

# **SWARTLAND MUNICIPALITY**

## **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2021/2022 TO 2023/2024**



# **ANNUAL BUDGET OF SWARTLAND MUNICIPALITY**

## **2021/2022 TO 2023/2024 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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## Part 1 – Annual Budget

### 1.1 Mayor's Report

The budget speech will be distributed directly after the council meeting.

### 1.2 Council Resolutions

The following council resolutions pertaining to the consideration and approval of the multi year capital and operating budgets, amended budget and related policies, property rates, tariffs and other charges for 2021/2022; 2022/2023 and 2023/2024;

- (a) That cognisance be taken of the inputs received from the public and province and that the comments and responses thereto (**Annexure E, Inputs received on the Draft Budget**) be accepted as recommendations by the Budget Steering Committee and Executive Mayoral Committee, insofar as it relates to the consideration of the final 2021/2022 MTREF Budget;
  - That council specifically note the Executive Mayor's decision in the above regard as allowed for in Section 23 of the MFMA, resulted in the following changes to the draft final budget:-
    - Reduced property rates increase for the 2021/22 financial year from 5.9% to 3.9%( linked to estimated headline inflation) resulting in reduced planned revenue around R 2, 780 million;
    - Water tariffs reduced from 6% and 4.9% to a low 3.5% for all users inclusive of reducing the block tariff for consumption between 26-35 KL and no increase for consumption from 36 KL and more. The planned increases tabled in the draft budget for the outer years were further reduced to 4.5% from a planned 6%;
    - Electricity Increases– Tariff 12 (block 1) of the residential prepaid tariff to increase by only 13.8% instead of 14.59% tabled in the draft budget and that the deficit be recovered from the energy components of the bulk industrial tariffs (Tariff 3 and Tariff 10) by means of an increase of 15%;
    - Salary increases were revised/limited to 2.8% resulting in a reduced salary bill in the final budget as SALGA, contrary to the 0% mandate provided by the municipality, entered into negotiations with the aforementioned 2.8%;
- (b) That council takes note that the costs as envisaged by Section 19 (2)(a)(b) were derived after consultation with the respective director(s) who has confirmed the costs as per (**Annexure A, Section 1: 2021/22 – 2023/24 Final Budget and Tariff File**) and consider same;
- (c) That council prior to approving the capital projects above R50 million as listed in (**Annexure B: 2021/22 – 2023/24 Capital Projects ito Sec 19**), first consider the projected cost covering all financial years until the project is operational and the future operational costs and revenue on the project, including municipal tax and tariff implications;

- (d) That council considers the funding sources linked to council's capital program and take note that these funding sources are available and have not been committed for other purposes;

FINANCING SOURCES	Final Budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024
Capital Replacement Reserve (CRR)	R 119 720 229	R 88 134 732	R 87 207 848
Municipal Infrastructure Grant (MIG)	R 22 700 000	R 23 810 000	R 24 711 000
Dept. Human Settlements	R 14 600 000	R 15 800 000	R 19 760 000
Integrated National Electrification Programme (INEP)	R 8 355 000	R 5 000 000	R 5 000 000
Dept. Cultural Affairs and Sport	R 1 033 000	R -	R -
Community Safety Grant	R 27 500	R -	R -
<b>GRAND TOTAL</b>	<b>R 166 435 729</b>	<b>R 132 744 732</b>	<b>R 136 678 848</b>

- (e) That council deemed it appropriate to consider the entire capital program excluding the 2 contractually combined projects above R 50 million as the aforementioned capital program's operational cost, inclusive of future costs will be covered by the rates regime and the normal cost centres found in the operational budget;
- (f) That council approves the capital projects as part of its consolidated capital program as per **(Annexure A, Section 1: 2021/22 – 2023/24 Final Budget and Tariff File)**;
- (g) That the final high-level multi-year Capital and Operating budgets with respect to the 2021/22 – 2023/24 financial years be approved as final, in accordance with sections 16, 17 and 19 of the MFMA;

	Original Budget 2020/21	Special Adj Budget 2020/21	Final Budget 2021/22	Final Budget 2022/23	Final Budget 2023/24
Capital budget	212 435 837	212 204 973	166 435 729	132 744 732	136 678 848
Operating Expenditure	810 670 080	812 407 741	911 967 151	983 835 346	1 055 314 274
Operating Revenue	882 786 413	895 651 145	968 875 619	1 048 008 388	1 119 714 984
<b>Budgeted (Surplus)/ Deficit</b>	<b>(72 116 333)</b>	<b>(83 243 405)</b>	<b>(56 908 468)</b>	<b>(64 173 042)</b>	<b>(64 400 709)</b>
Less: Capital Grants, Donations & Development Charges	86 863 600	80 767 351	47 912 409	45 865 556	50 788 078
<b>(Surplus)/ Deficit</b>	<b>14 747 267</b>	<b>(2 476 054)</b>	<b>(8 996 059)</b>	<b>(18 307 486)</b>	<b>(13 612 631)</b>

- (h) That council approves the notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy the final property tax rates, exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2021/2022 financial year with effect from 1 July 2021;

Category of property	Rate ratio	(c/R) rate determined for the relevant property category
Residential properties	1: 1	0,5361
Business and Commercial properties	1: 1,4367	0,7702
Industrial properties	1: 1,4367	0,7702
Agricultural properties	1: 0,25	0,1340
Mining properties	1: 1,4367	0,7702
Public Service Infrastructure	1: 0,25	0,1340
Public Benefit Organisations	1: 0	0,0000
Vacant properties	1: 1,347	0,7221
Municipal properties	1: 0	0,0000
Conservation Areas	1: 0	0,0000
Protected Areas	1: 0	0,0000
National Monuments	1: 0	0,0000
Informal Settlements	1: 0	0,0000

### Exemptions and Reductions

- **Residential Properties:** For all residential properties, the municipality will not levy a rate on the first R15 000 of the property's market value. The R15 000 is the statutory impermissible rate as per section 17(1)(h) of the Municipal Property Rates Act.

### Rebates in respect of a category of owners of property are as follows:

- **Indigent owners:** 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- **Qualifying senior citizens and disabled persons:** A rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R300 000.

**NB:** Please refer to the municipality's property rates policy in respect of all rebates offered.

- (i) That council approve the final tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2021/22 – 2023/24 Final Budget and Tariff File)**;

- (j) That council approve the electricity tariffs as final for the 2021/2022 financial year, bearing in mind that it is still subject to NERSA's final approval;
- (k) That the annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **(Annexure C: Budget Report and A-Schedules 2021/22 – 2023/24)**;
- (l) That the amended budget and related policies as set out in **(Annexure D: Final Budget Related Policies 2021/22)** hereto, be approved as final;
- (m) That the training budget limited to **0,70%** of the salary budget in the amount of **R1 820 006** for the 2021/2022 financial year be approved as final;
- (n) That SALGA be informed of Council's dissatisfaction that, despite a 0% mandate received from various municipalities, SALGA went to the negotiations with a 2.8% increase;
- (o) That Council takes note of the increases of the directors: Corporate, Electrical Engineering Services and Protection Services that are contractually linked to the other personnel which is negotiated and determined at a national level:
  - In respect of all personnel, an increase of 2.8% for 2021/2022; 2.8% for 2022/2023 and 2.8% for the 2023/2024 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase where applicable;
  - In respect of the Directors: Corporate Services, Electrical Engineering Services and Protection Services, a 2.8% increase with effect from 1 July 2021;
  - In respect of the Municipal Manager a 2.5% increase with effect from 1 July 2021;
  - That it be noted that the Directors: Civil Engineering Services, Financial Services and Development Services received no increase for the 2020/21 year with no indication of increases for 2021/22 either;
  - That it be noted that all councillors received no increase to their allowances during 2020/21;
  - Provision has been made for a 2.8% increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).
- (p) That Council takes note of the budgeted operating surpluses and that the budget is "cash-funded" as a result of cash reserves in table A8, the total expenditure growth of **12.3%** from the current to the new financial year and the reduced revenue streams with minimal growth in revenue of **8.2%** for the MTREF period as well as the cash flow statement as per **(A-schedule A7)** for the next three financial years;
  - the budgeted risk factor for cash coverage for operating expenses is **8.9 months** for 2021/2022, **8.8 months** for 2022/2023 and **8.3 months** for 2023/2024 financial years ( this can materially be impacted but not possible to determine scientifically at this stage);



- over the next three financial years the planning is such that operating surpluses are envisaged for 2021/2022 to an amount of **R 8 996 059**, for 2022/2023 an amount of **R 18 307 486** and for 2023/2024 an amount of **R 13 612 631 (excluding capital grant income)**;
- (q) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury;
- (r) That Council take note that the budget was prepared in the new mSCOA Version 6.5 as required by National Treasury;

**for purposes of completeness and implementation the English version of the recommendations will be relied upon.**

**Note:** Annexures A and E were only for the council meeting and not prescribed budget documentation.

**IMPORTANT NOTE:** Council, the public and other stakeholders must take note that the revenue, expenditure and growth figures as reported in the A-schedules and Budget Report to National and Provincial Treasury which forms part of the budget documentation, will **differ considerably** from the figures mentioned above, due to the fact that **departmental charges** are accounted for differently. The end result however in respect of the overall surpluses over the MTREF remains unchanged.

### 1.3 Executive Summary

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan. National Treasury's MFMA Circulars No. 107 and No.108 were also used to guide the compilation of the 2021/22 MTREF (Medium-term Revenue and Expenditure Framework).

As this budget constitutes the financial plan for the next 3 years, it naturally impacts on the community as a whole and it is thus extremely important to consult the community in a bid to create awareness and to gain support for joint ownership and responsibility in managing the municipality's financial affairs. Inputs and representations were considered prior to final approval and consideration was given in line with Section 23 of the MFMA whether the draft budget needed to be revised and it was decided by the Executive Mayor that given the prevailing economic conditions and the pandemic caused by COVID-19, the input received on the budget was discussed insofar that changes were required to the final budget.



**Response of the Executive Mayor in respect of the inputs received on the draft budget:**

- Reduced property rates increase for the 2021/22 financial year from 5.9% to 3.9% (linked to estimated headline inflation) resulting in reduced planned revenue of around R 2, 780 million;
- Water tariffs reduced from 6% and 4.9% to a low 3.5% for all users inclusive of reducing the block tariff for consumption between 26-35 KL and no increase for consumption from 36 KL and more. The planned increases tabled in the draft budget for the outer years were further reduced to 4.5% from a planned 6%;
- Salary increases were revised/limited to 2.8% with the final budget as SALGA, contrary to the 0% mandate provided by the municipality, entered negotiations with the aforementioned 2.8%;
- Electricity Increases– Tariff 12 (block 1) of the residential prepaid tariff to increase by only 13.8% instead of 14.59% tabled in the draft budget and that the deficit be recovered from the energy components of the bulk industrial tariffs (Tariff 3 and Tariff 10) by means of an increase of 15%.

Council's strategic objectives of service delivery include the continuation of an acceptable level of services, as well as improvement in those areas still in need of development. It remains a priority of the council to contain service delivery within the affordability levels of the community whilst focusing on the five strategic focus areas that council wish to strive to achieve over the next three years:

- Improved quality of life for citizens;
- Inclusive economic growth;
- Quality and sustainable living environment;
- Caring, competent and responsive institutions, organisations and business;
- Sufficient, affordable and well-run services.

To achieve the above, a balancing act is required between the set objectives and available financial resources, while taking into consideration the effect of tariff adjustments on the community as a whole, and more particularly the needs of the poor and vulnerable. In addition, like as in the rest of the country we have not escaped the downturn in the economy, which has had a considerable influence to not only disposable income levels in our area, but has further lowered the level of unemployment and growth prospects. Economic challenges will continue to pressurise municipal revenue generation and collection hence a conservative approach is advised for projecting revenue.

**The following were highlighted in National Treasury Budget Circulars 107 and 108 (dated 4 December 2020 and 8 March 2021) to inform the Final 2021-2022 MTREF:**

***The South African economy and inflation targets***

*The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term. South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major*

sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020.

Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and large-scale public employment programmes. In addition, targeted skills development will improve productivity and employment prospects.

Headline inflation is at the lower end of the 3 to 6 per cent target range. Goods and services inflation has broadly declined due to weak demand and falling oil prices. Inflation is forecast to fluctuate around the 4.5 per cent midpoint over the medium term in line with moderating inflation expectations.

The Macro-economic forecasts as illustrated below:

Table 1: Macroeconomic performance and projections, 2019 - 2023					
Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.3%	3.9%	4.2%	4.4%

#### Key focus areas for the 2021/22 budget process

- Local government transfers grow by an annual average of 5.2 per cent over the MTEF; the equitable share declines by 4.4 per cent and conditional grants grow by 7.3 per cent. As part of government's fiscal consolidation policies over the medium term, **transfers to local government are reduced by R19.4 billion, including R14.7 billion from the local government equitable share**, R2.7 billion from the general fuel levy and R2 billion in direct conditional grants.
- The **reduction** to direct **conditional grants includes R329 million** from the **municipal infrastructure grant** and R21 million from the integrated urban development grant. These amounts have been reprioritised from underspending grants to fund a once-off councillor gratuity for non-returning councillors.
- Two standalone informal settlement upgrading grants** for provinces and municipalities **will be introduced from 2021/22**. These grants are made up of components previously within the human settlements development grant and the urban settlements development grant for provinces and municipalities respectively.
- National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the municipality's financial sustainability. The Consumer Price Index (CPI) **is forecasted to be within the lower limit of the 3 to 6 per cent target band**; therefore, municipalities are required **to justify all increases in excess of the projected inflation target for 2021/22 MTREF** in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. **It is noted that the tariff increases by Eskom and Water Boards are above inflation** and

should be considered as such while determining cost-reflective tariffs. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

- By now all municipalities should be aware that section 8 of the Municipal Property Rates Act on the determination of categories of rateable properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act"). **The new rateable property categorisation framework based on use** (provided these property categories exist within the municipality) and consequently, all property categories that are based on ownership, geographic location or any other basis fall away.
- The **National Energy Regulator of South Africa (NERSA)** is responsible for price determination of the bulk costs for electricity. In March, NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years). The additional **R10 billion that the courts have allowed Eskom to recover in the 2021/22** national financial year translates to a **15.6 per cent bulk increase** over the national financial year. However, given that the increase only comes into effect in July for municipalities, NERSA typically allows a higher percentage increase so that Eskom can recover the additional allowable revenue from municipalities over 9 months before the national financial year-ends. **Therefore, the increase should be expected to be between 16 to 20 per cent.** Municipalities can mitigate the negative impact of this increase by improving efficiencies on both the revenue collections and the spending side.

