricity/other energy (50kwh per household per month)		19 376	20 233	15 463	15 000	15 000	15 000	15 450	15 913	16 390
Refuse (removed at least once a week)		15 298	15 558	14 853	15 000	15 000	15 000	15 450	15 913	16 390
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		24 464	22 194	16 405	34 558	39 177	39 177	35 811	38 393	38 869
Sanitation (free sanitation service to indigent households)		34 524	36 088	38 858	42 378	48 043	48 043	43 914	47 081	47 665
Electricity/other energy (50kwh per indigent household per month)		17 854	19 813	22 689	23 395	26 522	26 522	24 243	25 991	26 314
Refuse (removed once a week for indigent households)		26 071	33 313	36 608	40 071	45 427	45 427	41 523	44 518	45 070
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		3 243	3 243	–	–	–	–	–	–	–
Total cost of FBS provided		106 155	114 651	114 559	140 402	159 170	159 170	145 491	155 984	157 917
Highest level of free service provided per household										
Property rates (R value threshold)		150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		172	203	220	240	240	240	251	266	282
Electricity (kwh per household per month)		70	70	70	70	70	70	70	70	70
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		39 569	33 021	35 935	41 022	38 600	38 600	40 916	43 370	45 973
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	6	39 569	33 021	35 935	41 022	38 600	38 600	40 916	43 370	45 973

Part 2 – Supporting documentation

2.1 - Disclosure on implementation of the MFMA & other applicable legislation

Municipal Finance Management Act – No 56 of 2003

The MFMA became effective on 1st July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. George has been designated as a high capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

2.2 – The budget preparation process

2.2.1 – Overview

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs.

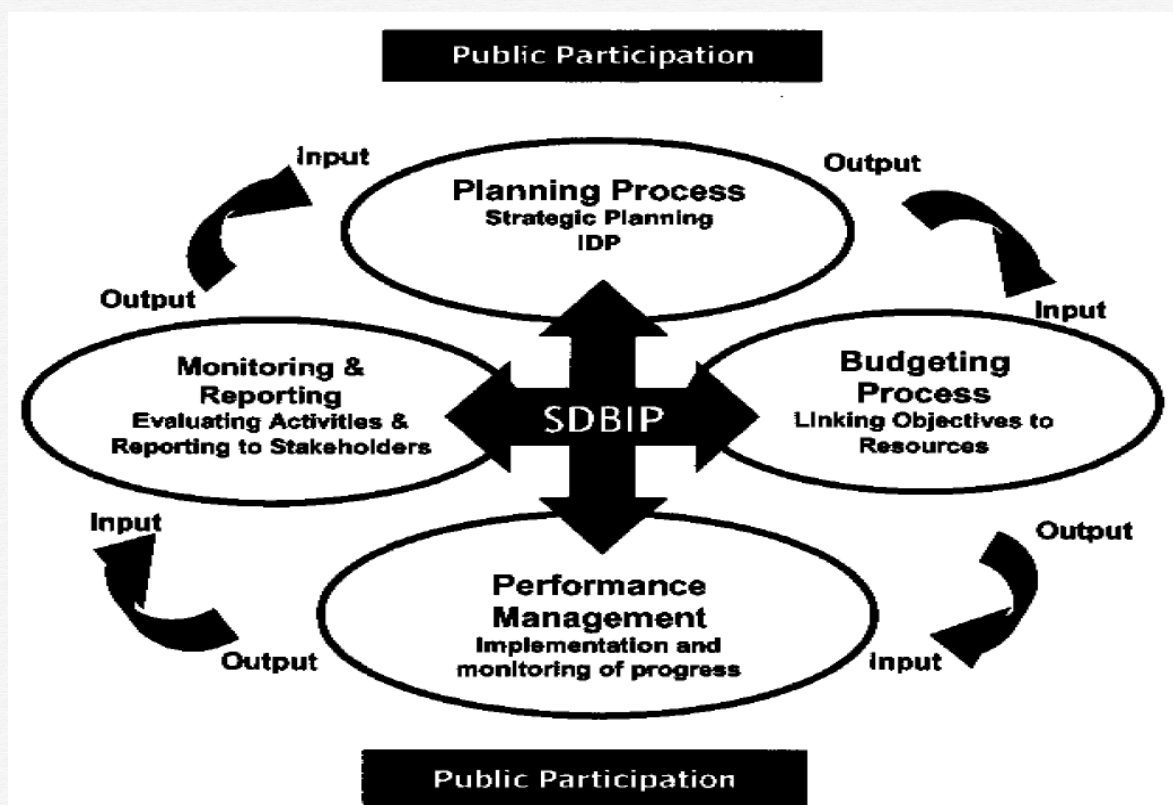
The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

2.2.2 – Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in George Municipality.



In terms of Section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

Table 29 – Schedule of Key Deadlines relating to the budget process

IDP AND BUDGET TIME SCHEDULE OF KEY DEADLINES – 2020/2021 FOR IMPLEMENTATION 2021/2022 FINANCIAL YEAR

Nr.	DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBILITY	OUTPUT	DATE
PREPARATION PHASE				
1	Development of IDP & Budget Time Schedule including internal consultations with key stakeholders	IDP, Planning & Budget Offices	Approved IDP and Budget Time Schedule	July-August 2020
2	District IDP Managers' Forum: Working Session on uniform guidelines for IDP Review	IDP Office		August 2020
3	COUNCIL MEETING: Adoption of the IDP & Budget Time Schedule	Council		August 2020
4	Advertise/ make public the adopted Time Schedule	IDP Office		September 2020
5	Submit the adopted Time Schedule to the MEC for Local Government	IDP Office		September 2020
6	District IDP Managers Forum			September 2020
7	Provincial IDP Managers Forum	IDP Office		September 2020
8	IGR Co-ordination Engagements: Technical Integrated Municipal Engagements (TIME)	Western Cape Government, IDP Office, MM and All Directors		October 2020
ANALYSIS PHASE				
9	First round of public participation with all the 27 ward committees: <ul style="list-style-type: none">To provide feedback on progress made on existing projects and share information on future projects; andTo afford the ward committees an opportunity to review ward priorities and make further submissions Media & Awareness Campaign to encourage public and sector participation in the IDP/Budget process under the new Covid 19 circumstances.	IDP Office & ALL Directors	Determine and assess the current level of development and the emerging challenges, opportunities and priority issues	October/November 2020
10	Prepare a report on the outcomes of the public participation process and present it to the IDP and	IDP Office		November 2020

	Budget Steering Committee and submit same to the Provincial Department of Local Government			
11	IDP and Budget Steering Committee Meeting	Executive Mayor		November 2020
12	District IDP Managers' Forum	IDP Office		November 2020
13	Provincial IDP Managers Forum	IDP Office		December 2020
14	Produce an updated situational analysis Chapter of the IDP (informed by new trends, sources of information and new information from Directorates)	IDP Office		November 2020 – January 2021
	STRATEGY PHASE			
15	IDP and Budget Steering Committee: Directors present priority issues/proposed projects	IDP& Budget Steering Committee	Develop objectives for priority issues and determine programmes to achieve strategic intent including the development of the Strategic Scorecard	February 2021
16	Mid-year budget and performance assessment visit	IDP Office, MM and All Directors		February 2021
17	Produce and outline Budget strategy with high level estimates	Budget Office		February 2021
18	Review tariffs and budget policies	CFO		February - May 2021
19	District IDP Managers' Forum: Focusing on the finalisation of all of the B-municipalities' draft reviewed IDPs	IDP Office		February 2021
20	Review / confirm the Municipal Vision, Mission, Strategic Goals and Values	IDP& Budget Steering Committee		February 2021
21	Setting up of Key Performance Indicators and targets linked to the municipal strategic objectives including predetermined objectives	IDP Office		February 2021
	PROJECT PHASE			
22	IGR Co-ordination Engagements: Technical Integrated Municipal Engagements (TIME)	Sector Departments, IDP Office, MM and All Directors		February- March 2021

23	Finalisation of the draft IDP and Budget	IDP/Budget Office		February – March 2021
24	Co-ordinate the development of draft 2021/22 SDBIP <ul style="list-style-type: none">One on one with all Directorates to confirm KPIs and performance targets	IDP/Budget Office		March 2021
	INTEGRATION PHASE			
25	Incorporating the outcomes of the TIME in the Draft IDP	IDP Office	Incorporate programmes and projects in the IDP	February - March 2021
26	Provincial IDP Managers Forum	IDP Office		March 2021
27	Integration of sector plans and institutional programmes	IDP Office, MM and All Directors		March 2021
	APPROVAL PHASE			
28	Tabling of the Draft IDP and Budget in Council	Executive Mayor	Approved IDP, budget and Service Delivery and Budget Implementation Plan	March 2021
29	Submission of draft IDP and budget to relevant institutions	IDP/Budget Office/MM		April 2021
30	Budget and Benchmark Assessments	IDP Office, MM and All Directors		May 2021
31	Second round of public participation: <ul style="list-style-type: none">❖ Invite public comments on Draft IDP Review and Budget including engagements with all the 27 ward committees;❖ To provide feedback on current and future IDP projects as proposed by wards; and❖ To create an opportunity for further inputs on key highlights & proposals from the Draft Budget	ALL		April/May2021
32	Council meeting to adopt final IDP, Budget and Budget Related Policies	Council		May 2021
33	District IDP Managers Forum			June 2021
34	Provincial IDP Managers Forum	IDP Office		June 2021

35	Submission of Final IDP and budget to relevant institutions	IDP/Budget Office/MM		June 2021
36	Approved IDP and budget made public	IDP/Budget Office		June 2021
37	Finalisation and submission of draft 2021/22 SDBIP and annual performance agreements by Municipal Manager to the Executive Mayor.	MM	Approved SDBIP and annual performance agreements	June/July 2021
38	Executive Mayor approves the 2021/22 SDBIP and annual performance agreements of the Municipal Manager and Senior Managers within 28 days after the approval of the IDP and budget.	Executive Mayor		June/July 2021
39	Submit the approved SDBIP and performance agreements to MEC Local Government within 14 days after approval	MM/ IDP/Budget Office		July/ August 2021
	MONITORING AND EVALUATION PHASE			
40	Quarterly SDBIP performance progress report for 1 st quarter of 2020/21 to Council	IDP/Budget Office	SDBIP performance report noted	October 2020
41	Section 56/57 Managers' half-yearly evaluations for 2020/21	MM & Executive Mayor	Performance evaluated	January- March 2021
42	Mid-year budget and performance assessment MFMA Section 72 (1)(2)(3)	MM/ IDP/Budget Office	Mid-Term finance and service delivery performance report compliant to MFMA	January 2021
43	Commence with the compilation of the 2019/2020 Annual Report	IDP Office &Directorates	Compile annual report	July 2020 - March 2021
44	Executive Mayor tables the 2019/2020 Annual Report MFMA Section 127 (2)	Executive Mayor	Annual Report 2019/2020 tabled	January 2021
45	Executive Mayor tables adjustments budget for approval by Council MFMA Section 28	Executive Mayor	Approved adjustments budget	February 2021
46	Annual Report made public (invite public inputs on the Annual Report - MFMA Section 127 & MSA Section 21A)	MM	Annual report and adjustments	February/March 2021

			budget made public	
47	Municipal Public Accounts Committee (MPAC) considers and evaluates the content of the 2019/2020 Annual Report MFMA Section 129	MPAC	Content of the 2019/2020 Annual Report considered and evaluated	February -March 2021
48	Provincial IDP Managers Forum	IDP Office	Discussion on draft IDPs	March 2021
49	Council adopts Annual & Oversight Report by 31 March MFMA Section 129(1)	MM & Executive Mayor	Oversight report approved	March 2021
50	Adopted Annual Report including Oversight Report made public within seven days of adoption MFMA Section 129(3) & MSA Section 21A	MM		April 2021
51	Within seven days of adoption of Annual & Oversight Report submit to Provincial Legislature and relevant MECs	MM		April 2021
52	Quarterly SDBIP performance progress report for 3 rd quarter of 2020/2021 to Council	IDP/Budget Office	SDBIP performance report noted	April 2021
53	Quarterly SDBIP performance progress report for 4 th quarter of 2020/2021 to Council	IDP/Budget Office	SDBIP performance report noted	July 2021
54	Section 56/57 Managers' Annual Performance Evaluations for 2019/2020	MM & Executive Mayor	Performance evaluated	July- September 2020

2.2.3 – Tabling of the draft budget

The initial draft budget must be tabled by the mayor before council for review by 31 March.

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the national and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

The municipal budget will be tabled before Council on 31 March 2021.

2.2.4 – Consultation with the community and key stakeholders

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The consultation with National and Provincial Treasuries regarding the MTREF is set to take place during May 2021.

The first round of public participation with all the 27 ward committees commenced in October/November 2020 in order to provide feedback on progress made on existing projects and share information on future projects and to afford ward committees an opportunity to review ward priorities and make further submissions.

The second round of public participation aims to:

- invite the public comments on the Draft IDP review and Budget including engagements with all the 27 ward committees.
- To provide feedback on current and future IDP projects as proposed by wards; and
- To create an opportunity for further inputs on key highlights & proposals from the Draft Budget

A complete report regarding the feedback on the public participation process will be included in the Final IDP document.

2.3 – Service Delivery and Budget Implementation Plan (SDBIP)

The municipal manager must within fourteen days after the approval of the annual budget submit to the mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

2.4 – Alignment of Annual Budget with IDP

Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities.

The IDP strategic objectives and goals are set out in the IDP document.

George is a city for all reasons and this along with the strategic vision and mission has led to the conceptualisation of five strategic goals for George. These goals are as follows:



The above strategic goals are set to become the catalysts to ensure that the vision and mission is achieved in the next five years.

The 2021/22 MTREF has therefore been directly informed by the IDP and the following tables provide reconciliation between the IDP strategic objectives and goals.