We are however concerned as the informal assessment of the increases going forward, leans towards double digit increases over the MTREF and have in the interest of preparing a budget that is in touch with the current realities that ESKOM finds itself in, made provision for **bulk purchases of 17.80% and a general increase of 14.59% for electricity sales, suffice for Tariff 3 (energy component) at 15%, Tariff 10 at 15% and Tariff 12 (block 1) at 13.8%.**

- The **Salary and Wage Collective Agreement** for the period 01 July 2018 to 31 June 2020 **has come to an end** and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. **It has been observed over the previous years that salary increases were above inflation.** In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Given the **current economic condition exacerbated by the COVID-19** pandemic, municipalities are urged to consider projecting **increases to wage** that would reflect their **affordability**. Some municipalities are already not able to afford the current wage cost and would indeed have to apply no more than a zero per cent increase in the 2021/22 MTREF and exercise the option for exemption for any negotiated increase above the level of their affordability.

- *The economic climate and the impact of COVID-19 pandemic had an effect on the ability of municipalities to collect arrear debt during levels 5, 4 and 3 of the national lockdown. This inability to exercise credit control measures during this period had decreased the collection rate in many municipalities. Municipalities need to be proactive in exercising credit control measures to ensure that arrear debt is collected. Whilst collection rates decreased during the period mentioned, **municipalities must implement efforts to collect arrear debt and return collection rates to pre-COVID-19 levels.** Whilst this unprecedented COVID-19 period is the exception, **collection rates need to be maintained at 95 per cent in order to ensure the financial sustainability of municipalities.** If collection rates have decreased, prudent financial management requires expenditure to be adjusted downward accordingly. This is to ensure that deficits are not realised and that realistically anticipated revenue based on projected collection rates funds expenditure. This will also ensure financial sustainability and avoid situations of financial distress in municipalities.*

*Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2021/22 MTREF budgets:*

- *Improving the effectiveness of revenue management processes and procedures;*
- *Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;*
- *Ensuring value for money through the procurement process;*
- *The affordability of providing free basic services to all households;*
- *Not taking on unfunded mandates;*
- *Curbing the consumption of water and electricity of Indigents Consumers in a bid to prevent that they do not exceed their allocation; and*
- *Unsustainable growth of the salary bill resulting in a potential multiplier effect on future tariff increases.*

Taking all of the above into consideration, I submit to you the following estimated expenditure, summarised as follows:

TYPE	2020/2021 (R'000)	2021/2022 (R'000)	2022/2023 (R'000)	2023/2024 (R'000)
Capital expenditure	212 205	166 436	132 745	136 679
Operating expenditure	799 656	898 053	968 724	1 038 888
<b>TOTAL</b>	<b>1 011 861</b>	<b>1 064 488</b>	<b>1 101 468</b>	<b>1 175 567</b>

## AREAS COVERED DURING THE BUDGET STEERING COMMITTEE MEETINGS:

- Struggling South African Economy
- **Conservative budgeting w.r.t the revenue budget and therefore the amounts in years 2 and 3 of the MTREF are indicative only and not fixed, mainly to mitigate the risks given the global and local poor economic conditions. In this regard expenditure will have to be curbed with careful monitoring of budget performance and payment rates**
- Key focus areas for the 2021/22 Budget process
- Revenue modelling informing tariff increases to ensure services are delivered sustainably over the longer term with emphasis on the impact of increases on disposable income levels given the dire state of the economy
- **Limited Funding Choices and reduced National Government Equitable Share allocation to the tune of around R13,7 million over the two years**
- Expenditure and Revenue Consolidation and audited basis informing growth from 2020-2021 to 2021-2022
- Further initiatives will need to be looked at for revenue growth going forward
- **Double digit Electricity tariff increases over the MTREF and unsustainable salary increases**

Keeping the above in mind, the following table is a consolidated overview of the 2021/22 Medium-term Revenue and Expenditure Framework:

### Consolidated Overview of the 2021/22 MTREF (R'000)

R thousand	Current Year	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjustment Budget	2021/2022 (R'000)	2022/2023 (R'000)	2023/2024 (R'000)
Total Operating Revenue	802 132	907 049	987 031	1 052 501
Total Operating Expenditure	799 656	898 053	968 724	1 038 888
<b>Surplus / (Deficit) excluding capital transfers and development charges</b>	<b>2 476</b>	<b>8 996</b>	<b>18 307</b>	<b>13 613</b>
Capital Transfers & Development Charges	80 767	47 912	45 866	50 788
<b>Surplus / (Deficit) for the year</b>	<b>83 243</b>	<b>56 908</b>	<b>64 173</b>	<b>64 401</b>

Total operating revenue **excluding capital grants and development charges** for the 2021/22 financial year has been appropriated at R 907 049 million and is expected to grow by 13.08 per cent or R 104 916 million for the 2021/22 financial year when compared to the 2020/21 Adjusted Budget. For the two outer years, operational revenue will increase by 8.82 and 6.63 per cent respectively, equating to total revenue growth of R 250 368 million over the MTREF (2021/22 to 2023/24). The outer years are based on available information at the time of compiling this report.

Total operating expenditure for the 2021/22 financial year has been appropriated at R 898 053 million and translates into a budgeted surplus of R 8 996 million **(before capital transfers and development charges)**. When compared to the 2020/21 financial year, operational expenditure is projected to grow by 12.30 per cent in the 2021/22 budget; 7.87 per cent in the 2022/23 budget and 7.24 per cent in the 2023/24 budget (based on current assumptions) equating to total expenditure growth of R 239 232 million over the MTREF (2021/22 to 2023/24).

The municipality should on a continuous basis evaluate the financial performance of all departments to identify areas where revenue sources can be increased and non-priority spending can be decreased. As a minimum requirement, the trading services (Water-, Electricity-, Refuse- and Sanitation Departments) and departments with the ability to generate own revenue (such as the Traffic Department) should be cost reflective, thus not requiring the ratepayer to fund these operations through property taxes or cross subsidization.

The financial performance of all departments over the MTREF can be summarised as follow:



Vote Description	Budget Year 2021/2022			Budget Year 2022/2023			Budget Year 2023/2024		
R thousand	Revenue	Expenditure	Surplus / (Deficit)	Revenue	Expenditure	Surplus / (Deficit)	Revenue	Expenditure	Surplus / (Deficit)
Revenue & Expenditure by Vote									
Vote 1 - Corporate Services	11 506	41 476	(29 971)	11 443	42 690	(31 247)	11 684	44 423	(32 739)
1.1 - Administration	131	17 388	(17 257)	103	17 747	(17 644)	108	18 529	(18 421)
1.2 - Human Resources	552	6 026	(5 474)	333	5 900	(5 568)	366	6 126	(5 761)
1.3 - Libraries	10 622	11 058	(436)	10 810	11 660	(851)	11 000	12 110	(1 109)
1.4 - Marketing and Tourism	31	1 740	(1 709)	33	1 786	(1 752)	35	1 820	(1 785)
1.5 - Community Halls and Facilities	168	5 263	(5 095)	165	5 597	(5 432)	175	5 838	(5 663)
Vote 2 - Civil Services	248 096	278 331	(30 235)	254 865	287 310	(32 445)	289 229	322 699	(33 469)
2.1 - Administration		4 155	(4 155)		4 329	(4 329)		4 481	(4 481)
2.2 - Cemeteries	878	773	105	924	809	114	979	861	118
2.3 - Municipal Property Maintenance	10 935	16 853	(5 918)	6 293	17 419	(11 126)	11 380	17 839	(6 459)
2.4 - Parks and Recreational Areas	1 119	17 257	(16 138)		18 245	(18 245)		18 881	(18 881)
2.5 - Proclaimed Roads	175	487	(311)	175	487	(312)	15 130	19 943	(4 813)
2.6 - Refuse Removals	46 625	35 498	11 127	49 403	35 860	13 543	53 006	37 190	15 817
2.7 - Street Cleaning		6 724	(6 724)		7 585	(7 585)		8 387	(8 387)
2.8 - Solid Waste Disposal(Landfill Sites)		10 742	(10 742)		12 489	(12 489)		13 286	(13 286)
2.9 - Sewerage Services	90 521	45 778	44 743	76 419	46 581	29 838	81 065	49 341	31 724
2.10 - Waste Water Treatment		4 399	(4 399)		4 046	(4 046)		4 199	(4 199)
2.11 - Sportgrounds	1 100	5 476	(4 376)	124	5 808	(5 684)	131	6 122	(5 991)
2.12 - Streets	4 102	42 222	(38 120)	9 103	44 152	(35 049)	16 019	47 493	(31 474)
2.13 - Stormwater		16 314	(16 314)		17 016	(17 016)		18 004	(18 004)
2.14 - Swimming Pools	371	2 223	(1 852)	400	2 342	(1 942)	431	2 441	(2 010)
2.15 - Water Distribution	92 270	69 431	22 839	112 025	70 141	41 883	111 088	74 231	36 856
Vote 3 - Council	295	18 220	(17 925)	299	18 758	(18 459)	304	19 319	(19 015)
3.1 - Council General Expenses	295	18 220	(17 925)	299	18 758	(18 459)	304	19 319	(19 015)
Vote 4 - Electricity Services	383 738	364 266	19 472	428 024	413 775	14 249	481 703	470 886	10 817
4.1 - Administration	-	1 779	(1 779)	-	1 827	(1 827)	-	1 876	(1 876)
4.2 - Distribution	383 738	345 735	38 003	428 024	394 244	33 781	481 703	450 336	31 367
4.3 - Street Lighting	-	1 829	(1 829)	-	1 915	(1 915)	-	1 997	(1 997)
4.4 - IT Services	-	14 923	(14 923)	-	15 789	(15 789)	-	16 676	(16 676)
Vote 5 - Financial Services	227 643	59 521	168 122	245 402	60 939	184 464	250 865	62 797	188 068
5.1 - Administration		1 746	(1 746)		1 801	(1 801)		1 844	(1 844)
5.2 - Finance	85 764	37 616	48 148	90 899	39 725	51 174	87 405	41 260	46 145
5.3 - Budget and Treasury		5 232	(5 232)		5 225	(5 225)		5 005	(5 005)
5.4 - Asset Management		1 303	(1 303)		1 358	(1 358)		1 409	(1 409)
5.5 - Grants and Subsidies - FMG	1 550	1 550	()	1 550	1 550		1 550	1 550	
5.6 - Fleet Manangement		1 131	(1 131)		1 189	(1 189)		1 235	(1 235)
5.7 - Property Rates	140 330	3 737	136 593	152 953	2 497	150 456	161 910	2 578	159 332
5.8 - Supply Chain Management		7 207	(7 207)		7 594	(7 594)		7 916	(7 916)
Vote 6 - Development Services	47 074	53 057	(5 983)	54 225	58 633	(4 408)	27 318	28 824	(1 507)
6.1 - Administration	1	2 152	(2 151)	1	2 223	(2 221)	1	2 282	(2 281)
6.2 - Caravan parks - Yzerfontein	1 848	2 317	(469)	2 773	2 436	337	2 989	2 527	462
6.3 - Community Development	38	3 387	(3 349)	38	3 541	(3 503)	38	3 645	(3 607)
6.4 - Multi-Purpose Centres	19	1 451	(1 432)	20	1 526	(1 506)	171	1 727	(1 556)
6.5 - Planning and Valuations	1 022	8 007	(6 986)	1 066	8 174	(7 109)	1 117	8 083	(6 966)
6.6 - Building Control	2 539	3 268	(729)	2 646	3 430	(784)	2 757	3 557	(800)
6.7 - Housing	41 608	30 442	11 165	47 682	35 429	12 253	20 244	5 058	15 186
6.8 - Occupational Health and Safety		2 032	(2 032)		1 875	(1 875)		1 944	(1 944)
Vote 7 - Municipal Manager	-	8 168	(8 168)	-	8 370	(8 370)	-	8 660	(8 660)
7.1 - Administration	-	3 457	(3 457)	-	3 578	(3 578)	-	3 683	(3 683)
7.2 - Strategic Planning	-	2 592	(2 592)	-	2 569	(2 569)	-	2 657	(2 657)
7.3 - Internal Audit	-	2 118	(2 118)	-	2 223	(2 223)	-	2 320	(2 320)
Vote 8 - Protection Services	36 609	75 013	(38 404)	38 637	78 248	(39 611)	42 186	81 280	(39 093)
8.1 - Administration	-	2 313	(2 313)		2 399	(2 399)	-	2 477	(2 477)
8.2 - Civil Protection		725	(725)		300	(300)		300	(300)
8.3 - Fire Fighting	30	7 626	(7 596)	30	7 739	(7 709)	30	8 108	(8 078)
8.4 - Harbour Yzerfontein	289	350	(61)	289	366	(77)	290	391	(102)
8.5 - Road and Traffic Regulation	10 375	9 035	1 340	10 994	9 533	1 461	11 649	9 889	1 760
8.6 - Policing and Law Enforcement	25 915	54 964	(29 049)	27 324	57 911	(30 587)	30 217	60 113	(29 896)
Total Revenue & Expenditure by Vote	954 961	898 053	56 908	1 032 897	968 724	64 173	1 103 289	1 038 888	64 401



The municipality is in a very privileged position to be able to invest a total of R 292 063 million of its own funds over the 2021/22 MTREF.

The following capital program is proposed as final by the municipality:

Description	Adjustment Budget		2021/22 Medium Term Revenue & Expenditure Framework					
	2020/2021 (R'000)	%	2021/2022 (R'000)	%	2022/2023 (R'000)	%	2023/2024 (R'000)	%
<b>Funded by:</b>								
National Government	32 175	15%	31 055	19%	28 810	22%	29 711	22%
Provincial Government	47 088	22%	15 661	9%	15 800	12%	19 760	14%
Other Transfers and Grants	363	0%	-	0%	-	0%	-	0%
Borrowing	-	0%	-	0%	-	0%	-	0%
Internally generated funds	132 579	62%	119 720	72%	88 135	66%	87 208	64%
<b>Total Capital Funding</b>	<b>212 205</b>	<b>100%</b>	<b>166 436</b>	<b>100%</b>	<b>132 745</b>	<b>100%</b>	<b>136 679</b>	<b>100%</b>

The total final Capital budget for 2021/2022 amounts to R 166 436 million with around R 119 720 million invested from Council's own funds in year 1 and the total application of capital investment over the three fiscal years amounting to R 435 859 million. A decrease of R 50 155 million from the previous approved adjusted MTREF of R 487 756 million. The ongoing investment in revenue generating and other bulk infrastructure is important as an economic stimulant given the multiplier effect that infrastructure investment has on the local economy and more-over now than ever before. The leveraging of these investments in creating jobs remains a key consideration.

## HOUSING PROJECTS

**Note:** The allocations in the provincial gazette for housing projects in year 2 and 3 are indicative at this stage as a result of provincial commitments not yet guaranteed. The R 10 million in year 2 and R 10 760 million in year 3 is envisaged for the De Hoop Serviced Sites Project and R 24 570 million in the form of top structures found in the operational budget for year 2. Kalbaskraal Serviced Sites Project is envisaged for year 2 and year 3 at a total of R 10 million. Darling to get top structures in year 2 only to the tune of R 6 840 million. Chatsworth Serviced Sites Project envisaged for year 2 at R 4 800 million.

Section 19(2)(b) requires a municipal council to consider future operational costs and revenues on Capital Budget projects, including the municipal tax and tariff implications, before approving projects individually or as part of a consolidated programme. To give effect to this requirement, the future operational cost and revenue of projects/programmes are reflected in the **attached Annexure**.

### 1.3.1 Financial indicators and benchmarks

The following table sets out the municipalities main performance objectives and benchmarks for the 2021/22 MTREF. (Derived from the National Treasury A-schedules **and not** as prescribed by Circular 71)

Description of financial indicator	Basis of calculation	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b><u>Borrowing Management</u></b>						
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.0%	3.2%	2.8%	2.5%	2.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.6%	3.9%	3.3%	2.9%	2.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>						
Gearing	Long Term Borrowing/ Funds & Reserves	52.4%	48.2%	42.2%	36.3%	30.4%
<b><u>Liquidity</u></b>						
Current Ratio	Current assets/current liabilities	4:1	5:1	5:1	5:1	5:1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4:1	5:1	5:1	5:1	5:1
Liquidity Ratio	Monetary Assets/Current Liabilities	3:1	4:1	4:1	4:1	4:1
<b><u>Revenue Management</u></b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	90.0%	90.0%	95.0%	95.4%	95.4%
<b><u>Creditors Management</u></b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		29.6%	17.9%	14.7%	14.6%	14.3%
<b><u>Other Indicators</u></b>						
Electricity Distribution Losses (2)	Total Volume Losses (kW)	10 790 467	10 790 467	12 096 519	12 217 484	12 339 659
	Total Cost of Losses (Rand '000)	13 274 558	13 274 558	15 784 639	15 942 485	16 101 910
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.0%	6.0%	6.0%	6.0%	6.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	706 506	706 506	779 450	787 245	795 117
	Total Cost of Losses (Rand '000)	9 954 671	9 954 671	5 035 247	5 085 599	5 136 455
	% Volume (units purchased and generated less units sold)/units purchased and generated	18.0%	18.0%	18.0%	18.0%	18.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.6%	30.0%	28.7%	27.8%	27.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.0%	31.5%	30.0%	29.0%	28.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.6%	6.6%	6.3%	6.2%	8.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.4%	13.3%	12.0%	11.6%	11.9%
<b><u>IDP regulation financial viability indicators</u></b>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within	13.8	13.8	15.6	18.2	19.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	37.2%	17.0%	17.6%	19.5%	21.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	8.8	11.6	8.9	8.8	8.3

**Note:** The gearing ratio in the above table is not a true reflection of the municipality's borrowing position as the formula is not the same as prescribed by NT's Circular 71 ratios.

## Performance indicators and benchmarks

### 1.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Swartland Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators formed part of the compilation of the 2021/2022 MTREF:

- Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure.
- Borrowing funding of own capital expenditure measures the degree to which own capital expenditure (excluding grants and contributions).

### 1.3.1.2 Safety of Capital

The gearing ratio in the context of the Schedule measures the total long term borrowings over funds and reserves.

### 1.3.1.3 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to service or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet current creditor obligations.

### 1.3.1.4 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 60 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Current payment levels are considered problematic to the sustainability of services as a direct result of having had to relax credit control during the hard lockdown but moreover given the unfavourable and struggling economy.

### 1.3.1.5 Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business. The aforementioned statement is qualified to the extent that no disputes or invoice queries resulted in payment delays.

#### 1.3.1.6 Other Indicators

- The electricity distribution losses have been managed to be below the norm of 10%. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity.
- The water distribution losses are monitored on a monthly basis and have been kept at acceptable levels from a National Treasury norm perspective.
- Employee costs as a percentage of operating revenue (excluding capital grants) over the MTREF is between 27.8% and 28.7%. Total remuneration as a percentage of operating revenue (excluding capital grants) over the MTREF is between 28.1% and 30%. The employee related costs at the municipality is in line with the benchmarks set in the Western Cape.
- Contracted services expenditure increased by around R 208 323 million in total over the 2021/22 MTREF period when compared to the 2020/21 adjustments budget, mainly due to Housing Top Structures, Proclaimed roads maintenance grant expenditure and Rehabilitation of closed landfill sites sorting under “contracted services”.

## 1.4 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) “An annual budget may only be funded from –
  - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
  - (b) Cash-backed accumulated funds from previous financial years’ surpluses committed for other purposes; and
  - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
  - (a) projected revenue for the current year based on collection levels to date; and
  - (b) actual revenue collected in previous years.”

In these unprecedented tough economic times strong revenue management is still fundamental to the financial sustainability of the municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The objective with the exercise of tariff determination was to ensure that trade and economic services show surpluses over the next three to five years or in order to sustain quality service delivery to which our consumers in the Swartland area have become accustomed to, but more importantly to finance some other community services and the refurbishment/ renewal of council’s bulk infrastructure. This was however not possible with refuse removal which must at least will break-even with a strategy to phase same- in over the longer period.

The following table is a summary of the 2021/2022 MTREF (classified by main revenue source):

**Summary of revenue classified by main revenue source (excluding capital transfers)**

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousands</b>					
<b>Financial Performance</b>					
Property rates	128 928	128 928	138 386	150 854	159 643
Service charges	444 403	449 698	519 684	575 880	638 120
Investment revenue	30 712	33 658	37 706	36 526	33 355
Transfers recognised - operational	120 495	139 345	152 542	166 080	155 585
Other own revenue	58 634	50 503	58 731	57 691	65 798
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>783 171</b>	<b>802 132</b>	<b>907 049</b>	<b>987 031</b>	<b>1 052 501</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, **capital transfers and contributions are excluded** from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

**Summary of revenue classified by municipal vote (including capital transfers)**

Vote Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>					
<b>Revenue by Vote</b>					
Vote 1 - Corporate Services	11 518	12 312	11 506	11 443	11 684
Vote 2 - Civil Services	208 567	219 833	248 096	254 865	289 229
Vote 3 - Council	290	290	295	299	304
Vote 4 - Electricity Services	335 512	333 112	383 738	428 024	481 703
Vote 5 - Financial Services	209 518	212 313	227 643	245 402	250 865
Vote 6 - Development Services	59 684	55 305	47 074	54 225	27 318
Vote 7 - Municipal Manager	–	–	–	–	–
Vote 8 - Protection Services	44 945	49 735	36 609	38 637	42 186
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–
<b>Total Revenue by Vote</b>	<b>870 035</b>	<b>882 900</b>	<b>954 961</b>	<b>1 032 897</b>	<b>1 103 289</b>

### Percentage growth in revenue base by main revenue source

Vote Description	Current Year 2020/2021	2021/22 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	Budget Year 2021/22	%	Budget Year 2022/23	%	Budget Year 2023/24	%
<b>Revenue by Source</b>							
Property rates	128 928	138 386	7%	150 854	9%	159 643	6%
Service charges - electricity revenue	318 741	369 764	16%	416 855	13%	469 929	13%
Service charges - water revenue	60 112	75 190	25%	78 956	5%	82 902	5%
Service charges - sanitation revenue	42 979	45 988	7%	49 007	7%	51 725	6%
Service charges - refuse revenue	27 867	28 742	3%	31 061	8%	33 565	8%
Rental of facilities and equipment	1 912	1 529	-20%	1 606	5%	1 702	6%
Interest earned - external investments	33 658	37 706	12%	36 526	-3%	33 355	-9%
Interest earned - outstanding debtors	2 454	2 601	6%	2 757	6%	2 922	6%
Fines, penalties and forfeits	22 487	23 591	5%	25 003	6%	26 501	6%
Licences and permits	4 309	4 445	3%	4 708	6%	4 986	6%
Agency services	5 376	5 699	6%	6 040	6%	6 403	6%
Transfers and subsidies	139 345	152 542	9%	166 080	9%	155 585	-6%
Other revenue	10 924	10 776	-1%	12 119	12%	12 802	6%
Gains	3 042	10 092	232%	5 457	-46%	10 482	92%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>802 132</b>	<b>907 049</b>	<b>13.1%</b>	<b>987 031</b>	<b>8.8%</b>	<b>1 052 501</b>	<b>6.6%</b>
<b>Total Revenue from Property Rates and Service Charges</b>	<b>578 626</b>	<b>658 070</b>	<b>13.7%</b>	<b>726 734</b>	<b>10.4%</b>	<b>797 763</b>	<b>9.8%</b>

Revenue generated from property rates and services charges form a significant percentage of the revenue basket for the Municipality. Property rates and service charge revenues comprise between 73 and 76 percent of the total revenue mix for the 2021/22 MTREF. In the 2021/22 financial year, revenue from property rates and services charges amounts to R 658 070 million or 73 per cent of total revenue mix (**growth of 13.7%**). This figure increases to an estimated R 726 734 million or 74 per cent (**growth of 10.4%**) and R 797 763 million or 76 per cent (**growth of 9.8%**) in the respective financial years of the 2021/22 MTREF.

The municipality remains highly dependent on internal revenue sources to fund the budget and in this regard the municipality is cognisant of the fact that this source must be grown responsibly. For this reason, the municipality should strive to at least maintain these revenue streams and if possible explore all other additional avenues to increase revenue from additional sources.

More than 90 per cent of revenue is derived from the following sources:

- 1) Operating and Capital Grants
- 2) Fines
- 3) Property Rates
- 4) Service Charges

### 1.4.1 Operating and Capital Grants

Grants usually fluctuates upwards or downwards from year-to-year as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependent on the funding made available from the other spheres of Government.

The unconditional Equitable Share Grant, however, was a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis. For the 2021/22 MTREF, the municipality has seen a significant **decrease** in the DORA allocation for the Equitable Share. **THE MUNICIPALITY'S SHARE IN THIS REGARD WAS REDUCED WITH R 5 497 000 IN 2021-2022 AND WITH R 7 708 000 IN 2022-2023.**

The following grant allocations are currently factored into the budget of the municipality:

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>					
<b>RECEIPTS:</b>					
<b><u>Operating Transfers and Grants</u></b>					
<b>National Government:</b>	<b>105 612</b>	<b>119 821</b>	<b>112 178</b>	<b>120 819</b>	<b>125 016</b>
Local Government Equitable Share	102 195	116 404	108 796	119 269	123 466
Finance Management	1 550	1 550	1 550	1 550	1 550
EPWP Incentive	1 867	1 867	1 832		
<b>Provincial Government:</b>	<b>14 608</b>	<b>15 129</b>	<b>40 062</b>	<b>44 928</b>	<b>30 203</b>
Community Development Workers	38	38	38	38	38
Human Settlements	1 950	2 950	26 560	31 410	–
Municipal Accreditation and Capacity Building Grant	238	238	252	264	264
Libraries	10 068	9 690	10 394	10 621	10 801
Proclaimed Roads Subsidy	175	175	175	175	15 130
Financial Management Support Grant: Student Bursaries	401	300	250	–	–
Thusong Grant	150	150	–	–	150
Establishment of a K9 Unit	1 588	1 588	2 393	2 420	3 820
<b>Total Operating Transfers and Grants</b>	<b>120 220</b>	<b>134 950</b>	<b>152 240</b>	<b>165 747</b>	<b>155 219</b>
<b><u>Capital Transfers and Grants</u></b>					
<b>National Government:</b>	<b>32 835</b>	<b>30 435</b>	<b>31 055</b>	<b>28 810</b>	<b>29 711</b>
Municipal Infrastructure Grant (MIG)	21 183	21 183	22 700	23 810	24 711
Energy Efficiency and Demand Side Management Grant	4 000	3 600	–	–	–
Integrated National Electrification Programme (municipal)	7 652	5 652	8 355	5 000	5 000
<b>Provincial Government:</b>	<b>52 488</b>	<b>52 404</b>	<b>15 661</b>	<b>15 800</b>	<b>19 760</b>
Human Settlements	48 074	47 990	14 600	15 800	19 760
RSEP/VPUU Municipal Projects	3 000	3 000	–	–	–
Libraries	70	70	50	–	–
Fire Service Capacity Building Grant	732	732	–	–	–
Establishment of a K9 Unit	612	612	28	–	–
Sport Development	–	–	983	–	–
<b>Total Capital Transfers and Grants</b>	<b>85 323</b>	<b>82 839</b>	<b>46 716</b>	<b>44 610</b>	<b>49 471</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>205 543</b>	<b>217 789</b>	<b>198 955</b>	<b>210 357</b>	<b>204 690</b>



### 1.4.2 Property Rates

The final proposed property rates increases for the 2021/22 financial year was reduced from **5.9%** to **3.9%** for residential properties and for business properties. The revisiting of the property tax increases was deemed appropriate at this juncture as this type of tax impacts/affects all categories of property owners and most effective when wanting to bring much needed relief. Over the remaining MTREF period, the increase is limited to **6%** for residential properties and for business properties.

The categories of rateable properties for purposes of levying rates and the proposed final rates for the 2021/22 financial year are as follows:

Property Rates	2020/2021 c / R	2021/2022 c / R	2022/2023 c / R	2023/2024 c / R	2021/22	2022/23	2023/24
Residential Properties	0,5160	0,5361	0,5683	0,6024	3.90%	6.00%	6.00%
Businesses, Commercial and Industrial Properties	0,7413	0,7702	0,8164	0,8654	3.90%	6.00%	6.00%

**Refer to the resolution dealing with the property rate changes on all other property categories.**

The following stipulations in the Property Rates Policy applicable to the 2021/2022 year are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted in 2021/2022 to registered indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- For senior citizens and disabled persons as defined in Council's Property Rates Policy, a rebate of the rates payable to a maximum of R300 000 of the valuation of the property will be granted to owners of rate-able property subject to application by September of the previous calendar year. The rebate mentioned above as it relates to the 2021/2022 Policy will become effective in the 2022/2023 financial year.