Table 30 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue

Strategic Objective	Goal	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Sanitation	Affordable Quality Services	191 796	163 631	159 180	164 084	191 963	191 963	196 949	208 626	220 902
Water Services	Affordable Quality Services	178 270	188 659	188 887	212 975	183 446	183 446	229 497	250 267	261 884
Roads Streets, Storm water drainage and Sidewalks	Affordable Quality Services	12 236	13 516	47 938	7 956	31 205	31 205	13 189	5 468	5 578
Transport Planning & Traffic Engineering	Affordable Quality Services	161 249	313 191	405 686	396 005	418 201	418 201	446 637	401 953	415 600
Electricity	Affordable Quality Services	647 014	673 680	718 719	822 951	812 262	812 262	932 726	984 013	1 039 180
Housing	Affordable Quality Services	41 369	51 088	30 512	159 264	153 035	153 035	105 267	123 923	149 471
Spatial Planning	Affordable Quality Services	9 559	10 703	7 807	10 453	10 206	10 206	10 425	10 601	10 781
Property Development	Affordable Quality Services	10 362	16 964	6 533	8 881	8 881	8 881	8 938	8 997	9 057
Public Safety and Law Enforcement	Safe, Clean and Green	80 038	93 443	75 395	78 293	78 552	78 552	79 177	80 593	82 205
Road Transport	Affordable Quality Services	14 192	13 668	12 435	13 168	13 168	13 168	13 431	13 699	13 973
Environmental Health	Safe, Clean and Green	1	440	296	3	3	3	4	4	4
Public Amenities	Affordable Quality Services	4 276	4 784	3 845	4 394	519	519	3 549	3 606	3 523
Waste Management	Safe, Clean and Green	105 354	118 981	133 557	137 052	152 439	152 439	157 408	163 719	171 042
Sport facilities and Development	Develop and Grow George	(4 325)	3 151	129	13 158	1 349	1 349	10 000	4 398	41
Local Economic Development	Develop and Grow George	–	960	288	849	853	853	803	708	722
Tourism	Develop and Grow George	270	14	23	525	746	746	377	73	74
Financial viability and management	Good Governance and Human Capital	47 298	43 217	43 863	50 027	50 027	50 027	51 012	52 062	53 087
Revenue enhancement	Good Governance and Human Capital	242 845	278 170	310 137	321 720	331 720	331 720	351 013	371 847	393 795
Credit Control	Good Governance and Human Capital	–	–	–	–	–	–	–	–	–
Budget Formulation and control	Good Governance and Human Capital	966	1 567	754	803	1 468	1 468	1 053	929	979
People Management and Empowerment	Good Governance and Human Capital	826	1 542	1 117	1 050	967	967	650	650	–
Administrative Support	Good Governance and Human Capital	3 437	3 569	2 536	4 012	3 922	3 922	3 092	2 815	2 852
Library Services	Affordable Quality Services	9 981	9 843	10 285	10 935	7 624	7 624	9 430	9 484	9 643
Integrated Development Planning	Participative Partnerships	–	–	–	–	–	–	–	–	–
Communication	Participative Partnerships	2	202	4	136	136	136	100	100	100
HIV/Aids	Affordable Quality Services	–	–	–	–	–	–	–	–	–
Social Development	Affordable Quality Services	2 798	4 665	6 879	4 001	3 645	3 645	2 961	2 429	2 459
Internal Audit and Risk Management	Good Governance and Human Capital	0	439	–	–	–	–	–	–	–
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributi		1 759 815	2 010 085	2 166 806	2 422 695	2 456 337	2 456 337	2 627 687	2 700 966	2 846 951

Table 31 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Sanitation	Affordable Quality Services	90 887	91 156	101 828	110 919	110 547	110 547	109 460	115 995	119 099
Water Services	Affordable Quality Services	134 243	126 690	152 641	154 238	148 055	148 055	145 297	147 418	151 662
Roads Streets, Storm water drainage and Sidewalks	Affordable Quality Services	94 311	87 490	96 700	96 945	94 499	94 499	105 051	99 702	101 269
Transport Planning & Traffic Engineering	Affordable Quality Services	289 400	288 042	351 101	404 613	389 809	389 809	440 335	421 820	435 430
Electricity	Affordable Quality Services	520 355	558 537	628 653	697 141	686 407	686 407	811 061	883 145	962 584
Housing	Affordable Quality Services	67 858	90 709	52 641	192 733	192 940	192 940	143 272	162 934	189 270
Spatial Planning	Affordable Quality Services	16 349	19 257	18 984	24 971	22 149	22 149	21 641	22 614	23 279
Property Development	Affordable Quality Services	15 439	28 880	10 540	6 205	5 757	5 757	5 761	5 766	5 904
Public Safety and Law Enforcement	Safe, Clean and Green	141 926	155 682	158 222	136 456	132 741	132 741	152 124	156 662	160 532
Road Transport	Affordable Quality Services	6 743	6 745	7 118	9 973	10 253	10 253	10 837	10 874	11 358
Environmental Health	Safe, Clean and Green	1 762	1 593	10 938	13 053	12 877	12 877	13 443	13 674	14 132
Public Amenities	Affordable Quality Services	36 348	8 934	43 332	48 481	48 400	48 400	48 925	49 774	51 218
Waste Management	Safe, Clean and Green	89 969	41 186	84 693	96 343	92 110	92 110	88 612	90 599	93 428
Sport facilities and Development	Develop and Grow George	12 226	114 772	13 416	15 770	14 482	14 482	14 508	13 239	13 334
Local Economic Development	Develop and Grow George	2 512	14 385	3 407	4 714	3 957	3 957	3 607	3 591	3 657
Tourism	Develop and Grow George	4 794	3 809	5 621	7 258	7 596	7 596	7 432	7 422	7 718
Financial viability and management	Good Governance and Human Capital	29 356	5 831	33 270	41 500	38 887	38 887	49 137	68 971	86 324
Revenue enhancement	Good Governance and Human Capital	43 863	30 415	40 535	41 493	39 564	39 564	50 733	51 347	53 716
Credit Control	Good Governance and Human Capital	3 672	33 620	4 137	4 285	4 242	4 242	4 428	4 645	4 873
Budget Formulation and control	Good Governance and Human Capital	2 917	3 908	3 309	4 336	4 073	4 073	4 706	4 342	4 561
People Management and Empowerment	Good Governance and Human Capital	21 891	3 974	24 060	26 072	26 193	26 193	26 515	27 557	27 983
Administrative Support	Good Governance and Human Capital	106 162	21 784	119 254	168 226	160 759	160 759	168 531	173 880	178 829
Library Services	Affordable Quality Services	11 229	117 293	12 309	22 086	18 285	18 285	23 073	23 722	24 721
Integrated Development Planning	Participative Partnerships	2 687	12 323	3 141	5 779	4 781	4 781	4 792	4 974	5 163
Communication	Participative Partnerships	13 138	4 073	18 477	19 090	23 051	23 051	20 936	22 718	23 913
HIV/Aids	Affordable Quality Services	882	16 697	847	1 402	867	867	836	935	970
Social Development	Affordable Quality Services	15 110	1 173	18 603	16 084	13 733	13 733	12 785	13 245	13 709
Internal Audit and Risk Management	Good Governance and Human Capital	8 274	15 233	6 084	9 522	8 364	8 364	8 587	8 918	9 138
Allocations to other priorities			11 542							
Total Expenditure		1 784 301	1 915 735	2 023 860	2 379 689	2 315 375	2 315 375	2 496 428	2 610 483	2 777 773

Table 32 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Sanitation	Affordable Quality Services	48 863	46 727	14 315	93 257	44 806	44 806	132 170	127 040	39 140
Water Services	Affordable Quality Services	29 317	19 343	24 368	109 251	18 859	18 859	75 604	66 396	122 289
Roads Streets, Storm water drainage and Sidewalks	Affordable Quality Services	102 866	88 447	60 982	32 172	115 550	115 550	60 292	54 862	44 658
Transport Planning & Traffic Engineering	Affordable Quality Services	24 029	2 551	270	16 804	975	975	10	10	10
Electricity	Affordable Quality Services	31 873	46 330	28 465	72 931	55 230	55 230	60 269	62 692	69 010
Housing	Affordable Quality Services	819	2 007	5 433	4 022	4 367	4 367	3 050	5 770	6 766
Spatial Planning	Affordable Quality Services	489	994	298	1 184	767	767	526	5 362	8 613
Property Development	Affordable Quality Services	1 164	–	–	–	–	–	–	–	–
Public Safety and Law Enforcement	Safe, Clean and Green	2 664	6 992	7 732	13 152	13 401	13 401	6 935	8 105	10 230
Road Transport	Affordable Quality Services	955	476	21	1 308	714	714	–	800	750
Environmental Health	Safe, Clean and Green	–	–	320	814	539	539	30	406	415
Public Amenities	Affordable Quality Services	4 199	–	1 691	9 085	6 812	6 812	4 901	6 220	3 700
Waste Management	Safe, Clean and Green	8 642	2 263	6 664	6 300	8 426	8 426	7 780	7 998	5 478
Sport facilities and Development	Develop and Grow George	6 268	14 178	552	16 891	2 740	2 740	14 802	6 848	4 218
Local Economic Development	Develop and Grow George	118	3 652	237	400	400	400	300	430	340
Tourism	Develop and Grow George	36	140	472	1 408	1 191	1 191	197	772	630
Financial viability and management	Good Governance and Human Capital	379	148	688	1 214	1 108	1 108	364	200	250
Revenue enhancement	Good Governance and Human Capital	–	236	–	–	–	–	–	–	–
Credit Control	Good Governance and Human Capital	–	–	–	–	–	–	–	–	–
Budget Formulation and control	Good Governance and Human Capital	–	–	–	–	–	–	–	–	–
People Management and Empowerment	Good Governance and Human Capital	–	–	15	302	392	392	–	102	–
Administrative Support	Good Governance and Human Capital	4 889	93	2 615	5 984	6 790	6 790	1 026	2 277	2 560
Library Services	Affordable Quality Services	1 239	7 877	359	734	185	185	5	100	233
Integrated Development Planning	Participative Partnerships	–	597	16	–	–	–	20	–	–
Communication	Participative Partnerships	183	–	23	29	1 078	1 078	10	10	10
HIV/Aids	Affordable Quality Services	–	53	18	–	–	–	–	–	–
Social Development	Affordable Quality Services	140	–	466	735	593	593	–	485	460
Internal Audit and Risk Management	Good Governance and Human Capital	–	132	–	–	–	–	–	–	–
Allocations to other priorities			–							
Total Capital Expenditure		269 131	243 236	156 018	387 975	284 924	284 924	368 291	356 885	319 759

2.6 – Overview of budget related policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Section 17 (3) (e) of the Municipal Finance Management Act, (Act No 56 of 2003) prescribes that the Municipality must review the budget related policies annually. Herewith follows suggested changes to Council's budget related policies.

This administration has reviewed and workshops were held where changes were made to the following policies:

- Customer Care, Credit Control and Debt Collection Policy;
- Property Rates Policy;
- Tariff Policy,
- 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

Proposed Amendments to the Tariff policy and Tariff list concerning Development Charges

- In terms of section 83(1) of the Planning By-Law an applicant for land-use planning approval must pay development charges to the Municipality in respect of the provision and installation of external engineering services.
- Section 83(2) requires that the external engineering services for which development charges are payable must be set out in a policy adopted and annually reviewed by the Municipality. As to how the amount of the development charges payable by an applicant must be calculated, section 83(3) provides that it shall be in accordance with the policy adopted by the Municipality.
- On 23 March 2021 the Mayoral Committee considered a request to amend the Land Use Planning By-Law for George Municipality, 2015 in relation to certain provisions which pertain to the imposition of development charges to bring the Planning By-Law in line with the

Western Cape Land Use Planning Act, 3 of 2014 ('LUPA'). One of the proposed amendments relate to the removal of the requirement that the Municipality must adopt a policy. The adoption of a policy is not required by LUPA.

- Instead, the Municipality will develop guidelines to structure the decision-making process of the delegated officials, Planning Tribunal, or Appeal Authority dealing with land-use planning applications under the Planning By-Law which give rise to the need for municipal public expenditure to facilitate the approved land use and the payment of development charges in respect of any or all the items forming part of municipal public expenditure. These guidelines will also advise developers as to the Municipality's approach.
- The applicable legislative regime in the Planning By-Law, which is modelled on the relevant provisions in LUPA, requires development charges to be calculated on a site and development specific basis. The reason is that what the Planning By-Law permits the Municipality to charge successful applicants for land-use planning approvals is a proportional contribution to municipal public expenditure per the normal need therefor arising from the approval, as determined by the Municipality.
- Currently, the way development charges are to be calculated is set out in two municipal documents. The first is the Tariff Policy, and the second is in the Tariff Lists.
- Because of the proposed guidelines which will govern the calculation of development charges for the 2021/2022 municipal financial year, the sections in the Tariff Policy and Tariff List dealing with capital contributions will be removed in their entirety with effect from 1 July 2021.

The Budget Committee has indicated that the finalization of the draft policy changes will be finalized after the budget consultation process is completed. The draft policies are contained in the budget documentation and will be placed on the municipal website for public comment.

2.7 – Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

2.7.1 – National Treasury MFMA Circular No 107 & 108

These Circulars was issued on 04 December 2020 and 09 March 2020 respectively, and it provides further guidance to municipalities for the preparation

of the 2021/22 budget and MTREF. The circulars were used in preparing this budget.

2.7.2 – Inflation Outlook

In MFMA Circular No 108, inflation forecasts are estimated at 3.9%, 4.2% and 4.4% respectively for the years 2021 to 2023.

2.7.3 – Rates, tariffs, charges and timing of revenue collection

The Budget Committee made use of tariff modelling to calculate realistic tariff increases. Although the budget committee endeavoured to contain the increase within the 6% upper boundary of the South African Reserve Bank's inflation target, the model indicated that this was not possible. In order to have a funded budget the following tariff increases are recommended for the 2021/22 financial year:

Category	Base Budget 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Property Rates	6.00%	6.00%	6.50%	6.50%
Electricity	6.22%	13.49%	8.00%	8.00%
Water	6.00%	6.00%	6.00%	6.00%
Sanitation	8.50%	6.00%	6.00%	6.00%
Refuse	9.00%	4.50%	4.50%	4.50%
Other	5.00%	2.00%	2.00%	2.00%

The cash flow statement shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges is based on the following;

Rates	Monthly billing. Interim billing throughout the year.
Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations.

2.7.4 – Collection rates for each revenue source and customer type

The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

	2021/22	2022/23	2022/23
Provision for bad and doubtful debts	R126.6m	R131.7m	R137.3m
Assumed collection rate	94%	95%	96%

2.7.5 – Price movements on specifics e.g. bulk purchases

The following amounts are included in the MTREF for increases in bulk purchases;

	2021/22	2022/23	2022/23
ESKOM	R616.3m	R682.8m	R756.3m

2.7.6 – Average salary increases

The MTREF includes the following average percentage increases for wages and salary and for councillors' allowances;

	2021/22	2022/23	2023/24
Councillors	4%	4%	4%
Staff	5%	4.2%	4.4%

2.7.7 – Industrial relations climate, reorganisation and capacity building

The ability of the Municipality to deliver quality services is virtually entirely dependent on its staff. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by George will ultimately mean a failure to deliver services.

The Municipality has made the following amounts available for training over the MTREF period.

	2021/22	2022/23	2023/24
Training Budget	R1.1m	R1.m	R492

2.7.8 – Trends in demand for free or subsidised basic services

George's criteria for supporting free or subsidised basic services are set out in the Indigent Policy. The Government allocates revenue via the Equitable Share grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. Any costs over and above the Equitable Share allocation must be paid by the consumer.

The proposed allocation to Indigent Households will have the following financial consequences:

National Allocations	Draft MTREF allocation		
Grant Description	2021/22	2022/23	2023/24
Equitable Share (Gazetted allocation)	R170 498 000	R182 794 000	R185 060 000
Operational Projects			
DMA allocation - salaries	10 002 608	10 723 977	10 856 917
Roads Maintenance - DMA	1 371 092	1 469 972	1 488 195
Water Network Maintenance - DMA	1 371 092	1 469 972	1 488 195
Electricity Network Maintenance - DMA	287 893	308 655	312 481
Water leakages	2 742 183	2 939 945	2 976 390
Audit and Social assessments	91 406	97 998	99 213
Electricity Prepaid meter	1 371 091	1 469 973	1 488 194
Sewerage blockages	914 061	979 982	992 130
Water	35 810 615	38 393 210	38 869 150
Sewerage	43 914 065	47 081 066	47 664 705
Refuse removal	41 523 443	44 518 037	45 069 903
Electricity	24 242 992	25 991 352	26 313 553
Social projects	1 371 092	1 469 972	1 488 195
Eskom - 50kw	1 828 122	1 959 963	1 984 260
Chemical Toilets	3 656 245	3 919 926	3 968 519
War on Waste Project			
Total allocations	R170 498 000	R182 794 000	R185 060 000

The indigent qualification criteria will be enforced more rigorously to ensure that those who do not qualify are removed from the allocation list. This saving on the equitable share allocation, if any, will allow Council to make an additional contribution from the operating account to fund the provision of free basic services.

It must be remembered that such indigent support is not subsidized from services charges collected from the citizens of George.