### 1.4.3 Sale of Water and Impact of Tariff Increases

Having considered the plight of the poor and other water consumers, considerable savings have been factored into the suggested final water tariffs. Final water tariffs reduced to 3,5% for all users inclusive of the reduced block tariff for consumption between 26-35 KL and no increase for 36 KL and above. Increases for the outer years were reduced from 6% to 4.5%. The final tariff increases, which is below the headline inflation rate, is still more than sufficient for water infrastructure investment required over the MTREF due to the current increased water consumption.

R thousand	Current Year 2020/2021	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	2021/2022 (R'000)	2022/2023 (R'000)	2023/2024 (R'000)
Revenue – Water Management	79 374	92 270	112 025	111 088
Expenditure – Water Management	67 340	69 431	70 141	74 231
<b>Net Surplus / (Deficit)</b>	<b>12 034</b>	<b>22 839</b>	<b>41 883</b>	<b>36 856</b>
<b>Net Surplus / (Deficit) %</b>	<b>15%</b>	<b>25%</b>	<b>37%</b>	<b>33%</b>
Capital grants & Development Charges	600	629	15 660	9 693
<b>Revenue – Water Management (excl. capital grants and development charges)</b>	<b>78 774</b>	<b>91 640</b>	<b>96 364</b>	<b>101 395</b>
<b>Net Surplus / (Deficit) (excl. capital grants and development charges)</b>	<b>11 434</b>	<b>22 209</b>	<b>26 223</b>	<b>27 164</b>
<b>Net Surplus / (Deficit) % (excl. capital grants and development charges)</b>	<b>15%</b>	<b>24%</b>	<b>27%</b>	<b>27%</b>

A summary of the 2021/22 final tariffs and increases for households (residential) and non-residential are as follows:

Water	2020/2021	2021/2022	2022/2023	2023/2024		2021/22	2022/23	2023/24
Network Charge: Residential, Indigent, Agricultural, Sport Clubs	R 64.87	R 67.14	R 70.16	R 73.32		3.50%	4.50%	4.50%
Network Charge: Business	R 110.00	R 113.85	R 118.97	R 124.33		3.50%	4.50%	4.50%
Equitable Share: 6 kl Free	R 8.64	R 8.94	R 9.34	R 9.77		3.50%	4.50%	4.50%
Residential: 0 - 6kl	R 5.03	R 5.21	R 5.44	R 5.69		3.50%	4.50%	4.50%
Residential: 7 - 10kl	R 8.64	R 8.94	R 9.34	R 9.77		3.50%	4.50%	4.50%
Residential: 11-15kl	R 16.54	R 17.12	R 17.89	R 18.69		3.50%	4.50%	4.50%
Residential: 16 - 20kl	R 20.97	R 21.70	R 22.68	R 23.70		3.50%	4.50%	4.50%
Residential: 21 - 25kl	R 31.09	R 32.18	R 33.63	R 35.14		3.50%	4.50%	4.50%
Residential: 26 - 35 kl ***Revised Tariff	R 64.78	R 47.94	R 50.10	R 52.35		-26.00%	4.50%	4.50%
Residential: 36 kl >	R 89.40	R 89.40	R 93.42	R 97.63		0.00%	4.50%	4.50%
Business/Commercial/Industrial/Agricultural	R 21.60	R 22.36	R 23.36	R 24.41		3.50%	4.50%	4.50%
Sport Clubs	R 22.90	R 23.70	R 24.77	R 25.88		3.50%	4.50%	4.50%
Schools and Government Institutions	R 24.02	R 24.86	R 25.98	R 27.15		3.50%	4.50%	4.50%

#### 1.4.4 Sale of Electricity and Impact of Tariff Increases

To date NERSA provided the consultative guidelines and benchmarks for the 2021/22 electricity tariff increases. The final tariff determination has not yet been received, albeit was scheduled for 28 April 2021 by NERSA. As a result of High Court rulings in favour of Eskom to claw back additional income from previous financial years, the Eskom increase effective from 1 July is 17.8%. Based on the calculation methodology used by NERSA to determine the increase for reselling, the nominal tariff increase for municipal customers effective as from 1 July is 14.59%. The proposed electricity tariff adjustments will have to be reconsidered should the still outstanding final NERSA tariff determination differ from the consultative guidelines and benchmarks. The proposed municipal tariffs will be submitted to NERSA for approval upon receipt of the final tariff determination.

Although the nominal tariff increase as determined by NERSA for municipal customers is 14.59% (still subject to final approval by NERSA), individual tariffs can be increased at higher or lower levels as per NERSA tariff guidelines, subject to approval by NERSA. The residential tariff for prepaid customers offered by Swartland Municipality has no basic charge and all costs must be recovered by means of the kWh tariffs. Despite having no basic charge, complaints have been lodged that the tariff is considered to be relatively excessive. Therefore, it is recommended to increase Block 1 of the residential prepaid tariff by 13.8% instead of 14.59% and that the deficit be recovered from the energy components of the bulk industrial tariffs by means of an increase of 15%. This will also reduce the diverging energy and demand costs pertaining to the bulk tariff structures. The financial impact of the proposed intervention will be limited.

**Please consult the detailed tariff listing for the actual increased.**

***That Council for now abide with the electricity tariffs that are submitted, bearing in mind that it is still subject to NERSA's final approval.***

The service is still operating at a surplus over the MTREF.

R thousand	Current Year 2020/2021	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	2021/2022 (R'000)	2022/2023 (R'000)	2023/2024 (R'000)
Revenue – Electricity	333 112	383 738	428 024	481 703
Expenditure – Electricity	299 882	349 344	397 986	454 209
<b>Net Surplus / (Deficit)</b>	<b>33 231</b>	<b>34 394</b>	<b>30 039</b>	<b>27 493</b>
<b>Net Surplus / (Deficit) %</b>	<b>10%</b>	<b>9%</b>	<b>7%</b>	<b>6%</b>
Capital grants & Development Charges	9 572	8 523	5 176	5 185
<b>Revenue – Electricity (excl. capital grants and development charges)</b>	<b>323 540</b>	<b>375 215</b>	<b>422 848</b>	<b>476 518</b>
<b>Net Surplus / (Deficit) (excl. capital grants and development charges)</b>	<b>23 659</b>	<b>25 871</b>	<b>24 863</b>	<b>22 308</b>
<b>Net Surplus / (Deficit) % (excl. capital grants and development charges)</b>	<b>7%</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>

Electricity losses during the 2018/19 and 2019/20 audited financial year's were calculated at only 5.62 per cent and 6.01 per cent respectively.

The following table shows the final increases in electricity tariffs on the electricity charges for customers over the MTREF period, keeping in mind that NERSA determines same on an annual basis and therefore reliance cannot be placed on the figures in the 2 outer years.

**Please consult the detailed tariff listing for all electricity tariffs.**

Electricity		2020/2021	2021/2022	2022/2023	2023/2024	2021/22	2022/23	2023/24
1	Residential Consumers Network charge	R 217.71	R 249.47	R 280.91	R 316.30	14.59%	12.60%	12.60%
1	(0-50kWh)	R 1.098101	R 1.258314	R 1.416861	R 1.595386	14.59%	12.60%	12.60%
1	(51-350kWh)	R 1.411930	R 1.617931	R 1.821790	R 2.051335	14.59%	12.60%	12.60%
1	(351-600kWh)	R 1.987103	R 2.277021	R 2.563926	R 2.886981	14.59%	12.60%	12.60%
1	(>600kWh)	R 2.340086	R 2.681505	R 3.019374	R 3.399815	14.59%	12.60%	12.60%
2	Commercial / Non Standard .per kWh	R 1.832027	R 2.099320	R 2.363834	R 2.661677	14.59%	12.60%	12.60%
2	Commercial Basic < 20KVA	R 553.75	R 634.54	R 714.49	R 804.52	14.59%	12.60%	12.60%
2	Commercial Basic 20 to 40 KVA	R 728.37	R 834.64	R 939.80	R 1 058.22	14.59%	12.60%	12.60%
2	Commercial Basic >40 KVA	R 1 329.35	R 1 523.30	R 1 715.24	R 1 931.36	14.59%	12.60%	12.60%
2	Commercial Basic < 20KVA per kWh	R 1.832027	R 2.099320	R 2.363834	R 2.661677	14.59%	12.60%	12.60%
2	Commercial Basic 20 to 40 KVA per kWh	R 1.832027	R 2.099320	R 2.363834	R 2.661677	14.59%	12.60%	12.60%
2	Commercial Basic >40 KVA per kWh	R 1.832027	R 2.099320	R 2.363834	R 2.661677	14.59%	12.60%	12.60%
5	Alternative - Households 20 Amp.:-							
5	(0-50kWh)	R 1.006703	R 1.153581	R 1.298932	R 1.462598	14.59%	12.60%	12.60%
5	(51-350kWh)	R 1.320412	R 1.513060	R 1.703706	R 1.918373	14.59%	12.60%	12.60%
5	(351-600kWh)	R 1.882494	R 2.157150	R 2.428951	R 2.734999	14.59%	12.60%	12.60%
5	(>600kWh)	R 2.262402	R 2.592486	R 2.919140	R 3.286951	14.59%	12.60%	12.60%
6	Street lightning	R 1.158873	R 1.327953	R 1.495275	R 1.683679	14.59%	12.60%	12.60%
7	Pre-paid meter system (Indigent Residential)							
7	NB: In those instances where a Network Charge is applicable to indigent consumers, it will be fully subsidised on their account.							
7	(0-50kWh)	R 1.006703	R 1.153581	R 1.298932	R 1.462598	14.59%	12.60%	12.60%
7	(51-350kWh)	R 1.320412	R 1.513060	R 1.703706	R 1.918373	14.59%	12.60%	12.60%
7	(351-600kWh)	R 1.882494	R 2.157150	R 2.428951	R 2.734999	14.59%	12.60%	12.60%
7	(>600kWh)	R 2.261659	R 2.591635	R 2.918181	R 3.285872	14.59%	12.60%	12.60%
12	Pre-paid Meter System (Non-Indigent Residential)							
12	(0-350kWh)	R 2.087502	R 2.375577	R 2.674900	R 3.011937	13.80%	12.60%	12.60%
12	> 350 kWh	R 2.253131	R 2.581863	R 2.907178	R 3.273482	14.59%	12.60%	12.60%

### 1.4.5 Sanitation and Impact of Tariff Increases

The final tariff increase that is above the headline inflation rate is needed to deliver the service effectively and to prevent that the service does not operate at a deficit in the new 2021/22 MTREF. Also needed due to the critical upgrades of the wastewater treatment works in Moorreesburg and Darling per the quantum in the capital budget.

A **new Two –part tariff** consisting of a basic network charge and a cost recovery tariff is recommended for the 2021/22 financial year onwards, which will not have the effect of the consumer paying more, suffice for the annual increase as follows:

- An availability network charge may be levied at an amount determined each year to all vacant erven, this includes all erven, even where there is no flush sewer system available having access to the vacuum tanker service as well as erven with reasonable access to the water borne sewer network;
- A basic network charge and monthly treatment cost per consumer may be charged to those property from where a sewerage flow is discharged to a municipal waste water treatment works through the water borne sewerage network or where a sewerage flow is discharged to a sewerage tank of which the contents is removed by the vacuum tanker service and discharged at a municipal waste water treatment works;
- The status quo is maintained with respect to the 425 erven in Yzerfontein having seepage conservancy sewer tanks, no levy is made for availability. The service for these erven will be charged in accordance with the tariffs approved on an annual basis from the first occasion the pumping service and will continue to be applied with respect to that specific property.

R thousand	Current Year 2020/2021	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	2021/2022 (R'000)	2022/2023 (R'000)	2023/2024 (R'000)
Revenue – Sanitation	87 791	90 521	76 419	81 065
Expenditure – Sanitation	48 857	50 177	50 627	53 540
<b>Net Surplus / (Deficit)</b>	<b>38 934</b>	<b>40 344</b>	<b>25 792</b>	<b>27 525</b>
<b>Net Surplus / (Deficit) %</b>	<b>44%</b>	<b>45%</b>	<b>34%</b>	<b>34%</b>
Capital grants & Development Charges	20 326	19 056	187	196
<b>Revenue – Sanitation (excl. capital grants and development charges)</b>	<b>67 464</b>	<b>71 465</b>	<b>76 232</b>	<b>80 869</b>
<b>Net Surplus / (Deficit) (excl. capital grants and development charges)</b>	<b>18 608</b>	<b>21 288</b>	<b>25 605</b>	<b>27 329</b>
<b>Net Surplus / (Deficit) % (excl. capital grants and development charges)</b>	<b>28%</b>	<b>30%</b>	<b>34%</b>	<b>34%</b>

The following final tariffs were incorporated in the 2021/22 MTREF:

Sanitation	2020/2021	2021/2022	2022/2023	2023/2024	2021/22	2022/23	2023/24
Basic Network Charge for Sewerage Connections (Includes all categories of consumers, also indigents)	R -	R 105.10	R 111.41	R 118.09	n/a	6.00%	6.00%
Households (including indigents), Flats and Semi-detached households pm	R 234.35	R 143.08	R 151.66	R 160.76	n/a	6.00%	6.00%
Businesses, Industrial, Schools, Churches, Sport Facilities, etc. pm	R 234.35	R 143.08	R 151.66	R 160.76	n/a	6.00%	6.00%
NB: The above charges for registered indigent households are subsidised.							

#### 1.4.6 Waste Removal and Impact of Tariff Increases

The final tariff increase of **5.9%**, which is above the headline inflation rate, is needed to deliver the service effectively and to eventually phase out the deficit over the longer term due to the current economic conditions. The additional percentage of 2% above headline inflation is equal to R2.63 per month and needed to ensure that the cost of providing the service is fully funded over the longer term as the service is currently rendered at a loss. Over the remaining MTREF period, the increase changed from 6% to 7.5% to phase out the deficit over the longer term.

R thousand	Current Year 2020/2021	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	2021/2022 (R'000)	2022/2023 (R'000)	2023/2024 (R'000)
Revenue – Refuse Removal	44 539	46 625	49 403	53 006
Expenditure – Refuse Removal	47 529	52 963	55 934	58 863
<b>Net Surplus / (Deficit)</b>	<b>(2 990)</b>	<b>(6 338)</b>	<b>(6 531)</b>	<b>(5 857)</b>
<b>Net Surplus / (Deficit) %</b>	<b>-7%</b>	<b>-14%</b>	<b>-13%</b>	<b>-11%</b>
Capital grants & Development Charges	-	-	-	-
Revenue – Refuse Removal (excl. capital grants and development charges)	44 539	46 625	49 403	53 006
Net Surplus / (Deficit) (excl. capital grants and development charges)	(2 990)	(6 338)	(6 531)	(5 857)
Net Surplus / (Deficit) % (excl. capital grants and development charges)	(7%)	(14%)	(13%)	(11%)

The following final tariffs were incorporated in the 2021/22 MTREF:

Refuse Removal	2020/2021	2021/2022	2022/2023	2023/2024		2021/22	2022/23	2023/24
Removal of residential (including indigents)/ business refuse pm (Black Bags)	R 131.52	R 139.28	R 149.73	R 160.96		5.90%	7.50%	7.50%
<b>NB:</b> The above charges for registered indigent households are subsidised.								

### Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on various households:



Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Rand/cent						
<b>Monthly Account for Household - 'Middle Income Range'</b>						
<b>Rates and services charges:</b>						
Property rates	301.00	301.00	3.9%	312.73	331.51	351.40
Electricity: Basic levy	217.71	217.71	14.59%	249.47	280.91	316.30
Electricity: Consumption	1 803.05	1 803.05	14.59%	2 190.15	2 466.11	2 776.84
Water: Basic levy	64.87	64.87	3.50%	67.14	71.17	75.44
Water: Consumption	747.80	747.80	3.50%	261.97	822.36	871.70
Sanitation	234.35	234.35	5.9%	248.18	263.07	278.85
Refuse removal	131.52	131.52	5.9%	139.28	149.73	160.96
Other						
sub-total	3 500.30	3 500.30	(0.9%)	3 468.92	4 384.85	4 831.49
VAT on Services	479.90	479.90		473.43	608.00	672.01
<b>Total large household bill:</b>	<b>3 980.20</b>	<b>3 980.20</b>	<b>(1.0%)</b>	<b>3 942.35</b>	<b>4 992.85</b>	<b>5 503.50</b>
<b>% increase/-decrease</b>	<b>(0.3%)</b>	<b>-</b>		<b>(1.0%)</b>	<b>26.6%</b>	<b>10.2%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>						
<b>Rates and services charges:</b>						
Property rates	215.00	215.00	3.9%	223.38	318.92	338.08
Electricity: Basic levy	217.71	217.71	14.59%	249.47	280.91	316.30
Electricity: Consumption	728.83	728.83	14.59%	776.55	1 001.97	1 128.22
Water: Basic levy	64.87	64.87	3.50%	67.14	71.17	75.44
Water: Consumption	414.32	414.32	3.50%	433.97	458.43	485.93
Sanitation	234.35	234.35	5.9%	248.18	263.07	278.85
Refuse removal	131.52	131.52	5.9%	139.28	149.73	160.96
Other						
sub-total	2 006.60	2 006.60	6.5%	2 137.96	2 544.18	2 783.78
VAT on Services	268.74	268.74		287.19	333.79	366.85
<b>Total small household bill:</b>	<b>2 275.34</b>	<b>2 275.34</b>	<b>6.6%</b>	<b>2 425.15</b>	<b>2 877.97</b>	<b>3 150.63</b>
<b>% increase/-decrease</b>	<b>(1.1%)</b>	<b>-</b>		<b>6.6%</b>	<b>18.7%</b>	<b>9.5%</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>						
<b>Rates and services charges:</b>						
Property rates	129.00	129.00	3.9%	125.16	132.67	140.63
Electricity: Basic levy	217.71	217.71	14.59%	249.47	280.91	316.30
Electricity: Consumption	380.44	380.44	14.59%	453.92	617.38	695.17
Water: Basic levy	64.87	64.87	3.5%	67.14	71.17	75.44
Water: Consumption	224.09	224.09	3.5%	187.34	197.37	209.21
Sanitation	234.35	234.35	5.9%	248.18	263.07	278.85
Refuse removal	131.52	131.52	5.9%	139.28	149.73	160.96
Other						
sub-total	1 381.98	1 381.98	6.4%	1 470.48	1 712.28	1 876.56
VAT on Services	187.95	187.95		201.80	236.94	260.39
<b>Total small household bill:</b>	<b>1 569.93</b>	<b>1 569.93</b>	<b>6.5%</b>	<b>1 672.28</b>	<b>1 949.23</b>	<b>2 136.95</b>
<b>% increase/-decrease</b>	<b>1.4%</b>	<b>-</b>		<b>6.5%</b>	<b>16.6%</b>	<b>9.6%</b>
<u>References</u>						
1. Use as basis property value of R700 000, 1 000 kWh electricity and 20kl water						
2. Use as basis property value of R500 000, 500 kWh electricity and 10kl water						
3. Use as basis property value of R 300 000, 350kWh electricity and 10kl water (50 kWh electricity and 6 kl water free)						
4. Note this is for a SINGLE household.						

#### 1.4.7 Fines

Fines represent approximately 5 to 6 per cent of the revenue mix of the municipality. The 2021/22 MTREF again leaves room for much improvement in the recovery rate of fines in order to maximize the revenue stream in a bid to further improve the cash flow position of the municipality. Currently the payment rate in respect of fines results in an unsustainable increase in the impairment provision.

The department is encouraged to consider/investigate alternative methods to materially improving the collection rate relating to fines as this trend has now been experienced for the last 3 years. This expenditure is increasingly becoming an additional burden on rate payers given the impact it has on the impairment provision.

### 1.5 Operating Expenditure Framework

Comprehensive workshops and engagements took place with the various directorates to ensure that effect is given to organisation wide quality sustainable service delivery in a bid to ensure value for money to all of Swartland Municipality's citizens. The objective in the main was to ensure efficiencies in directorates and to more importantly give effect to sound expenditure management and cost containment. This proved very challenging given the limitations placed on tariff increases compared to the MTREF's operational expenditure requirements and the fact that very little scope exists for additional savings given the municipality's proven corporate culture in respect of cost containment. It is becoming increasingly challenging to fund community and other services by way of the municipality's basket of basic services and revenue generated through municipal property taxes. Our historical approach to budgets required serious re-invention and consideration given the prevailing economic conditions caused by the COVID-19 pandemic.

The following table is a high level summary of the 2021/22 budget and MTREF (classified per main type of operating expenditure):

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousands</b>					
<b>Financial Performance</b>					
Employee costs	239 382	240 890	260 602	274 302	284 252
Remuneration of councillors	11 471	11 471	11 232	11 487	11 748
Depreciation & asset impairment	92 755	92 755	95 797	102 005	113 549
Finance charges	11 934	13 954	13 141	12 297	11 401
Inventory consumed and bulk purchases	284 242	284 122	332 223	379 996	435 327
Transfers and grants	3 223	3 355	3 851	3 774	3 952
Other expenditure	154 911	153 108	181 208	184 863	178 660
<b>Total Expenditure</b>	<b>797 919</b>	<b>799 656</b>	<b>898 053</b>	<b>968 724</b>	<b>1 038 888</b>

- The budgeted allocation for employee related costs (excluding Remuneration of Councillors) for the 2021/22 financial year totals R 260 602 million, which equates to 29 per cent of total operating expenditure. This result is in line with the national norm of 25% - 40%. The room for any upwards adjustments in employee related costs over and above the current levels were very limited.
- The Skills Development Act, Act 97 of 1998, determines that a public service employer in **the national and provincial spheres of government** must budget for at least one per cent of its payroll for the training and education of its employees. This provision does not refer to the local sphere of government, but has nevertheless been applied by the Municipality for many years now. The Department of Labour however after an enquiry in this regard indicated verbally that less may be budgeted, provided that the payment of the 1% levy payable to SARS in terms of said act is not to be deviated from.

A concerted effort was again made to limit this expenditure in an attempt to keep tariffs within the limits of the reduced realistically anticipated revenue streams, with an amount of R 1 820 006 budgeted for training in the 2021/22 operating budget, which constitutes 0.70% of the Municipality's salary budget (excluding councillor remuneration) and will be limited to around 0.70% for the outer MTREF financial years. This budget is considered more than sufficient to provide for training needs within the Municipality given the historic and current training programmes already covered, **but more-over the necessitated curbing of expenditure given the worsening disposable income levels of the paying public during this severe economic downturn.**

- The expense associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
- The provision of debt impairment was determined based on the current collection rates of receivables, negatively influenced by the prevailing economic conditions and the pandemic caused by COVID-19.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations are expected to remain high over the MTREF. These high appropriations can mainly be attributed to the large capital program employed by the municipality in recent years as well as the valuation method used during the implementation of Directive 7. Compared to industry benchmarks, the depreciation figure is considered to be very high.
- Bulk purchases are directly informed by the purchase of electricity from Eskom and water from the West Coast District Municipality. The indicative annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.
- Other expenditure comprises of various line items relating to the daily operations of the municipality.
- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital).

### 1.5.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital program and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

The bulk of repairs and maintenance are also done through the capital budget. The portion in the operating budget is adequate to secure the ongoing health of the Municipality's infrastructure.

The ratios for the 2021/22 MTREF are shown below:

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand					
<i>R&amp;M as a % of PPE</i>	2.5%	2.6%	2.7%	2.9%	3.9%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	7.0%	7.0%	7.0%	6.0%	6.0%

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. Indigent property rates and service charges expenditure (including growth projections) totals R 82 596 million in 2021/22 and it will increase to R 95 041 million and R 106 647 million in the outer years of the MTREF. These totals do not include financing of other community services, servicing informal settlements and actual expenditure incurred on indigent consumers.

#### Subsidies for indigent households are set out below:

1.	Rates free of charge to the value based on market value of the property to the maximum of <b>R105 000</b> (R15 000 impermissible tax excluded)
2.	<b>50 kWh</b> free electricity per month (which shall include the network charge of electricity for the month where a conventional meter is applicable)
3.	<b>6 kilolitres</b> of water free per month plus the 100% subsidised network charge
4.	Free refuse x <b>4 removals</b> per month
5.	<b>Free sewerage</b> per month plus the 100% subsidised basic network charge

For the month of **March 2021**, support was provided to the following indigent household numbers:

Number of indigent households: 9 264

- Number receiving Property rate discount: 8 246
- Number with access to free basic water: 9 264  
(and exempted by way of subsidy of the water network charge)
- Number with access to free basic electricity: 6 159
- Number provided by ESKOM: 2 066
- Number with access to free basic sanitation: 8 836
- Number with access to free basic refuse removal: 9 184

## 1.6 Capital expenditure

Based on appropriations per vote, the allocations are as follows:

Vote Description R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Capital expenditure - Vote</b>					
<b>Multi-year expenditure to be appropriated</b>					
Vote 1 - Corporate Services	–	–	–	–	–
Vote 2 - Civil Services	88 592	90 149	81 096	45 922	33 907
Vote 3 - Council	–	–	–	–	–
Vote 4 - Electricity Services	4 800	4 352	14 855	5 000	20 000
Vote 5 - Financial Services	–	–	–	–	–
Vote 6 - Development Services	46 254	47 466	13 100	15 800	19 760
Vote 7 - Municipal Manager	–	–	–	–	–
Vote 8 - Protection Services	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	<b>139 646</b>	<b>141 967</b>	<b>109 051</b>	<b>66 722</b>	<b>73 667</b>
<b>Single-year expenditure to be appropriated</b>					
Vote 1 - Corporate Services	18 980	18 946	872	124	126
Vote 2 - Civil Services	26 957	31 456	37 373	51 240	44 325
Vote 3 - Council	10	–	10	10	572
Vote 4 - Electricity Services	17 276	15 782	10 503	10 190	12 800
Vote 5 - Financial Services	261	233	381	260	271
Vote 6 - Development Services	7 268	1 790	6 238	304	76
Vote 7 - Municipal Manager	10	3	10	10	12
Vote 8 - Protection Services	2 028	2 028	1 998	3 885	4 831
<b>Capital single-year expenditure sub-total</b>	<b>72 790</b>	<b>70 238</b>	<b>57 385</b>	<b>66 023</b>	<b>63 012</b>
<b>Total Capital Expenditure - Vote</b>	<b>212 436</b>	<b>212 205</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>

More information on the breakdown of the capital budget can be found in the tables to follow.