The proposed package of free basic services allocated to the indigents consists of the following:

Description	Escalation (%)	2020/21	2021/22
		(R)	(R)
Water (Basic)	6%	95.2	100.91
Water 6kl	6%	100.04	106.04
Electricity	15.49%	102.53	118.41
Refuse	4.50%	221.2	231.15
Sewer	6%	235.31	249.43
Total		R754.28	R805.95

2.7.9 – Ability of the municipality to spend and deliver on the programmes

By end March 2021, the Municipality has spent R81.2 million out of an adjusted capital budget of R396 473 million, equating to 20% of the total budget. Against the original budget of R344.8 million the spending is 24%.

Spending is monitored closely throughout the year and Directors must ensure that capital programmes are supported by robust planning. The Municipality is currently reviewing its capital planning processes and will soon implement the capital rating and ranking programme of Ignite Advisory Service.

The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring. Monthly Section 71 meetings with portfolio councillor, municipal manager, directors and the budget office also forms part of the monitoring tool and directorates must give reasons for poor performance and over spending and put corrective measures in place.

2.7.10 – Capital Budget

Projects to be funded from the Capital Replacement Reserve (CRR) were capped at R 70,1 million and R 198,7 million for projects linked to external funding (EFF). Full provision was made for grant funded projects as contained in the Division of Revenue Act. An amount of R 79,4 million was budgeted for grants. R 20,2 million of the housing Special Operating Account (SOA) is also earmarked to fund infrastructure projects linked to the provision of housing

The housing development in Thembaletu is one of the main developments putting pressure on the waterworks as well as the sewage treatment works. The electricity infrastructure is also not sufficient for the housing development. The Western Cape Department of Human Settlements has indicated their willingness to assist with possible grant funding given the magnitude of the housing project and its impact on the bulk infrastructure. This needs to be investigated further given the limited capital funding.

Province is facilitating the housing development projects and as such the grant allocation of R97,112 million has been included in the operating budget R38,392 million will be managed by the department and R58,720 million will go to the beneficiaries.

2.7.11 – Implications of restructuring and other major events in the future

Council approved a new macro organisational structure in June 2017 which has increased the Directorates from seven to nine with a 10year phase-in approach to fill vacant posts.

2.7.12 – Service level standards

MFMA circular No. 72 indicated that all municipalities must formulate service level standards which must form part of the tabled MTREF budget documentation.

A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition to the guideline, a framework was developed as an outline to assist municipalities in finalising their service level standards.

It is accepted that it is not possible to have the same service level standards across all municipalities. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

The municipality is currently busy updating the service level standard document.

2.8 – Other Supporting documents

2.8.1 Investment Particulars by Type

Table 33 – SA15: Investment Particulars by Type

Investment type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1									
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total										
Consolidated total:										

2.8.2 Borrowings

Table 34 – SA17: Borrowing

Borrowing - Categorised by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Parent municipality										
Annuity and Bullet Loans		293 656	258 023	281 329	-	291 940	291 940	292 497	292 497	292 497
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	3 438	557	557	-	-	-
Municipality sub-total	1	293 656	258 023	281 329	3 438	292 497	292 497	292 497	292 497	292 497
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	293 656	258 023	281 329	3 438	292 497	292 497	292 497	292 497	292 497
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

2.8.3 Grants and subsidies

Table 35 – SA18: Transfers and grants receipt

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		293 080	265 264	363 351	307 782	307 272	307 272	338 611	327 485	335 772
Operational Revenue: General Revenue: Equitable Share		122 613	137 401	149 978	163 760	186 528	186 528	170 498	182 794	185 060
Energy Efficiency and Demand-side [Schedule 5B]		-	378	-	100	100	100	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 001	5 466	5 111	4 109	4 109	4 109	3 068	-	-
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		4 393	5 897	6 880	6 200	6 150	6 150	5 655	5 655	5 770
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 721	1 771	-
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		-	-	506	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		2 038	1 532	1 604	1 993	1 594	1 594	937	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		158 485	113 040	197 721	130 070	107 241	107 241	156 903	137 315	143 171
Provincial Government:		150 273	151 494	422 547	326 268	339 942	339 942	238 759	280 950	306 397
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		1 400	1 877	3 301	1 719	2 219	2 219	1 447	1 367	1 221
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		44 252	33 896	226 614	154 450	140 400	140 400	58 720	115 260	140 700
Infrastructure		-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		8 635	9 239	9 798	10 283	6 963	6 963	8 845	8 995	9 148
Other		-	-	-	-	-	-	-	-	-
Public Transport		95 545	101 086	172 747	156 696	187 240	187 240	160 587	154 868	154 868
Road Infrastructure - Maintenance		441	5 168	10 087	3 120	3 120	3 120	8 460	460	460
Sports and Recreation		-	228	-	-	-	-	700	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other Grant Providers:		811	1 045	1 039	650	650	650	650	650	650
Departmental Agencies and Accounts		811	1 045	1 039	650	650	650	650	650	650
Total Operating Transfers and Grants	5	444 164	417 804	786 936	634 700	647 864	647 864	578 020	609 085	642 819
Capital Transfers and Grants										
National Government:		115 858	120 716	104 068	73 333	70 238	100 238	86 328	62 852	59 678
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		18 048	13 000	10 044	7 000	6 000	6 000	15 100	12 000	12 000
Municipal Infrastructure Grant [Schedule 5B]		38 726	46 356	38 500	37 858	37 772	37 772	41 325	45 507	47 448
Energy Efficiency and Demand Side Management Grant		7 000	6 622	7 000	4 900	4 400	4 400	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		51 877	54 635	47 905	23 575	22 016	52 016	26 476	-	-
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	3 082	5 000	-
Infrastructure Skills Development Grant [Schedule 5B]		207	103	620	-	50	50	345	345	230
Provincial Government:		40 748	-	6 823	732	732	732	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		800	-	-	732	732	732	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		36 949	-	6 628	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		-	-	195	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		2 999	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other Grant Providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	156 606	120 716	110 891	74 065	70 970	100 970	86 328	62 852	59 678
TOTAL RECEIPTS OF TRANSFERS & GRANTS		600 769	538 520	897 828	708 765	718 834	748 834	664 348	671 937	702 497

Table 36 – SA19: Expenditure on transfers and grants

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		259 360	266 098	355 537	307 782	308 084	308 084	338 611	327 485	335 772
Operational Revenue: General Revenue: Equitable Share		122 613	137 401	149 978	163 760	186 528	186 528	170 498	182 794	185 060
Energy Efficiency and Demand-side [Schedule 5B]		-	378	-	100	100	100	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 001	5 466	4 299	4 109	4 921	4 921	3 068	-	-
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		4 393	4 934	6 059	6 200	6 150	6 150	5 655	5 655	5 770
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	786	1 550	1 550	1 550	1 550	1 721	1 771
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		-	-	506	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		2 038	1 532	1 604	1 993	1 594	1 594	937	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		124 765	114 836	192 304	130 070	107 241	107 241	156 903	137 315	143 171
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		142 384	184 660	209 542	326 268	344 809	344 809	238 759	280 950	306 397
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		947	1 113	2 568	1 719	7 086	7 086	1 447	1 367	1 221
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		36 762	67 902	18 187	154 450	140 400	140 400	58 720	115 260	140 700
Infrastructure		-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		8 635	9 239	9 798	10 283	6 963	6 963	8 845	8 995	9 148
Other		-	-	-	-	-	-	-	-	-
Public Transport		95 545	101 237	168 902	156 696	187 240	187 240	160 587	154 868	154 868
Road Infrastructure - Maintenance		441	5 168	10 087	3 120	3 120	3 120	8 460	460	460
Sports and Recreation		54	-	-	-	-	-	700	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other Grant Providers:		811	1 045	1 039	650	650	650	650	650	650
Departmental Agencies and Accounts		811	1 045	1 039	650	650	650	650	650	650
Total operating expenditure of Transfers and Grants:		402 555	451 803	566 117	634 700	653 543	653 543	578 020	609 085	642 819
Capital expenditure of Transfers and Grants										
National Government:		155 025	116 086	59 676	73 333	95 666	125 666	86 328	62 852	59 678
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		10 254	16 476	9 250	7 000	6 794	6 794	15 100	12 000	12 000
Municipal Infrastructure Grant [Schedule 5B]		38 726	36 158	6 977	37 858	37 772	37 772	41 325	45 507	47 448
Energy Efficiency and Demand Side Management Grant		5 845	7 602	4 342	4 900	4 400	4 400	-	-	-
Public Transport Network Grant [Schedule 5B]		99 142	52 657	31 770	23 575	46 649	76 649	26 476	-	-
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)		852	3 090	6 718	-	-	-	-	-	-
Water Services Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	3 082	5 000	-
Infrastructure Skills Development Grant [Schedule 5B]		207	103	620	-	50	50	345	345	230
Provincial Government:		47 828	6 137	3 496	732	732	732	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		611	177	-	732	732	732	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		43 476	5 960	3 301	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		741	-	195	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		2 999	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other Grant Providers:		-	93	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	93	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		202 853	122 316	63 172	74 065	96 398	126 398	86 328	62 852	59 678
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		605 407	574 119	629 289	708 765	749 941	779 941	664 348	671 937	702 497

Table 37 – SA20: Reconciliation of transfers, grants receipts and unspent funds

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(22 011)	702	–	–	812	812	–	–	–
Current year receipts		293 080	265 264	363 351	307 782	307 272	307 272	338 611	327 485	335 772
Conditions met - transferred to revenue		259 360	266 098	356 631	307 782	308 084	308 084	338 611	327 485	335 772
Conditions still to be met - transferred to liabilities		11 709	(131)	6 719	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		29 972	38 047	3 231	–	4 867	3 821	–	–	–
Current year receipts		150 273	151 494	422 797	326 268	339 942	339 942	238 759	280 950	306 397
Conditions met - transferred to revenue		142 429	184 890	430 909	326 268	344 809	343 763	238 759	280 950	306 397
Conditions still to be met - transferred to liabilities		37 817	4 651	(4 881)	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		7 504	7 504	7 504	7 504	7 504	7 504	7 504	7 504	–
Current year receipts		811	1 045	1 039	650	650	650	650	650	650
Conditions met - transferred to revenue		811	1 045	1 039	650	650	650	650	650	650
Conditions still to be met - transferred to liabilities		7 504	7 504	7 504	7 504	7 504	7 504	7 504	7 504	–
Total operating transfers and grants revenue		402 600	452 033	788 579	634 700	653 543	652 497	578 020	609 085	642 819
Total operating transfers and grants - CTBM	2	57 030	12 024	9 342	7 504	7 504	7 504	7 504	7 504	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		54 906	15 739	–	–	25 428	–	–	–	–
Current year receipts		115 858	120 716	104 068	73 333	70 238	100 238	86 328	62 852	59 678
Conditions met - transferred to revenue		155 025	116 086	51 864	73 333	95 666	100 238	86 328	62 852	59 678
Conditions still to be met - transferred to liabilities		15 739	20 369	52 205	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		9 210	1 600	(13 950)	–	–	–	–	–	–
Current year receipts		40 748	–	6 823	732	732	732	–	–	–
Conditions met - transferred to revenue		47 828	6 137	9 006	732	732	732	–	–	–
Conditions still to be met - transferred to liabilities		2 130	(4 537)	(16 133)	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		(2 373)	(2 373)	(2 373)	(2 373)	(2 373)	(2 373)	(2 373)	200	200
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		(2 373)	(2 373)	(2 373)	(2 373)	(2 373)	(2 373)	(2 373)	200	200
Other grant providers:										
Balance unspent at beginning of the year		(1 623)	(1 623)	(1 623)	(1 716)	(1 716)	(1 716)	(1 716)	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	93	93	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		(1 623)	(1 716)	(1 716)	(1 716)	(1 716)	(1 716)	(1 716)	–	–
Total capital transfers and grants revenue		202 853	122 316	60 963	74 065	96 398	100 970	86 328	62 852	59 678
Total capital transfers and grants - CTBM	2	13 873	11 743	31 982	(4 089)	(4 089)	(4 089)	(4 089)	200	200
TOTAL TRANSFERS AND GRANTS REVENUE		605 452	574 349	849 543	708 765	749 941	753 467	664 348	671 937	702 497
TOTAL TRANSFERS AND GRANTS - CTBM		70 902	23 766	41 324	3 415	3 415	3 415	3 415	7 704	200

2.8.4 Councillors and employee benefits

The total remuneration has increased from R629 million to R658 million. The increase of R29 million can be attributed to:

- Employee Related Costs – An increase of 5% was provided for salaries and wages.
- Remuneration of Councillors – An increase of 4% was provided for.
- The process of prioritizing the critical vacant posts will be completed before finalizing the budget in June 2021.
- An amount of R22.6 million has been budgeted for the contribution to the post retirement benefit obligation.

Table 38 – SA22: Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		13 898	14 115	14 559	16 221	16 221	16 221	16 886	17 731	18 617
Pension and UIF Contributions		652	732	759	855	855	855	890	934	981
Medical Aid Contributions		251	283	257	333	333	333	346	364	382
Motor Vehicle Allowance		4 566	4 760	4 838	5 252	5 252	5 252	5 468	5 741	6 028
Cellphone Allowance		2 153	2 128	2 103	2 479	2 479	2 479	2 581	2 710	2 845
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		21 519	22 017	22 516	25 140	25 140	25 140	26 171	27 479	28 853
% increase	4		2,3%	2,3%	11,7%	-	-	4,1%	5,0%	5,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		6 191	8 197	9 155	11 666	10 588	10 588	11 296	11 746	12 218
Pension and UIF Contributions		591	648	443	858	858	858	794	838	429
Medical Aid Contributions		82	148	182	137	137	137	209	220	156
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		173	575	879	2 024	1 864	1 864	2 017	2 132	683
Motor Vehicle Allowance	3	296	324	301	360	420	420	385	405	318
Cellphone Allowance	3	56	92	82	38	38	38	90	95	100
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	310	129	253	451	651	651	562	590	573
Payments in lieu of leave		154	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7 853	10 113	11 294	15 534	14 556	14 556	15 352	16 026	14 476
% increase	4		28,8%	11,7%	37,5%	(6,3%)	-	5,5%	4,4%	(9,7%)
Other Municipal Staff										
Basic Salaries and Wages		280 677	277 877	316 682	385 461	350 050	350 050	373 830	378 272	395 858
Pension and UIF Contributions		44 011	49 457	53 966	62 105	62 105	62 105	66 186	69 500	72 967
Medical Aid Contributions		18 385	20 322	22 363	35 224	35 224	35 224	37 568	39 449	41 417
Overtime		44 627	51 597	53 149	45 164	50 185	50 185	55 279	58 120	60 965
Performance Bonus		-	(1)	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	14 789	14 870	15 107	16 532	17 055	17 055	8 947	12 063	12 660
Cellphone Allowance	3	994	1 105	1 261	1 288	1 454	1 454	1 746	1 845	1 937
Housing Allowances	3	1 925	2 117	2 220	4 404	4 406	4 406	2 847	2 990	3 139
Other benefits and allowances	3	33 018	37 991	39 197	41 511	41 673	41 673	43 788	46 001	48 296
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		2 386	4 671	1 668	2 721	2 874	2 874	4 108	4 314	4 529
Post-retirement benefit obligations	6	19 762	27 850	15 430	24 561	24 561	24 561	22 643	23 597	24 591
Sub Total - Other Municipal Staff		460 575	487 856	521 042	618 971	589 588	589 588	616 943	636 151	666 359
% increase	4		5,9%	6,8%	18,8%	(4,7%)	-	4,6%	3,1%	4,7%
Total Parent Municipality		489 947	519 986	554 852	659 646	629 284	629 284	658 465	679 655	709 689
			6,1%	6,7%	18,9%	(4,6%)	-	4,6%	3,2%	4,4%
TOTAL SALARY, ALLOWANCES & BENEFITS		489 947	519 986	554 852	659 646	629 284	629 284	658 465	679 655	709 689
% increase	4		6,1%	6,7%	18,9%	(4,6%)	-	4,6%	3,2%	4,4%
TOTAL MANAGERS AND STAFF	5,7	468 428	497 969	532 336	634 506	604 144	604 144	632 295	652 176	680 835