## 1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2021/22 MTREF budget.

**MBRR Table A1 - Budget Summary**

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousands</b>					
<b><u>Financial Performance</u></b>					
Property rates	128 928	128 928	138 386	150 854	159 643
Service charges	444 403	449 698	519 684	575 880	638 120
Investment revenue	30 712	33 658	37 706	36 526	33 355
Transfers recognised - operational	120 495	139 345	152 542	166 080	155 585
Other own revenue	58 634	50 503	58 731	57 691	65 798
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>783 171</b>	<b>802 132</b>	<b>907 049</b>	<b>987 031</b>	<b>1 052 501</b>
Employee costs	239 382	240 890	260 602	274 302	284 252
Remuneration of councillors	11 471	11 471	11 232	11 487	11 748
Depreciation & asset impairment	92 755	92 755	95 797	102 005	113 549
Finance charges	11 934	13 954	13 141	12 297	11 401
Inventory consumed and bulk purchases	284 242	284 122	332 223	379 996	435 327
Transfers and grants	3 223	3 355	3 851	3 774	3 952
Other expenditure	154 911	153 108	181 208	184 863	178 660
<b>Total Expenditure</b>	<b>797 919</b>	<b>799 656</b>	<b>898 053</b>	<b>968 724</b>	<b>1 038 888</b>
<b>Surplus/(Deficit)</b>	<b>(14 747)</b>	<b>2 476</b>	<b>8 996</b>	<b>18 307</b>	<b>13 613</b>
Transfers and subsidies - capital (monetary)	85 723	79 263	46 716	44 610	49 471
Transfers and subsidies - capital (monetary)	1 141	1 504	1 197	1 256	1 317
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>72 116</b>	<b>83 243</b>	<b>56 908</b>	<b>64 173</b>	<b>64 401</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>72 116</b>	<b>83 243</b>	<b>56 908</b>	<b>64 173</b>	<b>64 401</b>
<b><u>Capital expenditure &amp; funds sources</u></b>					
<b>Capital expenditure</b>	<b>212 436</b>	<b>212 205</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>
Transfers recognised - capital	85 723	79 626	46 716	44 610	49 471
Borrowing	–	–	–	–	–
Internally generated funds	126 713	132 579	119 720	88 135	87 208
<b>Total sources of capital funds</b>	<b>212 436</b>	<b>212 205</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>
<b><u>Financial position</u></b>					
Total current assets	687 585	719 692	703 155	732 743	770 359
Total non current assets	2 135 414	2 096 939	2 157 863	2 179 812	2 193 770
Total current liabilities	179 125	145 513	146 380	147 247	148 114
Total non current liabilities	203 635	194 104	180 716	167 213	153 519
Community wealth/Equity	2 440 239	2 477 014	2 533 922	2 598 095	2 662 496



Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousands</b>					
<b><u>Cash flows</u></b>					
Net cash from (used) operating	111 795	201 147	144 660	148 663	157 466
Net cash from (used) investing	(212 238)	(210 163)	(166 358)	(132 662)	(136 604)
Net cash from (used) financing	3 468	(10 979)	(10 979)	(10 979)	(10 979)
<b>Cash/cash equivalents at the year end</b>	<b>468 034</b>	<b>610 371</b>	<b>577 694</b>	<b>582 716</b>	<b>592 599</b>
<b><u>Cash backing/surplus reconciliation</u></b>					
Cash and investments available	453 566	610 371	577 694	582 716	592 599
Application of cash and investments	(37 222)	13 870	244	(23 325)	(51 735)
<b>Balance - surplus (shortfall)</b>	<b>490 788</b>	<b>596 501</b>	<b>577 450</b>	<b>606 041</b>	<b>644 334</b>
<b><u>Asset management</u></b>					
Asset register summary (WDV)	2 135 412	2 096 939	2 157 863	2 179 812	2 193 770
Depreciation	91 755	91 755	94 807	101 006	112 539
Renewal and Upgrading of Existing Assets	98 540	101 128	96 854	70 049	54 114
Repairs and Maintenance	51 511	53 191	57 497	61 664	83 955
<b><u>Free services</u></b>					
Cost of Free Basic Services provided	59 683	58 287	62 582	66 792	71 365
Revenue cost of free services provided	10 954	13 214	4 644	4 800	4 967

### Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - The accumulated surplus is positive over the MTREF
  - Capital expenditure is balanced by capital funding sources, of which
    - Transfers recognised is reflected on the Financial Performance Budget;
    - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.



**MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Functional Classification Description R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue - Functional</b>					
<b>Governance and administration</b>	<b>211 633</b>	<b>215 843</b>	<b>239 558</b>	<b>252 432</b>	<b>263 024</b>
Executive and council	290	290	295	299	304
Finance and administration	211 343	215 553	239 264	252 132	262 720
Internal audit	–	–	–	–	–
<b>Community and public safety</b>	<b>104 687</b>	<b>105 049</b>	<b>84 005</b>	<b>90 578</b>	<b>66 696</b>
Community and social services	14 590	30 465	11 725	11 956	12 363
Sport and recreation	3 002	3 228	4 438	3 297	3 552
Public safety	36 201	28 249	26 234	27 643	30 537
Housing	50 894	43 107	41 608	47 682	20 244
Health	–	–	–	–	–
<b>Economic and environmental services</b>	<b>14 072</b>	<b>16 862</b>	<b>18 013</b>	<b>23 774</b>	<b>46 453</b>
Planning and development	3 795	3 795	3 561	3 711	3 874
Road transport	10 276	13 066	14 453	20 063	42 579
Environmental protection	–	–	–	–	–
<b>Trading services</b>	<b>539 613</b>	<b>545 117</b>	<b>613 353</b>	<b>666 080</b>	<b>727 081</b>
Energy sources	335 512	333 112	383 738	428 024	481 703
Water management	73 720	79 374	92 270	112 025	111 088
Waste water management	87 291	88 091	90 720	76 628	81 284
Waste management	43 090	44 539	46 625	49 403	53 006
<b>Other</b>	<b>30</b>	<b>30</b>	<b>31</b>	<b>33</b>	<b>35</b>
<b>Total Revenue - Functional</b>	<b>870 035</b>	<b>882 900</b>	<b>954 961</b>	<b>1 032 897</b>	<b>1 103 289</b>
<b>Expenditure - Functional</b>					
<b>Governance and administration</b>	<b>141 918</b>	<b>139 324</b>	<b>150 939</b>	<b>155 007</b>	<b>160 351</b>
Executive and council	22 026	22 016	21 677	22 336	23 002
Finance and administration	118 018	115 239	127 295	130 603	135 188
Internal audit	1 874	2 069	1 967	2 068	2 161
<b>Community and public safety</b>	<b>105 028</b>	<b>116 577</b>	<b>143 313</b>	<b>153 708</b>	<b>128 124</b>
Community and social services	21 828	23 133	22 657	23 433	24 481
Sport and recreation	24 964	25 824	27 273	28 831	29 972
Public safety	51 607	60 354	62 940	66 015	68 613
Housing	6 629	7 266	30 442	35 429	5 058
Health	–	–	–	–	–
<b>Economic and environmental services</b>	<b>60 741</b>	<b>62 763</b>	<b>64 574</b>	<b>66 963</b>	<b>90 352</b>
Planning and development	13 925	14 053	13 868	14 173	14 297
Road transport	46 817	48 710	50 706	52 790	76 055
Environmental protection	–	–	–	–	–
<b>Trading services</b>	<b>488 697</b>	<b>479 458</b>	<b>537 487</b>	<b>591 259</b>	<b>658 242</b>
Energy sources	297 667	298 150	347 565	396 159	452 333
Water management	78 984	67 340	69 431	70 141	74 231
Waste water management	68 701	66 439	67 528	69 025	72 814
Waste management	43 344	47 529	52 963	55 934	58 863
<b>Other</b>	<b>1 534</b>	<b>1 534</b>	<b>1 740</b>	<b>1 786</b>	<b>1 820</b>
<b>Total Expenditure - Functional</b>	<b>797 919</b>	<b>799 656</b>	<b>898 053</b>	<b>968 724</b>	<b>1 038 888</b>
<b>Surplus/(Deficit) for the year</b>	<b>72 116</b>	<b>83 243</b>	<b>56 908</b>	<b>64 173</b>	<b>64 401</b>

**NB:** The above surplus and deficit amounts include capital grants which results in a higher than real planned budgeted (skewed) surplus or deficit.

### Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is an illustration of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for Trading Services should exceed their respective expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

### MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue by Vote</b>					
Vote 1 - Corporate Services	11 518	12 312	11 506	11 443	11 684
Vote 2 - Civil Services	208 567	219 833	248 096	254 865	289 229
Vote 3 - Council	290	290	295	299	304
Vote 4 - Electricity Services	335 512	333 112	383 738	428 024	481 703
Vote 5 - Financial Services	209 518	212 313	227 643	245 402	250 865
Vote 6 - Development Services	59 684	55 305	47 074	54 225	27 318
Vote 7 - Municipal Manager	–	–	–	–	–
Vote 8 - Protection Services	44 945	49 735	36 609	38 637	42 186
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–
<b>Total Revenue by Vote</b>	<b>870 035</b>	<b>882 900</b>	<b>954 961</b>	<b>1 032 897</b>	<b>1 103 289</b>
<b>Expenditure by Vote to be appropriated</b>					
Vote 1 - Corporate Services	35 380	36 264	41 476	42 690	44 423
Vote 2 - Civil Services	270 364	264 870	278 331	287 310	322 699
Vote 3 - Council	18 108	18 120	18 220	18 758	19 319
Vote 4 - Electricity Services	312 609	313 969	364 266	413 775	470 886
Vote 5 - Financial Services	59 827	54 110	59 521	60 939	62 797
Vote 6 - Development Services	29 029	30 071	53 057	58 633	28 824
Vote 7 - Municipal Manager	8 092	8 265	8 168	8 370	8 660
Vote 8 - Protection Services	64 508	73 986	75 013	78 248	81 280
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–
<b>Total Expenditure by Vote</b>	<b>797 919</b>	<b>799 656</b>	<b>898 053</b>	<b>968 724</b>	<b>1 038 888</b>
<b>Surplus/(Deficit) for the year</b>	<b>72 116</b>	<b>83 243</b>	<b>56 908</b>	<b>64 173</b>	<b>64 401</b>

### Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is an illustration of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description  R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue By Source</b>					
Property rates	128 928	128 928	138 386	150 854	159 643
Service charges - electricity revenue	318 741	318 741	369 764	416 855	469 929
Service charges - water revenue	56 975	60 112	75 190	78 956	82 902
Service charges - sanitation revenue	42 218	42 979	45 988	49 007	51 725
Service charges - refuse revenue	26 468	27 867	28 742	31 061	33 565
Rental of facilities and equipment	1 495	1 912	1 529	1 606	1 702
Interest earned - external investments	30 712	33 658	37 706	36 526	33 355
Interest earned - outstanding debtors	4 585	2 454	2 601	2 757	2 922
Fines, penalties and forfeits	33 030	22 487	23 591	25 003	26 501
Licences and permits	3 759	4 309	4 445	4 708	4 986
Agency services	4 876	5 376	5 699	6 040	6 403
Transfers and subsidies	120 495	139 345	152 542	166 080	155 585
Other revenue	10 689	10 924	10 776	12 119	12 802
Gains	200	3 042	10 092	5 457	10 482
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>783 171</b>	<b>802 132</b>	<b>907 049</b>	<b>987 031</b>	<b>1 052 501</b>
<b>Expenditure By Type</b>					
Employee related costs	239 382	240 890	260 602	274 302	284 252
Remuneration of councillors	11 471	11 471	11 232	11 487	11 748
Debt impairment	43 915	33 179	36 031	31 407	32 792
Depreciation & asset impairment	92 755	92 755	95 797	102 005	113 549
Finance charges	11 934	13 954	13 141	12 297	11 401
Bulk purchases - electricity	251 000	251 000	299 500	345 923	399 540
Inventory consumed	33 242	33 122	32 723	34 074	35 786
Contracted services	57 512	60 124	87 781	95 081	85 585
Transfers and subsidies	3 223	3 355	3 851	3 774	3 952
Other expenditure	44 038	46 335	48 433	49 585	50 893
Losses	9 446	13 470	8 964	8 791	9 390
<b>Total Expenditure</b>	<b>797 919</b>	<b>799 656</b>	<b>898 053</b>	<b>968 724</b>	<b>1 038 888</b>
<b>Surplus/(Deficit)</b>	<b>(14 747)</b>	<b>2 476</b>	<b>8 996</b>	<b>18 307</b>	<b>13 613</b>
Transfers and subsidies - capital (monetary)	85 723	79 263	46 716	44 610	49 471
Transfers and subsidies - capital (monetary)	1 141	1 504	1 197	1 256	1 317
<b>Surplus/(Deficit) for the year</b>	<b>72 116</b>	<b>83 243</b>	<b>56 908</b>	<b>64 173</b>	<b>64 401</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

- Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality.

**MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description  R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Capital expenditure - Vote</b>					
<b>Multi-year expenditure to be appropriated</b>					
Vote 1 - Corporate Services	-	-	-	-	-
Vote 2 - Civil Services	88 592	90 149	81 096	45 922	33 907
Vote 3 - Council	-	-	-	-	-
Vote 4 - Electricity Services	4 800	4 352	14 855	5 000	20 000
Vote 5 - Financial Services	-	-	-	-	-
Vote 6 - Development Services	46 254	47 466	13 100	15 800	19 760
Vote 7 - Municipal Manager	-	-	-	-	-
Vote 8 - Protection Services	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>139 646</b>	<b>141 967</b>	<b>109 051</b>	<b>66 722</b>	<b>73 667</b>
<b>Single-year expenditure to be appropriated</b>					
Vote 1 - Corporate Services	18 980	18 946	872	124	126
Vote 2 - Civil Services	26 957	31 456	37 373	51 240	44 325
Vote 3 - Council	10	-	10	10	572
Vote 4 - Electricity Services	17 276	15 782	10 503	10 190	12 800
Vote 5 - Financial Services	261	233	381	260	271
Vote 6 - Development Services	7 268	1 790	6 238	304	76
Vote 7 - Municipal Manager	10	3	10	10	12
Vote 8 - Protection Services	2 028	2 028	1 998	3 885	4 831
<b>Capital single-year expenditure sub-total</b>	<b>72 790</b>	<b>70 238</b>	<b>57 385</b>	<b>66 023</b>	<b>63 012</b>
<b>Total Capital Expenditure - Vote</b>	<b>212 436</b>	<b>212 205</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>
<b>Capital Expenditure - Functional</b>					
<b>Governance and administration</b>	<b>26 706</b>	<b>27 491</b>	<b>14 850</b>	<b>1 134</b>	<b>2 404</b>
Executive and council	20	3	20	20	584
Finance and administration	26 686	27 488	14 830	1 114	1 820
<b>Community and public safety</b>	<b>11 922</b>	<b>9 622</b>	<b>6 469</b>	<b>5 732</b>	<b>6 594</b>
Community and social services	5 170	269	150	632	100
Sport and recreation	4 724	7 326	4 321	1 215	1 663
Public safety	2 028	2 028	1 998	3 885	4 831
<b>Economic and environmental services</b>	<b>65 452</b>	<b>69 774</b>	<b>47 068</b>	<b>59 442</b>	<b>66 237</b>
Planning and development	5 859	9 622	12 578	1 927	1 267
Road transport	59 593	60 152	34 490	57 515	64 970
<b>Trading services</b>	<b>108 356</b>	<b>105 319</b>	<b>98 049</b>	<b>66 437</b>	<b>61 444</b>
Energy sources	20 606	18 358	23 321	14 388	32 105
Water management	10 063	8 055	9 925	29 275	20 437
Waste water management	73 736	74 713	62 940	16 564	5 286
Waste management	3 950	4 192	1 862	6 210	3 616
<b>Total Capital Expenditure - Functional</b>	<b>212 436</b>	<b>212 205</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>
<b>Funded by:</b>					
National Government	32 835	32 175	31 055	28 810	29 711
Provincial Government	52 888	47 088	15 661	15 800	19 760
Transfers and subsidies - capital (monetary)	-	363	-	-	-
<b>Transfers recognised - capital</b>	<b>85 723</b>	<b>79 626</b>	<b>46 716</b>	<b>44 610</b>	<b>49 471</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>126 713</b>	<b>132 579</b>	<b>119 720</b>	<b>88 135</b>	<b>87 208</b>
<b>Total Capital Funding</b>	<b>212 436</b>	<b>212 205</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental assessments and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives priorities and service delivery imperatives of the Municipality. For the purpose of the funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred in the 2021/22 financial year against single-year appropriations for the two outer-years in respect of the items alluded to above.
4. The capital program is funded from National, Provincial and Other grants and transfers, External borrowing and internally generated funds from current and prior year surpluses.