2.8.5 Monthly targets for revenue, expenditure and cash flow

Table 39 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand																
Revenue By Source																
Property rates		28 442	28 442	28 442	28 442	28 442	28 442	28 442	28 442	28 442	28 442	28 442	28 442	341 309	361 789	383 496
Service charges - electricity revenue		72 955	72 955	72 955	72 955	72 955	72 955	72 955	72 955	72 955	72 955	72 955	72 955	875 458	927 691	984 587
Service charges - water revenue		12 087	12 087	12 293	12 087	12 087	12 293	12 087	12 087	12 293	12 087	12 087	12 293	145 866	154 185	165 264
Service charges - sanitation revenue		12 023	12 023	12 035	12 023	12 023	12 035	12 023	12 023	12 035	12 023	12 023	12 036	144 326	152 454	163 842
Service charges - refuse revenue		9 389	9 389	9 389	9 389	9 389	9 389	9 389	9 389	9 389	9 389	9 389	9 389	112 663	116 606	123 304
Rental of facilities and equipment		—	—	—	—	—	3 010	—	—	—	—	—	3 010	6 019	6 137	6 257
Interest earned - external investments		4 189	4 189	8 047	4 189	4 189	8 047	4 189	4 189	8 047	4 189	4 189	8 047	65 698	65 533	66 643
Interest earned - outstanding debtors		690	690	690	690	690	727	690	690	690	690	690	727	8 353	8 742	9 152
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		473	473	657	473	473	807	473	473	657	473	473	76 050	81 958	83 653	85 383
Licences and permits		47	47	724	47	47	1 019	47	47	724	47	47	1 022	3 869	3 943	4 020
Agency services		—	—	2 369	—	—	2 369	—	—	2 369	—	—	2 369	9 476	9 666	9 859
Transfers and subsidies		37 411	37 411	77 604	37 411	37 411	79 106	37 411	37 411	77 604	37 411	37 411	87 676	621 281	613 430	642 678
Other revenue		8 433	8 433	8 661	8 433	8 433	12 398	8 433	8 433	8 661	8 433	8 433	13 485	110 670	119 279	127 052
Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		186 139	186 139	233 866	186 139	186 139	242 598	186 139	186 139	233 866	186 139	186 139	327 502	2 526 946	2 623 109	2 771 538
Expenditure By Type																
Employee related costs		50 638	50 638	50 638	50 638	50 638	50 675	50 638	50 638	50 638	50 638	50 638	75 239	632 295	652 176	680 835
Remuneration of councillors		2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	26 171	27 479	28 853
Debt impairment		10 558	10 558	10 558	10 558	10 558	10 558	10 558	10 558	10 558	10 558	10 558	10 558	126 696	131 718	137 353
Depreciation & asset impairment		13 128	13 128	13 128	13 128	13 128	13 128	13 128	13 128	13 128	13 128	13 128	13 128	157 539	159 920	159 318
Finance charges		—	—	—	—	—	14 753	—	—	—	—	—	23 786	38 539	53 891	65 876
Bulk purchases		51 174	51 174	51 174	51 174	51 174	52 277	51 174	51 174	51 174	51 174	51 174	52 277	616 288	682 781	756 334
Other materials		5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	67 324	70 053	72 487
Contracted services		49 154	49 154	50 379	49 154	49 154	51 165	49 154	49 154	50 379	49 154	49 154	53 637	598 788	613 647	654 395
Transfers and subsidies		5 378	5 378	5 378	5 378	5 378	5 403	5 378	5 378	5 378	5 378	5 378	5 603	64 785	52 055	51 739
Other expenditure		13 443	13 443	13 444	13 443	13 443	13 486	13 443	13 443	13 444	13 443	13 443	19 386	167 304	166 063	169 883
Losses		—	—	—	—	—	350	—	—	—	—	—	350	700	700	700
Total Expenditure		201 263	201 263	202 490	201 263	201 263	219 586	201 263	201 263	202 490	201 263	201 263	261 755	2 496 428	2 610 483	2 777 773
Surplus/(Deficit)		(15 124)	(15 124)	31 376	(15 124)	(15 124)	23 012	(15 124)	(15 124)	31 376	(15 124)	(15 124)	65 746	30 518	12 626	(6 236)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	85 982	62 507	59 448
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	3 690	—	—	3 690	—	—	3 690	—	—	3 690	14 759	15 350	15 965
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(7 959)	(7 959)	42 231	(7 959)	(7 959)	33 867	(7 959)	(7 959)	42 231	(7 959)	(7 959)	76 601	131 259	90 483	69 177
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	(7 959)	(7 959)	42 231	(7 959)	(7 959)	33 867	(7 959)	(7 959)	42 231	(7 959)	(7 959)	76 601	131 259	90 483	69 177

Table 40 – SA26: Budgeted monthly revenue and expenditure by municipal vote

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand																
Revenue by Vote																
Vote 1 - Office of the Muncpal Manager		1	1	1	1	1	76	1	1	1	1	1	2 214	2 302	2 457	2 487
Vote 2 - Corporate Services		1	1	1	1	1	88	1	1	1	1	1	158	256	256	256
Vote 3 - Corporate Services (Continued)		–	–	163	–	–	621	–	–	163	–	–	887	1 833	2 015	1 241
Vote 4 - Community Services		1 001	1 001	1 049	1 001	1 001	1 081	1 001	1 001	1 049	1 001	1 001	3 577	14 768	13 721	13 946
Vote 5 - Community Services (Continued)		10 366	10 366	21 048	10 366	10 366	21 503	10 366	10 366	21 048	10 366	10 366	21 503	168 033	168 754	171 732
Vote 6 - Human Settlements		8 093	8 093	9 692	8 093	8 093	9 703	8 093	8 093	9 692	8 093	8 093	10 226	104 054	122 688	148 213
Vote 7 - Civil Engineering Services		28 467	28 467	51 878	28 467	28 467	53 715	28 467	28 467	51 878	28 467	28 467	54 426	439 635	464 361	488 364
Vote 8 - Electro-Technical Services		74 910	74 910	83 158	74 910	74 910	83 249	74 910	74 910	83 158	74 910	74 910	83 886	932 726	984 013	1 039 180
Vote 9 - Financial Services		31 744	31 744	35 603	31 744	31 744	36 050	31 744	31 744	35 603	31 744	31 744	38 118	399 324	420 971	443 932
Vote 10 - Financial Services (Continued)		406	406	406	406	406	406	406	406	406	406	406	498	4 966	5 102	5 187
Vote 11 - Planning and Development		832	832	1 015	832	832	5 913	832	832	1 015	832	832	5 943	20 543	20 379	20 634
Vote 12 - Protection Services		37 483	37 483	40 708	37 483	37 483	40 955	37 483	37 483	40 708	37 483	37 483	116 829	539 062	496 058	511 586
Vote 13 - Protection Services (Continued)		–	–	–	–	–	93	–	–	–	–	–	93	186	190	194
Vote 14 - 0		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		193 305	193 305	244 721	193 305	193 305	253 453	193 305	193 305	244 721	193 305	193 305	338 357	2 627 687	2 700 966	2 846 951
Expenditure by Vote to be appropriated																
Vote 1 - Office of the Muncpal Manager		8 408	8 408	8 470	8 408	8 408	8 496	8 408	8 408	8 470	8 408	8 408	26 498	119 194	124 003	129 159
Vote 2 - Corporate Services		2 716	2 716	2 716	2 716	2 716	3 746	2 716	2 716	2 716	2 716	2 716	4 177	35 084	36 326	37 261
Vote 3 - Corporate Services (Continued)		2 559	2 559	2 722	2 559	2 559	2 722	2 559	2 559	2 722	2 559	2 559	8 880	37 520	39 050	39 293
Vote 4 - Community Services		5 506	5 506	5 506	5 506	5 506	6 334	5 506	5 506	5 506	5 506	5 506	7 426	68 817	70 673	72 829
Vote 5 - Community Services (Continued)		8 521	8 521	8 521	8 521	8 521	9 542	8 521	8 521	8 521	8 521	8 521	10 364	105 113	105 920	108 937
Vote 6 - Human Settlements		10 689	10 689	11 439	10 689	10 689	11 654	10 689	10 689	11 439	10 689	10 689	11 638	131 678	151 037	177 162
Vote 7 - Civil Engineering Services		28 581	28 581	28 581	28 581	28 581	35 179	28 581	28 581	28 581	28 581	28 581	38 814	359 808	363 115	372 029
Vote 8 - Electro-Technical Services		67 052	67 052	67 302	67 052	67 052	71 733	67 052	67 052	67 302	67 052	67 052	71 458	814 207	886 442	966 042
Vote 9 - Financial Services		6 970	6 970	6 970	6 970	6 970	9 405	6 970	6 970	6 970	6 970	6 970	21 171	100 276	120 662	140 219
Vote 10 - Financial Services (Continued)		4 929	4 929	4 929	4 929	4 929	4 975	4 929	4 929	4 929	4 929	4 929	4 975	59 239	60 674	63 005
Vote 11 - Planning and Development		3 591	3 591	3 593	3 591	3 591	3 660	3 591	3 591	3 593	3 591	3 591	3 657	43 234	44 367	45 722
Vote 12 - Protection Services		51 676	51 676	51 676	51 676	51 676	52 073	51 676	51 676	51 676	51 676	51 676	52 633	621 469	607 389	625 262
Vote 13 - Protection Services (Continued)		66	66	66	66	66	66	66	66	66	66	66	66	788	824	854
Vote 14 - 0		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		201 263	201 263	202 490	201 263	201 263	219 586	201 263	201 263	202 490	201 263	201 263	261 755	2 496 428	2 610 483	2 777 773
Surplus/(Deficit) before assoc.		(7 959)	(7 959)	42 231	(7 959)	(7 959)	33 867	(7 959)	(7 959)	42 231	(7 959)	(7 959)	76 601	131 259	90 483	69 177
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	(7 959)	(7 959)	42 231	(7 959)	(7 959)	33 867	(7 959)	(7 959)	42 231	(7 959)	(7 959)	76 601	131 259	90 483	69 177

Table 41 – SA27: Budgeted monthly revenue and expenditure by standard classification

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional																
Governance and administration		32 981	32 981	37 002	32 981	32 981	41 841	32 981	32 981	37 002	32 981	32 981	46 221	425 913	446 014	464 487
Executive and council		–	–	–	–	–	18	–	–	–	–	–	20	37	38	39
Finance and administration		32 981	32 981	37 002	32 981	32 981	41 823	32 981	32 981	37 002	32 981	32 981	46 202	425 876	445 976	464 448
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		10 177	10 177	12 004	10 177	10 177	13 107	10 177	10 177	12 004	10 177	10 177	91 665	210 199	224 229	247 134
Community and social services		965	965	1 012	965	965	1 366	965	965	1 012	965	965	3 929	15 039	14 588	14 678
Sport and recreation		830	830	830	830	830	1 167	830	830	830	830	830	1 167	10 635	5 045	700
Public safety		265	265	445	265	265	445	265	265	445	265	265	75 716	79 177	80 593	82 205
Housing		8 117	8 117	9 716	8 117	8 117	10 088	8 117	8 117	9 716	8 117	8 117	10 812	105 267	123 923	149 471
Health		–	–	–	–	–	40	–	–	–	–	–	40	80	80	80
Economic and environmental services		38 723	38 723	41 952	38 723	38 723	42 780	38 723	38 723	41 952	38 723	38 723	43 389	479 859	427 524	441 638
Planning and development		801	801	984	801	801	1 423	801	801	984	801	801	1 427	11 228	11 309	11 503
Road transport		37 922	37 922	40 968	37 922	37 922	41 356	37 922	37 922	40 968	37 922	37 922	41 959	468 629	416 213	430 133
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	2	2	2	2
Trading services		111 392	111 392	153 732	111 392	111 392	155 694	111 392	111 392	153 732	111 392	111 392	157 042	1 511 338	1 603 124	1 693 615
Energy sources		74 470	74 470	82 718	74 470	74 470	82 809	74 470	74 470	82 718	74 470	74 470	83 446	927 453	979 013	1 036 680
Water management		15 176	15 176	25 759	15 176	15 176	25 769	15 176	15 176	25 759	15 176	15 176	26 289	224 980	246 937	260 054
Waste water management		12 210	12 210	25 037	12 210	12 210	26 775	12 210	12 210	25 037	12 210	12 210	26 966	201 497	213 454	225 840
Waste management		9 536	9 536	20 218	9 536	9 536	20 341	9 536	9 536	20 218	9 536	9 536	20 341	157 408	163 719	171 042
Other		31	31	31	31	31	32	31	31	31	31	31	40	379	75	76
Total Revenue - Functional		193 305	193 305	244 721	193 305	193 305	253 453	193 305	193 305	244 721	193 305	193 305	338 357	2 627 687	2 700 966	2 846 951

Table 41 – SA27: Budgeted monthly revenue and expenditure by standard classification (continue)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure - Functional																
Governance and administration		30 379	30 379	30 604	30 379	30 379	32 900	30 379	30 379	30 604	30 379	30 379	68 805	405 948	437 293	466 955
Executive and council		4 997	4 997	5 059	4 997	4 997	5 085	4 997	4 997	5 059	4 997	4 997	23 087	78 267	80 404	83 703
Finance and administration		24 132	24 132	24 295	24 132	24 132	26 565	24 132	24 132	24 295	24 132	24 132	44 468	312 683	341 176	366 909
Internal audit		1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	14 998	15 714	16 342
Community and public safety		30 306	30 306	31 056	30 306	30 306	34 355	30 306	30 306	31 056	30 306	30 306	35 885	374 804	399 671	432 100
Community and social services		4 591	4 591	4 591	4 591	4 591	6 309	4 591	4 591	4 591	4 591	4 591	7 845	60 064	61 094	62 937
Sport and recreation		2 814	2 814	2 814	2 814	2 814	3 560	2 814	2 814	2 814	2 814	2 814	3 513	35 213	34 744	35 716
Public safety		10 767	10 767	10 767	10 767	10 767	10 999	10 767	10 767	10 767	10 767	10 767	10 981	129 646	134 239	137 252
Housing		11 785	11 785	12 535	11 785	11 785	13 137	11 785	11 785	12 535	11 785	11 785	13 121	145 605	165 364	191 776
Health		350	350	350	350	350	350	350	350	350	350	350	426	4 275	4 231	4 420
Economic and environmental services		41 358	41 358	41 358	41 358	41 358	41 451	41 358	41 358	41 358	41 358	41 358	42 045	497 077	470 696	485 280
Planning and development		2 479	2 479	2 479	2 479	2 479	2 546	2 479	2 479	2 479	2 479	2 479	2 543	29 881	31 178	32 100
Road transport		38 663	38 663	38 663	38 663	38 663	38 687	38 663	38 663	38 663	38 663	38 663	39 285	464 605	436 672	450 291
Environmental protection		216	216	216	216	216	217	216	216	216	216	216	217	2 591	2 846	2 890
Trading services		97 875	97 875	98 125	97 875	97 875	109 514	97 875	97 875	98 125	97 875	97 875	113 657	1 202 418	1 286 760	1 376 729
Energy sources		64 951	64 951	65 201	64 951	64 951	69 633	64 951	64 951	65 201	64 951	64 951	69 358	789 000	859 262	937 646
Water management		9 818	9 818	9 818	9 818	9 818	13 927	9 818	9 818	9 818	9 818	9 818	15 974	128 079	129 492	133 294
Waste water management		15 982	15 982	15 982	15 982	15 982	18 463	15 982	15 982	15 982	15 982	15 982	19 978	198 263	209 013	214 038
Waste management		7 124	7 124	7 124	7 124	7 124	7 491	7 124	7 124	7 124	7 124	7 124	8 348	87 075	88 994	91 751
Other		1 345	1 345	1 346	1 345	1 345	1 367	1 345	1 345	1 346	1 345	1 345	1 363	16 181	16 062	16 708
Total Expenditure - Functional		201 263	201 263	202 490	201 263	201 263	219 586	201 263	201 263	202 490	201 263	201 263	261 755	2 496 428	2 610 483	2 777 773
Surplus/(Deficit) before assoc.		(7 959)	(7 959)	42 231	(7 959)	(7 959)	33 867	(7 959)	(7 959)	42 231	(7 959)	(7 959)	76 601	131 259	90 483	69 177
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(7 959)	(7 959)	42 231	(7 959)	(7 959)	33 867	(7 959)	(7 959)	42 231	(7 959)	(7 959)	76 601	131 259	90 483	69 177