## MBRR Table A6 - Budgeted Financial Position

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	453 566	610 371	577 694	582 716	592 599
Call investment deposits	–	–	–	–	–
Consumer debtors	170 010	87 130	104 464	130 077	158 783
Other debtors	43 833	11 724	11 800	12 160	12 711
Current portion of long-term receivables	47	80	80	80	80
Inventory	20 129	10 386	9 117	7 710	6 186
<b>Total current assets</b>	<b>687 585</b>	<b>719 692</b>	<b>703 155</b>	<b>732 743</b>	<b>770 359</b>
<b>Non current assets</b>					
Long-term receivables	2	–	–	–	–
Investments	–	–	–	–	–
Investment property	44 220	34 094	32 979	31 903	30 764
Investment in Associate	–	–	–	–	–
Property, plant and equipment	2 089 771	2 061 060	2 123 350	2 146 647	2 162 042
Biological	–	–	–	–	–
Intangible	301	666	414	142	(156)
Other non-current assets	1 120	1 120	1 120	1 120	1 120
<b>Total non current assets</b>	<b>2 135 414</b>	<b>2 096 939</b>	<b>2 157 863</b>	<b>2 179 812</b>	<b>2 193 770</b>
<b>TOTAL ASSETS</b>	<b>2 822 999</b>	<b>2 816 631</b>	<b>2 861 018</b>	<b>2 912 555</b>	<b>2 964 129</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–	–	–	–
Borrowing	11 846	10 018	10 018	10 018	10 018
Consumer deposits	15 314	16 181	17 048	17 915	18 781
Trade and other payables	139 343	109 835	109 835	109 835	109 835
Provisions	12 622	9 479	9 479	9 479	9 479
<b>Total current liabilities</b>	<b>179 125</b>	<b>145 513</b>	<b>146 380</b>	<b>147 247</b>	<b>148 114</b>
<b>Non current liabilities</b>					
Borrowing	96 138	96 103	84 257	72 411	60 566
Provisions	107 498	98 002	96 459	94 801	92 953
<b>Total non current liabilities</b>	<b>203 635</b>	<b>194 104</b>	<b>180 716</b>	<b>167 213</b>	<b>153 519</b>
<b>TOTAL LIABILITIES</b>	<b>382 760</b>	<b>339 617</b>	<b>327 096</b>	<b>314 460</b>	<b>301 633</b>
<b>NET ASSETS</b>	<b>2 440 239</b>	<b>2 477 014</b>	<b>2 533 922</b>	<b>2 598 095</b>	<b>2 662 496</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	2 256 659	2 277 506	2 306 584	2 361 034	2 415 814
Reserves	183 579	199 508	227 338	237 061	246 682
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 440 239</b>	<b>2 477 014</b>	<b>2 533 922</b>	<b>2 598 095</b>	<b>2 662 496</b>

### Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves analysis for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



## MBRR Table A7 - Budgeted Cash Flow Statement

Description  R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates	109 588	128 928	131 466	143 311	151 660
Service charges	377 742	449 698	496 199	549 735	609 022
Other revenue	34 299	29 159	38 479	36 213	43 031
Transfers and Subsidies - Operational	120 495	139 345	152 542	166 080	155 585
Transfers and Subsidies - Capital	86 864	79 626	46 716	44 610	49 471
Interest	34 609	36 111	37 706	36 526	33 355
Dividends	-	-	-	-	-
<b>Payments</b>					
Suppliers and employees	(636 646)	(646 432)	(743 542)	(813 857)	(871 384)
Finance charges	(11 934)	(11 934)	(11 055)	(10 180)	(9 324)
Transfers and Grants	(3 223)	(3 355)	(3 851)	(3 774)	(3 952)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>111 795</b>	<b>201 147</b>	<b>144 660</b>	<b>148 663</b>	<b>157 466</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	200	2 042	78	82	75
Decrease (increase) in non-current receivables	(2)	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-
<b>Payments</b>					
Capital assets	(212 436)	(212 205)	(166 436)	(132 745)	(136 679)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(212 238)</b>	<b>(210 163)</b>	<b>(166 358)</b>	<b>(132 662)</b>	<b>(136 604)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Short term loans	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-
Increase (decrease) in consumer deposits	15 314	867	867	867	867
<b>Payments</b>					
Repayment of borrowing	(11 846)	(11 846)	(11 846)	(11 846)	(11 846)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>3 468</b>	<b>(10 979)</b>	<b>(10 979)</b>	<b>(10 979)</b>	<b>(10 979)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(96 975)</b>	<b>(19 995)</b>	<b>(32 677)</b>	<b>5 022</b>	<b>9 883</b>
Cash/cash equivalents at the year begin:	<b>565 008</b>	<b>630 366</b>	<b>610 371</b>	<b>577 694</b>	<b>582 716</b>
Cash/cash equivalents at the year end:	<b>468 034</b>	<b>610 371</b>	<b>577 694</b>	<b>582 716</b>	<b>592 599</b>

### Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded. The net effect of the budget (both capital & operational) is represented in the net increase or decrease in cash and cash equivalents.
2. It shows the expected level of cash in-flow versus cash out-flows that are likely to result from the implementation of the budget with the reduced expected cash already very significant
3. The cash levels above include unspent grants.

### MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description  R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Cash and investments available</b>					
Cash/cash equivalents at the year end	468 034	610 371	577 694	582 716	592 599
Other current investments > 90 days	(14 467)	–	0	0	0
Non current assets - Investments	–	–	–	–	–
<b>Cash and investments available:</b>	<b>453 566</b>	<b>610 371</b>	<b>577 694</b>	<b>582 716</b>	<b>592 599</b>
<b>Application of cash and investments</b>					
Unspent conditional transfers	611	611	16 850	16 850	16 850
Unspent borrowing	–	–	–	–	–
Statutory requirements					
Other working capital requirements	(37 833)	13 259	(16 606)	(40 175)	(68 585)
Other provisions					
Long term investments committed	–	–	–	–	–
Reserves to be backed by cash/investments					
<b>Total Application of cash and investments:</b>	<b>(37 222)</b>	<b>13 870</b>	<b>244</b>	<b>(23 325)</b>	<b>(51 735)</b>
<b>Surplus(shortfall)</b>	<b>490 788</b>	<b>596 501</b>	<b>577 450</b>	<b>606 041</b>	<b>644 334</b>

### Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget and NT Circulars 107 and 108.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". **The municipality's budget is cash-funded and thus in compliance with the requirements of the MFMA but the reduction in financial resources not a good indicator.**
4. As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 MTREF, the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA and **therefore concluded that the tabled budget is indeed cash funded.**

### MBRR Table A9 - Asset Management

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand					
<b>CAPITAL EXPENDITURE</b>					
<b>Total New Assets</b>	<b>113 896</b>	<b>111 077</b>	<b>69 582</b>	<b>62 695</b>	<b>82 565</b>
Roads Infrastructure	40 403	37 877	11 081	28 206	32 265
Electrical Infrastructure	8 506	6 786	15 571	5 438	20 569
Water Supply Infrastructure	8 626	6 544	5 778	4 239	4 372
Sanitation Infrastructure	10 306	10 053	2 482	1 572	2 083
Solid Waste Infrastructure	250	250	720	2 000	–
<b>Infrastructure</b>	<b>68 092</b>	<b>61 510</b>	<b>35 632</b>	<b>41 455</b>	<b>59 288</b>
Community Facilities	8 700	8 586	2 368	1 000	700
Sport and Recreation Facilities	4 390	5 441	1 400	–	–
<b>Community Assets</b>	<b>13 090</b>	<b>14 027</b>	<b>3 768</b>	<b>1 000</b>	<b>700</b>
Operational Buildings	1 000	1 500	10 880	–	–
Housing	2 777	3 304	10 776	1 833	1 169
<b>Other Assets</b>	<b>3 777</b>	<b>4 804</b>	<b>21 656</b>	<b>1 833</b>	<b>1 169</b>
Computer Equipment	2 200	2 458	1 587	1 233	1 120
Furniture and Office Equipment	354	336	348	272	280
Machinery and Equipment	2 720	4 060	2 319	5 890	4 877
Transport Assets	4 873	5 124	3 574	11 014	15 131
Land	18 790	18 757	700	–	–
<b>Total Renewal of Existing Assets</b>	<b>23 198</b>	<b>24 858</b>	<b>28 030</b>	<b>33 000</b>	<b>36 600</b>
Roads Infrastructure	18 898	20 638	23 000	25 000	28 600
Electrical Infrastructure	3 300	3 220	4 200	8 000	8 000
<b>Infrastructure</b>	<b>22 198</b>	<b>23 858</b>	<b>27 200</b>	<b>33 000</b>	<b>36 600</b>
Community Facilities	1 000	1 000	–	–	–
<b>Community Assets</b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
Housing	–	–	830	–	–
<b>Other Assets</b>	<b>–</b>	<b>–</b>	<b>830</b>	<b>–</b>	<b>–</b>
<b>Total Upgrading of Existing Assets</b>	<b>75 342</b>	<b>76 270</b>	<b>68 824</b>	<b>37 049</b>	<b>17 514</b>
Storm water Infrastructure	500	500	–	500	500
Electrical Infrastructure	7 500	7 100	2 600	–	–
Water Supply Infrastructure	1 100	1 167	4 100	25 306	16 014
Sanitation Infrastructure	62 846	64 076	59 741	11 243	1 000
<b>Infrastructure</b>	<b>71 946</b>	<b>72 843</b>	<b>66 441</b>	<b>37 049</b>	<b>17 514</b>
Sport and Recreation Facilities	3 396	3 427	2 383	–	–
<b>Community Assets</b>	<b>3 396</b>	<b>3 427</b>	<b>2 383</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure</b>	<b>212 436</b>	<b>212 205</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>
Roads Infrastructure	59 301	58 515	34 081	53 206	60 864
Storm water Infrastructure	500	500	–	500	500
Electrical Infrastructure	19 306	17 106	22 371	13 438	28 569
Water Supply Infrastructure	9 726	7 711	9 878	29 545	20 386
Sanitation Infrastructure	73 152	74 129	62 222	12 816	3 083
Solid Waste Infrastructure	250	250	720	2 000	–
<b>Infrastructure</b>	<b>162 236</b>	<b>158 211</b>	<b>129 272</b>	<b>111 504</b>	<b>113 402</b>
Community Facilities	9 700	9 586	2 368	1 000	700
Sport and Recreation Facilities	7 786	8 869	3 783	–	–
<b>Community Assets</b>	<b>17 486</b>	<b>18 455</b>	<b>6 151</b>	<b>1 000</b>	<b>700</b>
Operational Buildings	1 000	1 500	10 880	–	–
Housing	2 777	3 304	11 606	1 833	1 169
<b>Other Assets</b>	<b>3 777</b>	<b>4 804</b>	<b>22 486</b>	<b>1 833</b>	<b>1 169</b>
Computer Equipment	2 200	2 458	1 587	1 233	1 120
Furniture and Office Equipment	354	336	348	272	280
Machinery and Equipment	2 720	4 060	2 319	5 890	4 877
Transport Assets	4 873	5 124	3 574	11 014	15 131
Land	18 790	18 757	700	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>212 436</b>	<b>212 205</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>

Description R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	2 135 412	2 096 939	2 157 863	2 179 812	2 193 770
<i>Roads Infrastructure</i>	434 008	438 899	448 546	476 243	509 048
<i>Storm water Infrastructure</i>	121 801	121 561	116 862	112 422	107 487
<i>Electrical Infrastructure</i>	353 112	325 805	333 281	330 716	341 753
<i>Water Supply Infrastructure</i>	398 942	389 299	384 893	399 573	403 611
<i>Sanitation Infrastructure</i>	466 464	438 286	484 270	479 386	462 199
<i>Solid Waste Infrastructure</i>	17 076	20 828	11 684	3 569	(9 128)
<i>Information and Communication Infrastructure</i>	–	–	880	–	–
<b>Infrastructure</b>	<b>1 791 403</b>	<b>1 734 679</b>	<b>1 780 416</b>	<b>1 801 909</b>	<b>1 814 971</b>
<b>Community Assets</b>	128 564	151 661	151 777	146 286	141 060
<b>Heritage Assets</b>	1 120	1 120	1 120	1 120	1 120
<b>Investment properties</b>	44 220	34 094	32 979	31 903	30 764
<b>Other Assets</b>	57 466	49 010	69 022	69 260	67 663
<b>Intangible Assets</b>	301	666	414	142	(156)
<b>Computer Equipment</b>	3 422	5 525	5 862	5 740	5 373
<b>Furniture and Office Equipment</b>	932	501	(1 374)	(2 750)	(4 098)
<b>Machinery and Equipment</b>	13 534	13 102	13 619	17 551	20 264
<b>Transport Assets</b>	32 474	35 064	34 573	41 180	51 441
<b>Land</b>	61 975	71 517	69 456	67 471	65 368
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 135 412</b>	<b>2 096 939</b>	<b>2 157 863</b>	<b>2 179 812</b>	<b>2 193 770</b>
<b>EXPENDITURE OTHER ITEMS</b>	<b>143 266</b>	<b>144 945</b>	<b>152 304</b>	<b>162 670</b>	<b>196 494</b>
<u>Depreciation</u>	91 755	91 755	94 807	101 006	112 539
<u>Repairs and Maintenance by Asset Class</u>	<b>51 511</b>	<b>53 191</b>	<b>57 497</b>	<b>61 664</b>	<b>83 955</b>
<i>Roads Infrastructure</i>	4 759	4 985	5 140	5 196	24 830
<i>Storm water Infrastructure</i>	17 375	17 375	17 281	18 318	19 184
<i>Electrical Infrastructure</i>	2 505	2 505	2 729	2 901	3 031
<i>Water Supply Infrastructure</i>	1 384	1 284	1 705	1 478	1 803
<i>Sanitation Infrastructure</i>	3 906	3 881	5 334	5 009	5 190
<i>Solid Waste Infrastructure</i>	6 842	6 867	7 966	10 222	11 060
<b>Infrastructure</b>	<b>36 771</b>	<b>36 898</b>	<b>40 155</b>	<b>43 124</b>	<b>65 098</b>
Community Facilities	2 037	2 060	2 122	2 207	2 306
Sport and Recreation Facilities	715	745	1 164	1 441	1 238
<b>Community Assets</b>	<b>2 752</b>	<b>2 805</b>	<b>3 286</b>	<b>3 648</b>	<b>3 544</b>
Operational Buildings	1 343	1 343	990	1 039	1 092
Housing	411	408	754	887	597
<b>Other Assets</b>	<b>1 754</b>	<b>1 750</b>	<b>1 744</b>	<b>1 926</b>	<b>1 689</b>
Licences and Rights	3 144	3 823	4 226	4 475	4 621
<b>Intangible Assets</b>	<b>3 144</b>	<b>3 823</b>	<b>4 226</b>	<b>4 475</b>	<b>4 621</b>
<b>Computer Equipment</b>	<b>460</b>	<b>685</b>	<b>316</b>	<b>319</b>	<b>407</b>
<b>Furniture and Office Equipment</b>	<b>64</b>	<b>63</b>	<b>77</b>	<b>69</b>	<b>71</b>
<b>Machinery and Equipment</b>	<b>1 216</b>	<b>1 260</b>	<b>1 282</b>	<b>1 304</b>	<b>1 280</b>
<b>Transport Assets</b>	<b>5 351</b>	<b>5 908</b>	<b>6 412</b>	<b>6 799</b>	<b>7 245</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>143 266</b>	<b>144 945</b>	<b>152 304</b>	<b>162 670</b>	<b>196 494</b>
<i>Renewal and upgrading of Existing Assets as %</i>	46.4%	47.7%	58.2%	52.8%	39.6%
<i>R&amp;M as a % of PPE</i>	2.5%	2.6%	2.7%	2.9%	3.9%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	7.0%	7.0%	7.0%	6.0%	6.0%

### Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The 2021/22 capital expenditure on the renewal and upgrading of existing assets is 58.2%, for 2022/23 decreases to 52.8% and decreases to 39.6% in 2023/24.