Table 42 – SA28: Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Multi-year expenditure to be appropriated	1															
Vote 1 - Office of the Municipal Manager		4	4	4	4	4	4	4	4	4	4	4	4	50	52	50
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	900
Vote 3 - Corporate Services (Continued)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	1 000	250
Vote 5 - Community Services (Continued)		-	-	202	-	-	202	-	-	202	-	-	352	959	669	1 900
Vote 6 - Human Settlements		187	187	187	187	187	187	187	187	187	187	187	188	2 250	3 759	5 295
Vote 7 - Civil Engineering Services		6 259	6 259	6 409	6 259	6 259	6 509	6 259	6 259	6 409	6 259	6 259	7 209	76 602	82 890	59 408
Vote 8 - Electro-Technical Services		1 671	1 671	1 721	1 671	1 671	6 559	1 671	1 671	1 721	1 671	1 671	7 284	30 652	13 695	5 520
Vote 9 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Financial Services (Continued)		-	-	63	-	-	63	-	-	63	-	-	63	250	250	250
Vote 11 - Planning and Development		33	33	33	33	33	33	33	33	33	33	33	333	700	3 300	5 000
Vote 12 - Protection Services		83	83	96	83	83	96	83	83	96	83	83	12 040	12 994	7 250	13 735
Vote 13 - Protection Services (Continued)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	8 238	8 238	8 715	8 238	8 238	13 653	8 238	8 238	8 715	8 238	8 238	27 472	124 458	112 865	92 308
Single-year expenditure to be appropriated																
Vote 1 - Office of the Municipal Manager		5	5	5	5	5	5	5	5	5	5	5	7	61	90	40
Vote 2 - Corporate Services		158	158	159	158	158	174	158	158	159	158	158	974	2 730	4 140	2 135
Vote 3 - Corporate Services (Continued)		-	-	-	-	-	-	-	-	-	-	-	-	-	847	200
Vote 4 - Community Services		-	-	25	-	-	25	-	-	25	-	-	992	1 067	1 745	2 368
Vote 5 - Community Services (Continued)		985	985	1 641	985	985	2 177	985	985	1 641	985	985	8 662	22 003	14 176	7 796
Vote 6 - Human Settlements		33	33	33	33	33	233	33	33	33	33	33	233	800	2 011	1 471
Vote 7 - Civil Engineering Services		14 253	14 253	15 265	14 253	14 253	16 805	14 253	14 253	15 265	14 253	14 253	18 956	180 314	158 408	137 229
Vote 8 - Electro-Technical Services		703	703	2 010	703	703	7 263	703	703	2 010	703	703	12 712	29 616	48 997	63 490
Vote 9 - Financial Services		-	-	21	-	-	21	-	-	21	-	-	300	364	200	250
Vote 10 - Financial Services (Continued)		10	10	10	10	85	10	10	35	10	10	10	10	225	100	-
Vote 11 - Planning and Development		22	22	22	22	22	62	22	22	22	22	22	62	343	3 264	4 583
Vote 12 - Protection Services		524	524	524	524	524	536	524	524	524	524	524	536	6 310	9 541	7 890
Vote 13 - Protection Services (Continued)		-	-	-	-	-	-	-	-	-	-	-	-	-	500	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	16 693	16 693	19 716	16 693	16 768	27 312	16 693	16 718	19 716	16 693	16 693	43 444	243 833	244 019	227 451
Total Capital Expenditure	2	24 931	24 931	28 432	24 931	25 006	40 965	24 931	24 956	28 432	24 931	24 931	70 916	368 291	356 885	319 759

Table 43 – SA29: Budgeted monthly capital expenditure (standard classification and funding)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional	1															
Governance and administration		76	76	174	76	151	196	76	101	174	76	76	1 097	2 350	2 986	2 427
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		74	74	171	74	149	194	74	99	171	74	74	1 095	2 320	2 956	2 397
Internal audit		2	2	2	2	2	2	2	2	2	2	2	3	30	30	30
Community and public safety		1 948	1 948	2 379	1 948	1 948	3 370	1 948	1 948	2 379	1 948	1 948	6 221	29 933	28 067	27 575
Community and social services		186	186	235	186	186	685	186	186	235	186	186	1 639	4 284	5 835	3 678
Sport and recreation		973	973	1 356	973	973	1 891	973	973	1 356	973	973	3 788	16 174	8 431	6 036
Public safety		549	549	549	549	549	549	549	549	549	549	549	549	6 585	7 855	10 480
Housing		218	218	218	218	218	223	218	218	218	218	218	223	2 630	5 686	7 131
Health		22	22	22	22	22	22	22	22	22	22	22	22	260	260	250
Economic and environmental services		4 796	4 796	4 796	4 796	4 796	4 796	4 796	4 796	4 796	4 796	4 796	5 096	57 848	41 149	50 571
Planning and development		45	45	45	45	45	45	45	45	45	45	45	346	846	5 792	8 953
Road transport		4 750	4 750	4 750	4 750	4 750	4 750	4 750	4 750	4 750	4 750	4 750	4 750	57 002	35 357	41 618
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		18 685	18 685	21 705	18 685	18 685	35 085	18 685	18 685	21 705	18 685	18 685	49 990	277 963	283 910	238 557
Energy sources		2 374	2 374	3 731	2 374	2 374	13 821	2 374	2 374	3 731	2 374	2 374	19 996	60 269	62 692	69 010
Water management		5 259	5 259	6 301	5 259	5 259	9 591	5 259	5 259	6 301	5 259	5 259	10 441	74 704	66 126	121 879
Waste water management		11 052	11 052	11 172	11 052	11 052	11 172	11 052	11 052	11 172	11 052	11 052	13 423	135 360	147 244	42 340
Waste management		–	–	500	–	–	500	–	–	500	–	–	6 130	7 630	7 848	5 328
Other		10	10	10	10	10	50	10	10	10	10	10	50	197	772	630
Total Capital Expenditure - Functional	2	25 514	25 514	29 063	25 514	25 589	43 497	25 514	25 539	29 063	25 514	25 514	62 454	368 291	356 885	319 759
Funded by:																
National Government		5 803	5 803	6 036	5 803	5 803	10 434	5 803	5 803	6 036	5 803	5 803	10 434	79 360	46 768	55 518
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		5 803	5 803	6 036	5 803	5 803	10 434	5 803	5 803	6 036	5 803	5 803	10 434	79 360	46 768	55 518
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		15 805	15 805	16 555	15 805	15 805	23 520	15 805	15 805	16 555	15 805	15 805	35 779	218 848	219 932	194 355
Internally generated funds		3 907	3 907	6 473	3 907	3 982	9 543	3 907	3 932	6 473	3 907	3 907	16 241	70 082	90 185	69 886
Total Capital Funding		25 514	25 514	29 063	25 514	25 589	43 497	25 514	25 539	29 063	25 514	25 514	62 454	368 291	356 885	319 759

Table 44 – SA30: Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Receipts By Source													1		
Property rates	31 386	31 386	39 131	31 386	31 386	45 646	31 386	31 386	39 131	31 386	31 386	45 988	420 988	457 766	480 959
Service charges - electricity revenue	72 404	72 404	73 522	72 404	72 404	73 613	72 404	72 404	73 522	72 404	72 404	74 250	874 139	926 455	981 906
Service charges - water revenue	11 559	11 559	12 768	11 559	11 559	12 778	11 559	11 559	12 768	11 559	11 559	12 778	143 562	151 656	162 356
Service charges - sanitation revenue	11 493	11 493	12 573	11 493	11 493	12 896	11 493	11 493	12 573	11 493	11 493	12 906	142 891	150 807	161 798
Service charges - refuse revenue	8 911	8 911	8 982	8 911	8 911	9 106	8 911	8 911	8 982	8 911	8 911	9 106	107 467	111 231	117 587
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	169	-	-	-	-	-	169	337	344	351
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	1 307	1 307	1 307	1 307	1 307	1 307	1 307	1 307	1 307	1 307	1 307	1 307	15 685	14 519	14 609
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	37 411	37 411	77 604	37 411	37 411	79 106	37 411	37 411	77 604	37 411	37 411	87 676	621 281	613 430	642 678
Other revenue	7 199	7 199	7 199	7 199	7 199	7 199	7 199	7 199	7 199	7 199	7 199	7 300	86 487	94 754	102 178
Cash Receipts by Source	181 671	181 671	233 087	181 671	181 671	241 819	181 671	181 671	233 087	181 671	181 671	251 480	2 412 837	2 520 962	2 664 422
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	7 165	85 982	62 507	59 448
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	17 853	11 070	182 800	134 750
Increase (decrease) in consumer deposits	792	792	792	792	792	792	792	792	792	792	792	792	9 500	10 000	10 500
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	189 011	189 011	240 427	189 011	189 011	249 159	189 011	189 011	240 427	189 011	189 011	277 290	2 519 389	2 776 269	2 869 120

Table 44 – SA30: Budgeted monthly cash flow (continues)

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand															
Cash Payments by Type															
Employee related costs	50 638	50 638	50 638	50 638	50 638	50 675	50 638	50 638	50 638	50 638	50 638	75 239	632 295	652 176	680 835
Remuneration of councillors	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	2 181	26 171	27 479	28 853
Finance charges	–	–	–	–	–	14 753	–	–	–	–	–	23 786	38 539	53 891	65 876
Bulk purchases - Electricity	51 174	51 174	51 174	51 174	51 174	51 174	51 174	51 174	51 174	51 174	51 174	51 174	614 082	680 337	753 626
Bulk purchases - Water & Sewer	–	–	–	–	–	1 103	–	–	–	–	–	1 103	2 206	2 444	2 708
Other materials	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	5 610	67 324	70 053	72 487
Contracted services	49 154	49 154	50 379	49 154	49 154	51 165	49 154	49 154	50 379	49 154	49 154	53 637	598 788	613 647	654 395
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	5 378	5 378	5 378	5 378	5 378	5 403	5 378	5 378	5 378	5 378	5 378	5 603	64 785	52 055	51 739
Other expenditure	13 443	13 443	13 444	13 443	13 443	13 486	13 443	13 443	13 444	13 443	13 443	19 386	167 304	166 063	169 883
Cash Payments by Type	177 577	177 577	178 803	177 577	177 577	195 549	177 577	177 577	178 803	177 577	177 577	237 719	2 211 493	2 318 145	2 480 403
Other Cash Flows/Payments by Type															
Capital assets	25 514	25 514	29 063	25 514	25 589	43 497	25 514	25 539	29 063	25 514	25 514	62 454	368 291	356 885	319 759
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	(171 394)	(171 394)	(325 659)	(431 638)
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	203 091	203 091	207 867	203 091	203 166	239 046	203 091	203 116	207 867	203 091	203 091	128 779	2 408 390	2 349 371	2 368 524
NET INCREASE/(DECREASE) IN CASH HELD	(14 081)	(14 081)	32 560	(14 081)	(14 156)	10 113	(14 081)	(14 106)	32 560	(14 081)	(14 081)	148 510	110 999	426 898	500 597
Cash/cash equivalents at the month/year begin:	932 986	918 905	904 824	937 385	923 304	909 148	919 262	905 181	891 075	923 636	909 555	895 474	932 986	1 043 985	1 470 883
Cash/cash equivalents at the month/year end:	918 905	904 824	937 385	923 304	909 148	919 262	905 181	891 075	923 636	909 555	895 474	1 043 985	1 043 985	1 470 883	1 971 480

2.8.6 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme.

Table 45 – SA34a: Capital Expenditure on new assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		114 129	82 304	50 000	174 074	67 051	67 051	130 833	114 711	169 887
Roads Infrastructure		38 432	13 572	8 665	3 932	6 906	6 906	-	1 500	7 408
Roads		38 432	7 813	5 643	3 911	6 615	6 615	-	1 500	6 708
Road Structures		-	-	363	-	-	-	-	-	400
Road Furniture		-	5 759	2 659	21	291	291	-	-	300
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		118	225	400	500	500	500	300	300	300
Drainage Collection		-	-	-	500	500	500	300	300	300
Storm water Conveyance		118	225	400	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		23 132	41 032	21 700	62 826	38 721	38 721	51 274	53 607	60 160
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	337	1 874	2 278	2 278	2 374	20 600	23 900
HV Switching Station		1 717	2 067	305	5 074	2 774	2 774	3 354	10 100	700
HV Transmission Conductors		-	-	588	150	50	50	25	25	-
MV Substations		2 242	5 220	1 279	22 500	6 200	6 200	29 247	300	300
MV Switching Stations		808	2 131	1 652	1 000	1 198	1 198	1 500	1 500	1 500
MV Networks		3 511	3 682	1 017	100	100	100	-	-	1 000
LV Networks		14 854	27 932	16 521	32 127	26 121	26 121	14 773	21 082	32 760
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		21 230	7 974	5 940	84 518	6 715	6 715	46 989	23 244	77 279
Dams and Weirs		-	86	354	2 500	75	75	3 771	1 800	1 500
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		19 191	3 657	155	2 700	1 645	1 645	3 000	7 000	14 950
Pump Stations		45	-	34	-	-	-	200	200	-
Water Treatment Works		-	1 799	2 215	77 742	2 330	2 330	38 918	12 832	60 009
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		1 994	2 001	2 899	1 575	2 665	2 665	1 100	1 412	820
Distribution Points		-	431	283	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		20 700	8 855	7 077	15 966	7 723	7 723	29 450	33 670	22 250
Pump Station		-	3 521	1 316	-	-	-	1 300	300	300
Reticulation		-	4 725	4 629	2 006	2 923	2 923	9 900	14 120	14 200
Waste Water Treatment Works		20 700	610	1 132	13 210	3 700	3 700	16 000	15 500	1 500
Outfall Sewers		-	-	-	-	-	-	-	-	1 000
Toilet Facilities		-	-	-	750	1 101	1 101	2 250	3 750	5 250
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		213	9 475	5 007	2 400	2 486	2 486	1 500	1 000	1 000
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	7 383	3 410	2 400	486	486	-	-	-
Waste Processing Facilities		213	2 092	1 596	-	2 000	2 000	1 500	1 000	1 000
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		✓	✓	✓	✓	✓	✓	✓	✓	✓
LV Networks		✓	✓	✓	✓	✓	✓	✓	✓	✓
Capital Spares		✓	✓	✓	✓	✓	✓	✓	✓	✓
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		✓	✓	✓	✓	✓	✓	✓	✓	✓
Piers		✓	✓	✓	✓	✓	✓	✓	✓	✓
Revetments		✓	✓	✓	✓	✓	✓	✓	✓	✓
Promenades		✓	✓	✓	✓	✓	✓	✓	✓	✓
Capital Spares		✓	✓	✓	✓	✓	✓	✓	✓	✓
Information and Communication Infrastructure		10 303	1 170	1 211	3 933	4 000	4 000	1 320	1 390	1 490
Data Centres		-	-	220	2 597	1 822	1 822	100	100	-
Core Layers		10 303	1 170	991	1 336	2 178	2 178	1 220	1 290	1 490
Distribution Layers		-	-	-	✓	✓	✓	✓	✓	✓
Capital Spares		-	-	-	-	-	-	-	-	-

**Table 45 – SA34a: Capital Expenditure on new assets by asset class
(continues)**

Description		Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on new assets by Asset Class/Sub-class											
Community Assets											
Community Facilities			3 879	4 950	1 291	20 588	5 852	5 852	15 337	9 625	4 550
Halls		75	2 263	948	948	4 420	3 920	3 920	2 009	3 455	2 450
Centres		-	508	641	641	530	368	368	235	1 615	900
Crèches		-	65	12	12	90	20	20	-	50	-
Clinics/Care Centres		-	1 250	286	286	1 650	1 471	1 471	400	440	-
Fire/Ambulance Stations		-	-	-	9	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	1 000	1 000
Museums		-	-	-	-	-	-	-	-	-	250
Galleries		-	-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-	-
Libraries		75	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	440	-	-	1 850	1 737	1 737	844	50	-
Police		-	-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	284	284	230	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	300	40	40	300	300	300
Stalls		-	-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		3 804	2 687	343	343	16 168	1 932	1 932	13 328	6 170	2 100
Indoor Facilities		-	-	-	-	-	-	-	-	200	1 500
Outdoor Facilities		3 804	2 687	343	343	16 168	1 932	1 932	13 328	5 970	600
Capital Spares		-	-	-	-	-	-	-	-	-	-
Heritage assets											
Monuments		-	-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-	-
Investment properties											
Revenue Generating		-	1 131	-	-	300	300	300	50	750	750
Improved Property		-	-	-	-	300	300	300	-	500	750
Unimproved Property		-	-	-	-	300	300	300	-	500	750
Non-revenue Generating		1 131	-	-	-	-	-	-	50	250	-
Improved Property		-	-	-	-	-	-	-	-	-	-
Unimproved Property		1 131	-	-	-	-	-	-	50	250	-
Other assets											
Operational Buildings		1 152	4 685	2 440	2 440	7 997	7 660	7 660	4 390	6 777	2 750
Municipal Offices		-	4 389	1 186	1 186	7 682	7 350	7 350	4 380	4 517	1 700
Pay/Enquiry Points		-	-	50	50	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-	-
Stores		-	128	-	-	150	150	150	-	-	-
Laboratories		-	19	8	8	-	-	-	-	-	-
Training Centres		1 152	149	8	8	10	10	10	10	10	50
Manufacturing Plant		-	-	-	-	-	-	-	-	-	-
Depots		-	-	1 188	1 188	155	150	150	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	2 250	1 000
Staff Housing		-	-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	2 250	1 000
Capital Spares		-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets											
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-
Intangible Assets											
Servitudes		983	1 328	-	-	1 200	705	705	550	130	100
Licences and Rights		-	-	-	-	-	-	-	-	-	-
Water Rights		983	1 328	-	-	1 200	705	705	550	130	100
Effluent Licenses		-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-	-
Computer Software and Applications		983	1 328	-	-	1 200	705	705	550	130	100
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-	-

Table 45 – SA34a: Capital Expenditure on new assets by asset class (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
<u>Computer Equipment</u>		3 238	6 512	1 827	4 044	5 624	5 624	1 598	1 248	1 107
Computer Equipment		3 238	6 512	1 827	4 044	5 624	5 624	1 598	1 248	1 107
<u>Furniture and Office Equipment</u>		2 409	1 822	1 002	2 028	1 032	1 032	578	1 241	1 168
Furniture and Office Equipment		2 409	1 822	1 002	2 028	1 032	1 032	578	1 241	1 168
<u>Machinery and Equipment</u>		22 095	9 807	5 685	14 637	15 673	15 673	11 804	8 707	7 023
Machinery and Equipment		22 095	9 807	5 685	14 637	15 673	15 673	11 804	8 707	7 023
<u>Transport Assets</u>		1 802	9 921	13 491	24 556	15 513	15 513	6 110	12 205	9 700
Transport Assets		1 802	9 921	13 491	24 556	15 513	15 513	6 110	12 205	9 700
<u>Land</u>		-	-	-	-	-	-	-	-	1 000
Land		-	-	-	-	-	-	-	-	1 000
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	150 818	121 330	75 736	249 423	119 410	119 410	171 250	155 394	198 034

Table 46 – SA34b: Capital Expenditure – renewal of assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		110 822	66 326	38 352	26 261	76 055	76 055	47 732	22 017	32 448
Roads Infrastructure		71 132	57 627	36 858	15 611	67 262	67 262	41 332	15 497	23 858
Roads		71 132	57 627	36 858	15 611	67 262	67 262	41 332	15 497	23 858
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		6 393	2 631	920	1 400	3 145	3 145	2 450	50	100
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		1 766	232	156	1 300	3 000	3 000	2 350	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		3 681	692	156	50	50	50	50	-	-
LV Networks		946	1 708	608	50	95	95	50	50	100
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		5 444	5 828	375	6 250	2 980	2 980	3 700	6 200	8 200
Dams and Weirs		747	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		1 890	-	-	-	-	-	-	-	-
Pump Stations		153	45	-	250	980	980	200	200	200
Water Treatment Works		-	499	10	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		2 654	5 284	365	6 000	2 000	2 000	3 500	6 000	8 000
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		25 566	240	199	3 000	2 668	2 668	250	270	290
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	2 780	2 470	2 470	-	-	-
Waste Water Treatment Works		25 566	240	199	220	199	199	250	270	290
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		2 286	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		2 286	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Table 46 – SA34b: Capital Expenditure – renewal of assets by asset class (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Community Assets		6 470	754	553	2 000	1 400	1 400	2 790	–	1 300
Community Facilities		961	754	553	2 000	1 400	1 400	2 250	–	300
Halls		–	29	527	2 000	1 400	1 400	2 250	–	300
Centres		–	725	–	–	–	–	–	–	–
Crèches		–	–	27	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		961	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		5 509	–	–	–	–	–	540	–	1 000
Indoor Facilities		–	–	–	–	–	–	540	–	–
Outdoor Facilities		5 509	–	–	–	–	–	–	–	1 000
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		1 022	69	–	100	100	100	–	–	–
Operational Buildings		1 022	69	–	100	100	100	–	–	–
Municipal Offices		–	–	–	100	100	100	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		1 022	69	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–

Table 46 – SA34b: Capital Expenditure – renewal of assets by asset class (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Computer Equipment		-	-	-	50	190	190	20	20	20
Computer Equipment		-	-	-	50	190	190	20	20	20
Furniture and Office Equipment		-	-	-	-	-	-	-	75	-
Furniture and Office Equipment		-	-	-	-	-	-	-	75	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	118 314	67 149	38 906	28 411	77 745	77 745	50 542	22 112	33 768
Renewal of Existing Assets as % of total capex		0,0%	27,6%	24,9%	7,3%	27,3%	27,3%	13,7%	6,2%	10,6%
Renewal of Existing Assets as % of deprecn"		73,2%	47,0%	24,6%	16,9%	46,2%	46,2%	32,1%	13,8%	21,2%

Table 47 – SA34c: Repairs and maintenance expenditure by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		56 217	42 027	61 216	60 688	57 218	57 218	61 361	53 091	54 937
Roads Infrastructure		28 674	15 443	32 124	19 584	20 454	20 454	29 434	20 267	20 708
Roads		27 599	13 820	30 476	17 846	18 716	18 716	27 233	17 935	18 263
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		1 075	1 623	1 648	1 738	1 738	1 738	2 201	2 332	2 445
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		3 500	5 342	3 484	4 079	3 559	3 559	3 749	3 960	4 151
Drainage Collection		3 500	5 342	3 484	4 079	3 559	3 559	3 749	3 960	4 151
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		5 951	6 369	7 655	10 001	9 201	9 201	9 908	10 497	11 099
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		1 176	1 664	2 914	2 931	2 931	2 931	3 107	3 294	3 492
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		271	319	69	240	240	240	254	270	286
LV Networks		4 504	4 386	4 672	6 830	6 030	6 030	6 547	6 933	7 321
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		11 300	9 315	10 970	15 694	14 354	14 354	8 620	8 146	8 157
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		2 328	3 167	3 589	3 982	3 517	3 517	4 320	4 580	4 490
Bulk Mains		8 972	6 147	7 380	11 712	10 837	10 837	4 300	3 566	3 667
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		6 504	5 415	6 918	10 831	9 361	9 361	9 650	10 221	10 821
Pump Station		264	437	367	881	711	711	753	798	846
Reticulation		2 206	1 576	2 202	4 132	3 252	3 252	3 176	3 359	3 547
Waste Water Treatment Works		4 035	3 402	4 349	5 818	5 398	5 398	5 721	6 064	6 428
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	144	65	500	290	290	-	-	-
Landfill Sites		-	144	65	500	290	290	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		289	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		289	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Table 47 – SA34c: Repairs and maintenance expenditure by asset class (continue)

WC044 George - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Community Assets		9 427	56	30	7 053	6 534	6 534	7 744	8 249	8 956
Community Facilities		7 295	–	–	5 118	4 665	4 665	5 693	6 074	6 651
Halls		1 604	–	–	1 224	758	758	1 134	1 242	1 528
Centres		563	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		151	–	–	105	109	109	113	120	127
Cemeteries/Crematoria		641	–	–	236	216	216	255	271	287
Police		–	–	–	–	–	–	–	–	–
Parks		3 643	–	–	467	246	246	496	525	557
Public Open Space		693	–	–	3 086	3 336	3 336	3 695	3 917	4 152
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		2 133	56	30	1 934	1 869	1 869	2 052	2 175	2 305
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		2 133	56	30	1 934	1 869	1 869	2 052	2 175	2 305
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		1 081	–	–	300	200	200	318	337	357
Revenue Generating		1 081	–	–	300	200	200	318	337	357
Improved Property		585	–	–	300	200	200	318	337	357
Unimproved Property		496	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		861	688	1 037	1 428	1 771	1 771	1 302	1 378	1 537
Operational Buildings		861	688	1 037	1 428	1 771	1 771	1 302	1 378	1 537
Municipal Offices		861	688	1 037	1 428	1 771	1 771	1 302	1 378	1 537
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–

Table 47 – SA34c: Repairs and maintenance expenditure by asset class (continue)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>		1	1	0	9	9	9	9	9	9
Furniture and Office Equipment		1	1	0	9	9	9	9	9	9
<u>Machinery and Equipment</u>		1 921	3 261	2 002	2 906	4 216	4 216	3 508	3 422	3 531
Machinery and Equipment		1 921	3 261	2 002	2 906	4 216	4 216	3 508	3 422	3 531
<u>Transport Assets</u>		7 444	1 237	1 458	1 648	1 548	1 548	1 641	1 740	1 845
Transport Assets		7 444	1 237	1 458	1 648	1 548	1 548	1 641	1 740	1 845
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	66 327	47 594	72 592	74 616	72 430	72 430	76 097	68 024	70 672
<i>R&M as a % of PPE</i>		2,3%	1,6%	2,4%	2,2%	2,3%	2,3%	-220,0%	2,1%	2,0%
<i>R&M as % Operating Expenditure</i>		3,7%	2,5%	3,6%	3,1%	3,1%	3,1%	5,5%	2,7%	2,7%

Table 48 – SA34d: Depreciation by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		121 485	103 454	112 093	117 117	117 117	117 117	113 950	120 311	123 305
Roads Infrastructure		47 520	36 600	41 301	41 535	41 535	41 535	42 937	43 709	43 900
Roads		47 520	29 149	32 925	32 913	32 913	32 913	34 279	36 057	36 255
Road Structures		-	227	247	227	227	227	254	252	253
Road Furniture		-	7 223	8 129	8 395	8 395	8 395	8 404	7 400	7 392
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		7 909	6 155	6 411	7 250	7 250	7 250	6 450	6 449	6 452
Drainage Collection		-	5 090	5 315	6 157	6 157	6 157	5 354	5 353	5 358
Storm water Conveyance		7 909	1 065	1 096	1 093	1 093	1 093	1 096	1 096	1 094
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		22 947	18 115	19 303	21 813	21 813	21 813	20 187	19 179	18 674
Power Plants		-	2	2	2	2	2	2	2	2
HV Substations		-	902	1 001	911	911	911	1 002	959	886
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		22 947	3 660	3 775	3 686	3 686	3 686	3 846	3 843	3 816
MV Switching Stations		-	1 414	1 522	1 582	1 582	1 582	1 522	1 522	1 525
MV Networks		-	345	346	345	345	345	345	345	346
LV Networks		-	11 791	12 657	14 819	14 819	14 819	12 427	12 292	12 099
Capital Spares		-	-	-	469	469	469	1 044	217	-
Water Supply Infrastructure		23 654	24 504	26 522	25 058	25 058	25 058	26 364	30 021	31 754
Dams and Weirs		-	123	123	-	-	-	127	127	127
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	1 656	3 138	4 836	4 836	4 836	3 131	3 084	3 081
Pump Stations		23 654	3 190	3 261	3 258	3 258	3 258	3 248	7 173	9 053
Water Treatment Works		-	4 703	4 716	-	-	-	4 686	4 674	4 679
Bulk Mains		-	533	535	533	533	533	533	533	535
Distribution		-	13 916	14 363	16 047	16 047	16 047	14 291	14 085	13 961
Distribution Points		-	384	385	383	383	383	347	344	319
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		16 450	16 043	16 478	19 361	19 361	19 361	16 304	19 710	21 278
Pump Station		-	1 834	1 915	4 314	4 314	4 314	1 792	1 753	1 563
Reticulation		16 450	10 275	10 513	10 501	10 501	10 501	10 423	9 893	9 645
Waste Water Treatment Works		-	3 870	3 986	4 482	4 482	4 482	4 025	7 999	10 006
Outfall Sewers		-	64	64	64	64	64	64	64	64
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		2 883	2 036	2 079	2 100	2 100	2 100	1 708	1 243	1 246
Landfill Sites		-	1 769	1 784	1 767	1 767	1 767	1 328	862	865
Waste Transfer Stations		2 883	267	295	333	333	333	381	381	382
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		122	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		122	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Table 48 – SA34d: Depreciation by asset class (continue)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Depreciation by Asset Class/Sub-class										
Community Assets		8 977	7 276	9 135	8 878	8 878	8 878	9 429	8 838	8 441
Community Facilities		8 977	2 387	2 902	2 395	2 395	2 395	3 435	3 331	3 141
Halls		8 919	784	876	1 096	1 096	1 096	1 039	947	791
Centres		-	89	95	95	95	95	95	95	95
Crèches		-	307	405	-	-	-	404	404	405
Clinics/Care Centres		-	129	129	129	129	129	128	124	115
Fire/Ambulance Stations		-	50	50	61	61	61	50	50	50
Testing Stations		-	186	24	-	-	-	24	24	18
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		58	61	77	78	78	78	77	76	76
Cemeteries/Crematoria		-	2	2	6	6	6	2	2	2
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	88	546	206	206	206	920	919	920
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	127	134	162	162	162	133	128	122
Markets		-	2	2	2	2	2	2	2	2
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	560	561	560	560	560	560	560	544
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	4 890	6 233	6 483	6 483	6 483	5 993	5 507	5 300
Indoor Facilities		-	128	128	128	128	128	128	128	128
Outdoor Facilities		-	4 762	6 105	6 355	6 355	6 355	5 866	5 380	5 172
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		162	169	162	169	169	169	162	162	162
Revenue Generating		162	169	162	169	169	169	162	162	162
Improved Property		162	169	162	169	169	169	162	162	162
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		2 672	3 908	4 427	4 442	4 442	4 442	4 925	4 687	4 448
Operational Buildings		2 672	2 659	3 174	3 045	3 045	3 045	3 677	3 439	3 197
Municipal Offices		2 672	2 631	3 146	3 018	3 018	3 018	3 653	3 416	3 174
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	25	21	25	25	25	23	23	23
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	1	1	1	1	1	1	1	1
Training Centres		-	0	4	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	2	2	1	1	1	0	0	0
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	1 249	1 253	1 397	1 397	1 397	1 248	1 248	1 251
Staff Housing		-	15	15	15	15	15	14	14	14
Social Housing		-	1 234	1 238	1 383	1 383	1 383	1 234	1 234	1 237
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		3	2	76	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		3	2	76	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		3	2	76	-	-	-	-	-	-
Local Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-

Table 48 – SA34d: Depreciation by asset class (continue)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Computer Equipment</u>		2 957	2 499	3 522	3 919	3 919	3 919	2 843	2 260	1 540
Computer Equipment		2 957	2 499	3 522	3 919	3 919	3 919	2 843	2 260	1 540
<u>Furniture and Office Equipment</u>		1 053	1 717	2 362	4 290	4 290	4 290	2 275	1 785	1 450
Furniture and Office Equipment		1 053	1 717	2 362	4 290	4 290	4 290	2 275	1 785	1 450
<u>Machinery and Equipment</u>		6 799	4 644	6 135	8 501	8 501	8 501	6 121	5 031	4 114
Machinery and Equipment		6 799	4 644	6 135	8 501	8 501	8 501	6 121	5 031	4 114
<u>Transport Assets</u>		17 429	19 230	20 275	20 953	20 953	20 953	17 836	16 846	15 858
Transport Assets		17 429	19 230	20 275	20 953	20 953	20 953	17 836	16 846	15 858
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Depreciation	1	161 537	142 900	158 186	168 269	168 269	168 269	157 539	159 920	159 318

Table 49 – SA34e: Capital Expenditure on the upgrading of existing assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	51 421	34 835	103 176	80 808	80 808	142 015	174 617	82 340
Roads Infrastructure		-	7 606	7 762	8 000	10 602	10 602	15 860	14 450	14 850
Roads		-	7 606	7 762	8 000	10 602	10 602	12 860	14 450	14 850
Road Structures		-	-	-	-	-	-	3 000	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	2 231	3 360	3 000	28 470	28 470	3 000	22 014	6 000
Drainage Collection		-	1 831	2 975	3 000	27 856	27 856	3 000	20 014	3 000
Storm water Conveyance		-	400	385	-	615	615	-	2 000	3 000
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	3 371	2 777	2 220	3 991	3 991	2 250	5 100	5 700
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	100	560	560	100	1 400	500
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	5	-	250	250	250	500	2 000	3 000
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	3 366	2 777	1 870	3 181	3 181	1 650	1 700	2 200
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	3 368	16 057	16 655	4 853	4 853	19 905	34 203	35 500
Dams and Weirs		-	2 687	15 867	-	450	450	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	82	4 500	1 218	1 218	1 750	2 750	9 000
Water Treatment Works		-	681	-	8 155	1 510	1 510	13 425	19 605	13 000
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	108	4 000	1 675	1 675	4 730	11 848	13 500
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	34 845	4 383	73 001	32 591	32 591	101 000	97 450	19 790
Pump Station		-	931	1 706	7 866	6 012	6 012	32 800	51 700	14 750
Reticulation		-	-	261	2 500	325	325	3 000	5 000	1 500
Waste Water Treatment Works		-	33 915	2 391	62 400	25 953	25 953	65 050	40 750	3 540
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	24	235	302	302	150	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	495	300	300	300	-	1 400	500
Landfill Sites		-	-	-	-	-	-	-	500	500
Waste Transfer Stations		-	-	495	300	300	300	-	900	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Table 49 – SA34e: Capital Expenditure on the upgrading of existing assets by asset class (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Community Assets		-	2 663	4 831	3 901	4 145	4 145	2 984	2 949	3 505
Community Facilities		-	1 038	4 539	3 226	3 176	3 176	1 950	1 850	2 315
Halls		-	101	-	-	-	-	-	800	1 065
Centres		-	178	192	200	464	464	1 300	550	750
Crèches		-	42	4 124	840	708	708	-	-	-
Clinics/Care Centres		-	-	-	250	444	444	-	-	-
Fire/Ambulance Stations		-	-	-	500	982	982	500	-	-
Testing Stations		-	-	-	374	24	24	-	250	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	519	154	600	179	179	-	100	200
Cemeteries/Crematoria		-	-	-	200	200	200	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	198	70	212	126	126	150	150	300
Markets		-	-	-	50	50	50	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	1 625	292	675	968	968	1 034	1 099	1 190
Indoor Facilities		-	-	-	-	-	-	-	50	-
Outdoor Facilities		-	1 625	292	675	968	968	1 034	1 049	1 190
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	665	1 709	2 839	2 815	2 815	1 500	1 810	2 110
Operational Buildings		-	665	1 709	2 839	2 815	2 815	1 150	1 460	1 460
Municipal Offices		-	410	451	1 409	1 544	1 544	650	960	510
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	144	18	500	3	3	250	250	750
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	111	1 240	930	1 267	1 267	250	250	200
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	350	350	650
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	350	350	650
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-

Table 49 – SA34e: Capital Expenditure on the upgrading of existing assets by asset class (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	9	2	225	-	-	-	2	2
Furniture and Office Equipment		-	9	2	225	-	-	-	2	2
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing ass	1	-	54 758	41 377	110 141	87 768	87 768	146 499	179 379	87 957
Upgrading of Existing Assets as % of total capex		0,0%	22,5%	26,5%	28,4%	30,8%	30,8%	39,8%	50,3%	27,5%
Upgrading of Existing Assets as % of deprecn"		0,0%	38,3%	26,2%	65,5%	52,2%	52,2%	93,0%	112,2%	55,2%

2.8.7 Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)

Table 50 – SA1: Supporting detail to Statement of Financial Performance

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		274 623	303 194	338 044	353 011	360 589	360 589	382 225	405 159	429 469
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		39 569	33 021	35 935	41 022	38 600	38 600	40 916	43 370	45 973
Net Property Rates		235 054	270 173	302 109	311 989	321 989	321 989	341 309	361 789	383 496
Service charges - electricity revenue	6									
Total Service charges - electricity revenue		621 186	644 518	698 335	795 151	785 151	785 151	899 701	953 683	1 010 901
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (50 kwh per indigent household per month)		17 854	19 813	22 689	23 395	26 522	26 522	24 243	25 991	26 314
Net Service charges - electricity revenue		603 332	624 705	675 646	771 756	758 629	758 629	875 458	927 691	984 587
Service charges - water revenue	6									
Total Service charges - water revenue		142 121	151 450	153 330	175 915	171 215	171 215	181 677	192 578	204 133
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		24 464	22 194	16 405	34 558	39 177	39 177	35 811	38 393	38 869
less Cost of Free Basic Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		117 657	129 256	136 925	141 357	132 038	132 038	145 866	154 185	165 264
Service charges - sanitation revenue	6									
Total Service charges - sanitation revenue		122 475	134 943	149 538	155 496	170 496	170 496	188 240	199 535	211 507
less Revenue Foregone (in excess of free sanitation service to indigent households)		34 524	36 088	38 858	42 378	48 043	48 043	43 914	47 081	47 665
less Cost of Free Basic Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		87 952	98 855	110 680	113 118	122 453	122 453	144 326	152 454	163 842
Service charges - refuse revenue	6									
Total refuse removal revenue		95 849	115 040	128 872	134 547	147 547	147 547	154 186	161 124	168 374
Total landfill revenue		-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		26 071	33 313	36 608	40 071	45 427	45 427	41 523	44 518	45 070
less Cost of Free Basic Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		69 778	81 727	92 264	94 476	102 119	102 119	112 663	116 606	123 304
Other Revenue by source	3									
Fuel Levy		-	-	-	-	-	-	-	-	-
Other Revenue		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Operational Revenue		14 801	21 519	11 302	12 466	12 466	12 466	11 943	12 045	12 149
Intercompany/Parent-subsidary Transactions		-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	3 966	3 966	-	-	-
Sales of Goods and Rendering of Services		75 071	58 318	49 897	94 253	47 915	47 915	98 727	107 234	114 903
Fuel Levy		-	-	-	-	-	-	-	-	-
Total 'Other' Revenue	1	89 872	79 838	61 199	106 719	64 347	64 347	110 670	119 279	127 052

Table 50 – SA1: Supporting detail to Statement of Financial Performance (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	293 256	292 101	331 244	405 231	371 068	371 068	396 010	401 541	420 175
Pension and UIF Contributions		44 603	50 105	54 408	62 963	62 963	62 963	66 980	70 338	73 396
Medical Aid Contributions		18 467	20 470	22 545	35 362	35 362	35 362	37 777	39 669	41 572
Overtime		1 909	2 231	2 471	2 638	2 643	2 643	2 817	2 957	3 105
Performance Bonus		17 869	23 551	25 699	28 067	27 907	27 907	28 721	30 173	30 122
Motor Vehicle Allowance		15 085	15 194	15 409	16 892	17 475	17 475	9 332	12 468	12 978
Cellphone Allowance		1 050	1 197	1 343	1 325	1 492	1 492	1 837	1 940	2 037
Housing Allowances		1 925	2 117	2 220	4 404	4 406	4 406	2 847	2 990	3 139
Other benefits and allowances		52 900	81 049	60 715	53 797	56 848	56 848	62 820	66 060	69 254
Payments in lieu of leave		154	–	–	–	–	–	–	–	–
Long service awards		2 386	6 517	3 707	4 678	4 831	4 831	5 915	6 193	6 483
Post-retirement benefit obligations	4	19 762	26 004	13 390	22 604	22 604	22 604	20 836	21 718	22 637
sub-total	5	469 365	520 536	533 150	637 960	607 598	607 598	635 891	656 047	684 899
Less: Employees costs capitalised to PPE		937	412	–	3 455	3 455	3 455	3 596	3 871	4 064
Total Employee related costs	1	468 428	520 124	533 150	634 506	604 144	604 144	632 295	652 176	680 835
Contributions recognised - capital										
List contributions by contract		–	13 260	12 716	14 192	14 192	14 192	14 759	15 350	15 965
Total Contributions recognised - capital		–	13 260	12 716	14 192	14 192	14 192	14 759	15 350	15 965
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		161 534	142 900	158 111	168 269	168 269	168 269	157 539	159 920	159 318
Lease amortisation		3	–	76	–	–	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	161 537	142 900	158 186	168 269	168 269	168 269	157 539	159 920	159 318
Bulk purchases										
Electricity Bulk Purchases		396 389	426 308	482 921	527 240	521 740	521 740	614 082	680 337	753 626
Water Bulk Purchases		1 421	2 544	2 278	1 872	1 872	1 872	2 206	2 444	2 708
Total bulk purchases	1	397 810	428 852	485 199	529 112	523 612	523 612	616 288	682 781	756 334
Transfers and grants										
Cash transfers and grants		73	65 525	83 378	60 860	71 935	71 935	64 785	52 055	51 739
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–
Total transfers and grants	1	73	65 525	83 378	60 860	71 935	71 935	64 785	52 055	51 739
Contracted services										
Outsourced Services		214 400	189 011	225 450	268 513	256 146	256 146	288 385	299 616	312 471
Consultants and Professional Services		22 228	25 180	21 881	26 901	31 393	31 393	27 175	25 729	23 967
Contractors		212 327	205 588	170 982	319 872	316 934	316 934	283 228	288 301	317 957
sub-total	1	448 956	419 779	418 312	615 286	604 473	604 473	598 788	613 647	654 395
Allocations to organs of state:										
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total contracted services		448 956	419 779	418 312	615 286	604 473	604 473	598 788	613 647	654 395

Table 50 – SA1: Supporting detail to Statement of Financial Performance (continues)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
<u>Other Expenditure By Type</u>										
Collection costs	3	2 623	2 399	2 338	2 316	2 316	2 316	2 401	2 524	2 641
Contributions to 'other' provisions		(59)	31 039	–	–	–	–	–	–	–
Audit fees		4 285	5 696	5 344	6 048	6 048	6 048	6 511	6 796	7 204
General expenses										
Operating Leases		4 449	5 486	5 578	19 607	19 788	19 788	20 002	18 823	19 003
Operational Cost		77 166	74 650	76 441	138 141	115 508	115 508	138 390	137 920	141 035
Statutory Payments other than Income Taxes		–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	
Total 'Other' Expenditure	1	88 463	119 270	89 701	166 112	143 660	143 660	167 304	166 063	169 883
Repairs and Maintenance										
Employee related costs	8	–	–	–	–	–	–	–	–	–
Other materials		–	–	22 586	24 940	19 990	19 990	22 518	23 855	24 912
Contracted Services		66 327	47 594	50 006	49 676	52 440	52 440	53 579	44 169	45 760
Other Expenditure		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9	66 327	47 594	72 592	74 616	72 430	72 430	76 097	68 024	70 672
Inventory Consumed										
Inventory Consumed - Water		–	–	–	–	–	–	(147 000)	(147 000)	(147 000)
Inventory Consumed - Other		(2 977 920)	(3 096 982)	(3 111 371)	(5 504 564)	(4 939 563)	(4 939 563)	(5 305 183)	(5 633 365)	(5 922 954)
Total Inventory Consumed & Other Material		(2 977 920)	(3 096 982)	(3 111 371)	(5 504 564)	(4 939 563)	(4 939 563)	(5 452 183)	(5 780 365)	(6 069 954)

Table 51 – SA3: Supporting detail to Statement of Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
ASSETS										
Call investment deposits										
Call deposits		–	–	147 000	–	147 000	147 000	147 000	–	–
Other current investments		–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	–	–	147 000	–	147 000	147 000	147 000	–	–
Consumer debtors										
Consumer debtors		102 309	122 644	134 082	583 583	299 929	299 929	333 178	318 699	305 018
Less: Provision for debt impairment		–	–	–	(183 258)	(225 908)	(225 908)	(261 260)	(265 010)	(269 348)
Total Consumer debtors	2	102 309	122 644	134 082	400 325	74 021	74 021	71 919	53 689	35 671
Debt impairment provision										
Balance at the beginning of the year		–	–	–	(153 382)	(196 032)	(196 032)	(196 032)	(196 032)	(196 032)
Contributions to the provision		–	–	–	–	–	–	–	–	–
Bad debts written off		–	–	–	(29 876)	(29 876)	(29 876)	(65 228)	(68 978)	(73 316)
Balance at end of year		–	–	–	(183 258)	(225 908)	(225 908)	(261 260)	(265 010)	(269 348)
Inventory										
Water										
Opening Balance		–	–	–	–	–	–	147 000	147 000	147 000
Closing Balance Water		–	–	–	–	–	–	147 000	147 000	147 000
Opening Balance		–	–	–	–	–	–	–	666	1 276
Acquisitions		–	–	–	14 000	14 000	14 000	2 200	2 200	2 200
Issues	7	–	–	–	(1 675)	(1 481)	(1 481)	(1 534)	(1 590)	(1 646)
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated		–	–	–	12 325	12 519	12 519	666	1 276	1 830
Zero Rated										
Opening Balance		–	–	–	–	–	–	–	2 464	4 515
Acquisitions		–	–	–	15 000	15 000	15 000	17 000	17 000	17 000
Issues	7	–	–	–	(15 069)	(14 155)	(14 155)	(14 536)	(14 949)	(15 397)
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Zero Rated		–	–	–	(69)	845	845	2 464	4 515	6 118
Materials and Supplies										
Opening Balance		–	–	–	–	–	–	–	3 746	5 232
Acquisitions		–	–	–	97 000	97 000	97 000	55 000	55 000	55 000
Issues	7	–	–	–	(51 811)	(48 227)	(48 227)	(51 254)	(53 514)	(55 444)
Adjustments	8	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–
Closing balance - Materials and Supplies		–	–	–	45 189	48 773	48 773	3 746	5 232	4 788
Housing Stock										
Opening Balance		–	–	–	–	–	–	–	(152)	(309)
Sales		–	–	–	(148)	(148)	(148)	(152)	(157)	(162)
Closing Balance - Housing Stock		–	–	–	(148)	(148)	(148)	(152)	(309)	(471)
Closing Balance - Inventory & Consumables		–	–	–	57 297	61 990	61 990	153 724	157 714	159 265
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		2 875 611	2 974 338	2 977 289	5 098 643	4 863 878	4 863 878	5 231 600	5 579 676	5 888 284
Leases recognised as PPE		–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		–	–	–	1 780 715	1 774 799	1 774 799	1 932 176	2 074 792	2 230 570
Total Property, plant and equipment (PPE)	2	2 875 611	2 974 338	2 977 289	3 317 929	3 089 079	3 089 079	3 299 424	3 504 884	3 657 713
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		(44 339)	(35 636)	(41 219)	(481 429)	(151 394)	(151 394)	(125 659)	(263 638)	(357 161)
Total Current liabilities - Borrowing		(44 339)	(35 636)	(41 219)	(481 429)	(151 394)	(151 394)	(125 659)	(263 638)	(357 161)
Trade and other payables										
Trade Payables		(233 236)	(231 649)	(241 467)	(483 274)	(359 177)	(359 177)	(273 135)	(93 694)	(72 260)
Other Creditors		–	–	–	–	–	–	–	–	–
Unspent conditional transfers		(75 144)	(44 623)	(93 467)	(88 750)	(74 764)	(74 764)	(74 764)	(74 764)	(74 764)
VAT		–	–	–	5 595	1 664	1 664	1 664	–	(1 000)
Total Trade and other payables	2	(308 380)	(276 272)	(334 934)	(566 429)	(432 277)	(432 277)	(346 235)	(168 458)	(148 023)
Non current liabilities - Borrowing										
Borrowing	4	(293 656)	(258 023)	(281 329)	–	(291 940)	(291 940)	(292 497)	(292 497)	(292 497)
Finance leases (including PPP asset element)		–	–	–	(3 438)	(557)	(557)	–	–	–
Total Non current liabilities - Borrowing		(293 656)	(258 023)	(281 329)	(3 438)	(292 497)	(292 497)	(292 497)	(292 497)	(292 497)
Provisions - non-current										
Retirement benefits		(238 673)	–	–	(142 677)	(128 877)	(128 877)	(128 877)	(128 877)	(128 877)
List other major provision items		–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation		–	–	–	–	(40 919)	(40 919)	(40 919)	(122 912)	(122 912)
Other		–	(274 988)	(251 789)	–	(81 993)	(81 993)	(81 993)	–	–
Total Provisions - non-current		(238 673)	(274 988)	(251 789)	(142 677)	(251 789)	(251 789)	(251 789)	(251 789)	(251 789)

**Table 51 – SA3: Supporting detail to Statement of Financial Position
(continues)**

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		2 721 022	2 892 346	2 999 056	2 979 395	2 920 130	2 920 130	3 056 619	3 213 853	3 453 491
GRAP adjustments		-	-	-	-	-	-	-	-	-
Restated balance		2 721 022	2 892 346	2 999 056	2 979 395	2 920 130	2 920 130	3 056 619	3 213 853	3 453 491
Surplus/(Deficit)		178 367	94 350	142 946	43 006	140 962	140 962	131 259	90 483	69 177
Transfers to/from Reserves		(18 788)	12 359	3 822	(4 472)	(4 472)	(4 472)	25 975	65 000	65 000
Depreciation offsets		-	-	-	-	-	-	-	-	-
Other adjustments		20 288	72 202	-	-	743 915	743 915	-	-	-
Accumulated Surplus/(Deficit)	1	2 900 889	3 071 257	3 145 824	3 017 928	3 800 535	3 800 535	3 213 853	3 369 336	3 587 668
Reserves										
Housing Development Fund		62 941	61 589	57 767	61 589	57 767	57 767	57 767	179 932	179 932
Capital replacement		-	-	-	35 945	76 770	76 770	46 323	(65 000)	(130 000)
Self-insurance		-	-	-	-	-	-	-	-	-
Other reserves										
Compensation for Occupational Injuries and Diseases		-	-	-	-	-	-	-	-	-
Employee Benefit Reserve		-	-	-	-	-	-	-	-	-
Non-current Provisions Reserve		-	-	-	11 007	11 007	11 007	11 007	-	-
Valuation Reserve		-	-	-	-	-	-	-	-	-
Investment in associate account		-	-	-	-	-	-	-	-	-
Capitalisation Reserve		-	-	-	60 343	60 362	60 362	64 834	-	-
Equity		-	-	-	-	-	-	-	-	-
Non-Controlling Interest		-	-	-	-	-	-	-	-	-
Share Premium		-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	(39 945)	-	-	-	-	-
Total Reserves	2	62 941	61 589	57 767	128 939	205 907	205 907	179 932	114 932	49 932
TOTAL COMMUNITY WEALTH/EQUITY	2	2 963 830	3 132 846	3 203 591	3 146 867	4 006 441	4 006 441	3 393 785	3 484 268	3 637 600

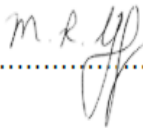
2.9 Municipal Manager's Quality Certificate

I, **DR MICHELE GRATZ**, the Acting Municipal Manager of George Municipality hereby certify that the adjustments budget and supporting documentation for the 2021/22 Financial Year have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print Name **DR MICHELE GRATZ**

Acting Municipal Manager of **GEORGE WC044**

Signature


.....

Date **07/04/2021**

2.10 MTREF Budget Benchmark Assessment Report

The MTREF Budget benchmark engagement with National Treasury will take place on 6 May 2021.

2.11 2020 Mid-year Budget and Performance visit

Below is a brief report received from National Treasury regarding the 2020 mid-year and performance visit to George Municipality.



Private Bag X115, Pretoria, 0001, Tel: (012) 315 5866, Fax: (012) 395 6553

Ref No: WC044/12

The Acting Municipal
Manager George Local
Municipality

P.O. Box
19
GEORGE
6530

Email:
mgratz@george.gov.za

Dear Dr Gratz

OBSERVATIONS AND RECOMMENDATIONS EMANATING FROM THE VIRTUAL MID-YEAR BUDGET AND PERFORMANCE ENGAGEMENT HELD ON 18 FEBRUARY 2021

Thank you for a productive engagement we had on 18 February 2021. This letter intends to capture high-level issues and major recommendations emanating from the engagement which should inform the Municipality's 2021/22 MTREF, where appropriate. This will be followed by a more detailed report.

The meeting was well attended by senior management from the municipality including the acting Chief Financial Officer (CFO) and acting Municipal Manager (MM) as well as various invited sector departments.

The aim of the 2021 annual mid-year budget and performance assessment engagement was to focus on the municipality's 2019/20 financial year's performance, the 2020/21 mid-year performance and preparations for the 2021/22

Medium Term Revenue and Expenditure Framework. A summation of the key observations, recommendations and resolutions emanating from the discussions is presented below.

KEY OBSERVATIONS

Institutional Arrangements (Fragile)

The municipality's institutional arrangements are considered fragile given that:

- The Municipality has an acting MM and the CFO with some senior management positions that are not filled;
- There is lack of critical skills such as Civil engineers, Electrical Engineer and senior town planners. All these positions have been advertised and some are being temporarily filled;
- The Municipality is functioning optimally with good relations between Politicians and Officials;
- The Performance Agreements of the Senior Management of the Municipality are linked to IDP/SDBIP;
- The municipality has a Disciplinary board that was appointed on 21 June 2018 at a Special Council Meeting;
- The municipal use of consultants is on a need basis and for a short period of time;
- The municipality has an active and functional mSCOA Steering Committee;
- The municipality has challenges with cash flow automation;
- They also have a challenge with opening of the restated years to correct the financial statements; and
- There is no interference with uploading of A, B and C-Schedules.

Financial Health (Sound)

The municipality's financial health is rated sound based on the following:

- Collection rate for 2019/20 was 89 per cent and was reported at 90 per cent by mid-year. The municipality indicated that they were not severely affected by COVID-19 pandemic in terms of revenue collection because the majority of citizens have fixed income that was not affected by Covid-19 National lockdown regulations;
- There was a net cash increase of R236 million in 2019/20 mainly due to unspent grants and the capital replacement reserve;
- The municipality closed 2019/20 with a positive cash of R799.5 million to pay creditors of R319.8 million;
- In 2019/20 the municipal operating revenue was R2.079 billion whilst the operating expenditure was R2.105 billion resulting in the municipality realising an operational deficit of R26.5 million;
- Capital expenditure has been declining from 85 per cent in 2015/16 to only 53 per cent in 2019/20 the main reason for underperformance in 2019/20 was the COVID-19 pandemic as projects were halted;
- The conditional grants performance for 2019/20 was only 2019/20, mainly affected by the impact of COVID-19 pandemic national regulations;
- The municipality has proposed to cut its capital budget by R217.1 million during the adjustment budget by pushing its projects out to the next financial year 2021/22, this is because the municipality is expecting a decrease in the

- collection rate and loan funding in 2020/21 financial year;
- The municipality applied a zero based budgeting and realised a R82.6 million saving during the adjustment budget in attempt to realise more saving as they anticipate a drop in the collection rate;
- There was a saving of about R30 million on salaries and wages budget for 2020/21 financial year due to posts not filled; and
- National Treasury (NT) also note that the municipality gives relief to struggling consumers and business community that are affected by the impact of COVID-19 on a case by case basis.

Financial Governance (Sound)

The municipality's financial governance is rated sound based on the following:

- The municipality has received an unqualified audit outcome with no findings in the first three years of the last five years with only a qualification in 2017/18 and unqualified audit outcome with findings in 2018/19;
- The municipal risk register was updated for all new risks that were identified in the audit action plan;
- The municipality has presented an adequate process to mitigate risks;
- The three year rolling Internal Audit Plan is risk based, and therefore includes the impact of the audit action plan;
- The municipality has an active Audit Committee that regularly monitors and reports to Council; and
- According to the municipality, there are material findings identified that have been identified by the Auditor General (AG) in the 2019/20 financial year, the municipality is working hard to rectify it. These include: SANRAL payments, construction costs and allocations to indigent households.

Service Delivery (Fragile)

The municipality's service delivery is rated fragile based on the following:

- The municipal capital spending was affected by the poor performance in the Municipal Infrastructure Grant (MIG). According to the municipality the main challenge is with regards to the cumbersome administrative processes in registering projects. This in turn affects the rollout of big projects within the municipality. However, the municipality indicated that there are plans in place to accelerate MIG spending in future;
- The municipality is also challenged with lack of capacity to run certain projects but the municipality is in contact with MISA to address this challenge;
- The municipality has a challenge of land invasion and demand for services by these who have invaded the land. To address this, are planning to establish a task team to categorise informal settlements and to determine which services should be rolled out;
- There is a challenge of the maintenance of ageing infrastructure and lack of capacity in bulk infrastructure (Water Treatment Works, Waste Water Treatment Works, sewerage pumps). There are large projects on the way to address this;
- There was a loss of grant funding due to non-approval of MIG grant for 2019/20. Plans are on the way to increase MIG expenditure in future including to request assistance from MISA to roll out of certain projects;
- The roll out of the regional landfill site is on hold. This is due to the fact that the municipality has taken a decision not to go the PPP route for the regional landfill site;

- On a good note, the municipality indicated that the Final draft of the IUDG Business Plan was completed in December 2020 and the municipality is awaiting a final document from DCOG;
- Electricity losses slightly increased from 5.4 per cent in 2018/19 to 7.1 per cent in 2019/20;
- Water losses decreased from 23.2 per cent in 2018/19 to 20.27 per cent in 2019/20, most leakages that needs to be addressed are in the indigent households;
- Illegal connections are a challenge in the municipality;
- On Economic Recovery Plan – George Municipality is strong at tertiary sector and the municipality indicated that they will continue to stimulate its strong sector;
- The municipality indicated that they have a good working relationship with provincial government which also assists in terms of working together to stimulate the economy of the municipality;
- Employment within George is estimated to contract by 9.8 per cent in 2020/21;
- The municipality has Invested on Information Technology (IT) to make ease of doing business including the automation of the building plans applications; and
- The municipality indicated that they have significant investment opportunities that are in the pipeline for example there is a proposal on investing in a new University.

RECOMMENDATIONS

It is recommended that the municipality should:

- Correct the cash flow reporting challenges during adjustment budget and budget correctly on water inventory in line with the new reporting guide;
- After elections continue with its plans to fill the MM position and this will ensure stability in the municipality;
- Invite NT in its *m*SCOA steering committee meeting and that minutes emanating from this meeting should also be shared with NT;
- Correct the operating expenditure data strings as they don't reconcile with the pre-audit AFS 2019/20;
- Have a terms of reference in its Disciplinary Board;
- Correct the terms used for the WIP disclosure notes in the AFS;
- Have a UIFW plan which must be shared with NT by the end of 28 February 2021;
- On the UIFW reduction plan, in addition to addressing existing and historical UIFW, the plan should also include preventative controls to comply with the MFMA i.t.o prevention, the municipality should consider reflecting such time-frames in the audit action plan for both for internal and external audit to enable monitoring and tracking;
- Include SDBIP reasoning in its quarterly report as they did with 2021 mid-year presentation;
- In its *m*SCOA reporting, go on a lower level of reporting for depreciation as they currently report on higher level; and
- The municipality recommends that the District can leverage on the strength of the local municipalities to the implementation of the district development model.

RESOLUTIONS

It was resolved at the engagement that:

Municipality will:

- Share the MPAC report recommendations to write off irregular expenditure with NT by 22 February 2021;
- Set up a session with the service provider and NT with regards to opening balances and correcting the financial statements for restated years; and
- Set up a session NT and COGTA to find a common ground regarding the correct timeframes to rollout MIG projects.

NT will:

- Provide a refresher course on *mSCOA* to George Municipality – dates will be set in due course.

National Treasury appreciates the municipality's preparation efforts to ensuring robust and informative discussions for the duration of the engagement.

Yours faithfully



WILLEM VOIGT

DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS

DATE: 19 February 2021