### MBRR Table A10 - Basic Service Delivery Measurement

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Household service targets</b>					
<b>Water:</b>					
Piped water inside dwelling	65 744	65 744	65 744	65 744	65 744
Piped water inside yard (but not in dwelling)	6 464	6 464	6 464	6 464	6 464
Using public tap (at least min.service level)	110	110	110	110	110
Other water supply (at least min.service level)	316	316	316	316	316
<i>Minimum Service Level and Above sub-total</i>	72 634	72 634	72 634	72 634	72 634
Using public tap (< min.service level)	-	-	-	-	-
Other water supply (< min.service level)	5 644	5 644	5 644	5 644	5 644
No water supply	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	5 644	5 644	5 644	5 644	5 644
<b>Total number of households</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>
<b>Sanitation/sewerage:</b>					
Flush toilet (connected to sewerage)	67 488	67 488	67 488	67 488	67 488
Flush toilet (with septic tank)	7 774	7 774	7 774	7 774	7 774
Chemical toilet	58	58	58	58	58
Pit toilet (ventilated)	74	74	74	74	74
Other toilet provisions (> min.service level)	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	75 394	75 394	75 394	75 394	75 394
Bucket toilet	1 982	1 982	1 982	1 982	1 982
Other toilet provisions (< min.service level)	282	282	282	282	282
No toilet provisions	620	620	620	620	620
<i>Below Minimum Service Level sub-total</i>	2 884	2 884	2 884	2 884	2 884
<b>Total number of households</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>
<b>Energy:</b>					
Electricity (at least min.service level)	77 262	77 262	77 262	77 262	77 262
Electricity - prepaid (min.service level)	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	77 262	77 262	77 262	77 262	77 262
Electricity (< min.service level)	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-
Other energy sources	1 016	1 016	1 016	1 016	1 016
<i>Below Minimum Service Level sub-total</i>	1 016	1 016	1 016	1 016	1 016
<b>Total number of households</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b><u>Refuse:</u></b>					
Removed at least once a week	65 350	65 350	65 350	65 350	65 350
<i>Minimum Service Level and Above sub-total</i>	65 350	65 350	65 350	65 350	65 350
Removed less frequently than once a week	960	960	960	960	960
Using communal refuse dump	1 794	1 794	1 794	1 794	1 794
Using own refuse dump	9 726	9 726	9 726	9 726	9 726
Other rubbish disposal	410	410	410	410	410
No rubbish disposal	38	38	38	38	38
<i>Below Minimum Service Level sub-total</i>	12 928	12 928	12 928	12 928	12 928
<b>Total number of households</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>	<b>78 278</b>
<b><u>Households receiving Free Basic Service</u></b>					
Water (6 kilolitres per household per month)	9 247	9 247	9 788	10 082	10 384
Sanitation (free minimum level service)	8 745	8 745	9 007	9 277	9 556
Electricity/other energy (50kwh per household per month)	8 196	8 196	8 442	8 695	8 956
Refuse (removed at least once a week)	9 078	9 078	9 351	9 631	9 920
<b><u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u></b>					
Water (6 kilolitres per indigent household per month)	14 253	12 857	14 659	15 510	16 481
Sanitation (free sanitation service to indigent households)	25 641	25 641	26 750	28 623	30 626
Electricity/other energy (50kwh per indigent household per month)	4 923	4 923	5 415	5 957	6 552
Refuse (removed once a week for indigent households)	14 866	14 866	15 757	16 703	17 705
<b><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total cost of FBS provided</b>	<b>59 683</b>	<b>58 287</b>	<b>62 582</b>	<b>66 792</b>	<b>71 365</b>
<b><u>Highest level of free service provided per household</u></b>					
Property rates (R value threshold)	105 000	105 000	105 000	105 000	105 000
Water (kilolitres per household per month)	6	6	6	6	6
Sanitation (Rand per household per month)	234.35	234.35	248.18	263.07	278.86
Electricity (kwh per household per month)	50	50	50	50	50
Refuse (average litres per week)	131.52	131.52	139.28	149.73	160.96
<b><u>Revenue cost of subsidised services provided (R'000)</u></b>					
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	9 300	9 300	4 644	4 800	4 967
Water (in excess of 6 kilolitres per indigent household per month)	1 654	3 913	—	—	—
<b>Total revenue cost of subsidised services provided</b>	<b>10 954</b>	<b>13 214</b>	<b>4 644</b>	<b>4 800</b>	<b>4 967</b>

**Note:** No updated information available other than the 2016 Community survey data on the above household service targets.

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

#### POLITICAL OVERSIGHT OVER THE BUDGET PROCESS

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans.

The mayoral committee is one of the key assurance providers in accomplishing the linkage between the IDP and the Budget of a municipality.

#### SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP, budget and related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP, in council at least 10 months before the start of the next financial year.

#### PURPOSE OF THE BUDGET AND IDP PROCESS PLAN

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2021/22 – 2025/26) and the budget for the 2021/2022 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

The Mayor tabled in Council the required IDP and budget time schedule on 25 August 2020. Key dates applicable to the process were:

- **October / November 2020** – Review of the financial strategy and key economic and financial planning assumptions. This included financial forecasting and scenario considerations;
- **October / November 2020** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **28 January 2021** - Council considered and approved the 2020/21 Mid-year Review and Adjustments Budget;



- **February / March 2021** - Finalise detailed draft operating and capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy;
- **30 March 2021** - Tabling in Council of the draft 2021/22 IDP and 2021/22 MTREF Budget for public consultation;
- **April / May 2021** – Public consultation by means of written comments due to lockdown;
- **30 April 2021 @ 12 midday** - Closing date for written comments;
- **3 - 13 May 2021** – Finalisation of the 2021/22 IDP and 2021/22 MTREF Budget, taking into consideration comments received from the public, comments from National and Provincial Treasury; and
- **27 May 2021** - Tabling of the 2021/22 Final MTREF budget before Council for consideration and approval.

### 2.1.1 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

### 2.1.2 Community Consultation

The public participation process could not take place as usual by means of community meetings due to the lockdown regulations. However, members of the community were given the opportunity to provide written comments and inputs on the draft budget presented to them. The comments and inputs were reviewed and where appropriate the proposed changes were incorporated into the final budget to be approved by Council at least 30 days before the start of the financial year.

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The 2021/22 MTREF was in the main informed by the IDP process outcomes and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

## 2.2.1 Reconciliation between the IDP strategic objectives and budgeted 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	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Improved quality of life for citizens	Manage Development Services	35	5 347	2 729	3 278	6 686	57	58	209
	Manage Community Development	14	5 212	2 676	3 118	6 526	38	38	38
	Manage Multi-Purpose Centres	21	135	53	160	160	19	20	171
	Manage Environmental and Occupational Health	–	–	–	–	–	–	–	–
	Manage Protection Services	41 590	46 794	36 542	44 945	49 735	36 609	38 637	42 186
	Manage Protection Services	–	–	–	–	–	–	–	–
	Manage Civil Protection	–	–	969	–	11 692	–	–	–
	Manage Licensing and Registration Services	8 127	8 833	8 968	8 744	9 794	10 375	10 994	11 649
	Manage Traffic and Law Enforcement	32 649	37 947	26 561	35 151	27 199	25 915	27 324	30 217
	Manage Fire and Emergency Services	801	0	32	762	762	30	30	30
	Manage the Harbour Yzerfontein	12	14	12	288	288	289	289	290
	Inclusive economic growth	Facilitate economic development in the municipal area	–	–		–	–	–	–
Quality and sustainable living	Manage Development Services	27 597	38 553	44 186	56 406	48 619	47 017	54 167	27 109
	Manage Development Services	1	1	1	1	1	1	1	1
	Manage Planning and Valuations	1 038	925	1 773	956	956	1 022	1 066	1 117
	Manage Building Control	2 714	2 661	2 435	2 839	2 839	2 539	2 646	2 757
	Manage Human Settlements	21 162	31 483	37 454	50 894	43 107	41 608	47 682	20 244
	Manage the Caravan Park Yzerfontein	2 681	3 484	2 524	1 715	1 715	1 848	2 773	2 989

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	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand										
Caring, competent and responsive institutions,	Manage Corporate Services	9 120	9 993	10 909	11 518	12 312	11 506	11 443	11 684	
	Manage Corporate Services, Secretariat and Records and Ward Committees	380	408	379	204	449	131	103	108	
	Manage Human Resource Services	451	581	556	676	575	552	333	366	
	Manage Properties, Contracts and Legal Administration	264	303	167	180	180	168	165	175	
	Manage Libraries	8 001	8 675	9 779	10 428	11 078	10 622	10 810	11 000	
	Manage Marketing And Tourism	24	26	28	30	30	31	33	35	
	Manage Electrical Engineering Services	–	–							
	Manage ICT Services	–	–	–	–	–	–	–	–	
		–	–							
	Manage the Office of the Municipal Manager	100	55	45						
	Manage the Office of the Municipal Manager	–	–	–	–	–	–	–	–	
	Manage Internal Audit	100	55	45	–	–	–	–	–	
	Manage Strategic Services	–	–	–	–	–	–	–	–	
	Manage Financial Services	177 816	193 464	215 968	209 518	212 313	227 643	245 402	250 865	
	Manage Financial Administration	–	–	–	–	–	–	–	–	
	Manage Supply Chain Management	–	–	–	–	–	–	–	–	
	Manage the Budget and Treasury Office	457	403	330	–	–	–	–	–	
	Manage Finance (Credit Control, Income, Expenditure,etc)	70 651	73 109	86 213	75 963	78 757	85 764	90 899	87 405	
	Manage Assets	–	–	–	–	–	–	–	–	
	Manage Fleet	–	–	–	–	–	–	–	–	
	Manage Rates	105 158	118 393	127 875	132 006	132 006	140 330	152 953	161 910	
	Manage Financial Management Grant	1 550	1 559	1 550	1 550	1 550	1 550	1 550	1 550	
	Manage Council Expenses									
	Manage Council Expenses	389	262	265	290	290	295	299	304	
	Sufficient, affordable and well-run services	Manage Civil Engineering Services	482 808	508 852	564 075	544 079	552 945	631 834	682 890	770 932
		Manage Civil Engineering Services	67	62	71	–	–	–	–	–
		Manage Cemeteries	605	649	671	703	828	878	924	979
		Manage Parks and Recreational Areas	3 687	2 714	495	523	722	1 119	–	–
		Manage Proclaimed Roads	21 174	9 536	6 318	286	286	175	175	15 130
		Manage Sewerage	72 189	77 649	79 098	86 990	87 791	90 521	76 419	81 065
		Manage Waste Water Treatment Works	–	–	–	–	–	–	–	–
		Manage Sportsgrounds	4 903	3 024	570	372	372	1 100	124	131
		Manage Streets	4 686	1 530	505	1 436	3 176	4 102	9 103	16 019
Manage Storm water		–	119	–	111	111	–	–	–	
Manage Swimming Pools		–	335	316	392	419	371	400	431	
Manage Water Provision		74 864	91 231	104 869	73 720	79 374	92 270	112 025	111 088	
Manage Municipal Property		2 851	773	10 781	943	2 215	10 935	6 293	11 380	
Manage Refuse Removal		37 124	44 390	47 360	43 090	44 539	46 625	49 403	53 006	
Manage Street Cleaning		–	90	–	–	–	–	–	–	
Manage Solid Waste Disposal (Landfill Sites)		–	6	–	–	–	–	–	–	
Manage Electrical Engineering Services		–	–	–	–	–	–	–	–	
Manage Electricity Distribution		260 658	276 744	313 021	335 512	333 112	383 738	428 024	481 703	
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		739 454	803 321	874 720	870 035	882 900	954 961	1 032 897	1 103 289	

## 2.2.2 Reconciliation between the 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	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand										
Improved quality of life for citizens	Manage Development Services	4 814	5 316	5 194	6 442	6 707	6 870	6 942	7 317	
	Manage Community Development	2 404	2 547	2 449	3 011	3 068	3 387	3 541	3 645	
	Manage Multi-Purpose Centres	916	1 212	1 177	1 498	1 540	1 451	1 526	1 727	
	Manage Environmental and Occupational Health	1 494	1 557	1 568	1 933	2 099	2 032	1 875	1 944	
	Manage Protection Services	56 509	66 100	71 183	64 508	73 986	75 013	78 248	81 280	
	Manage Protection Services	1 728	1 902	2 053	2 255	2 255	2 313	2 399	2 477	
	Manage Civil Protection	238	221	2 063	2 000	2 600	725	300	300	
	Manage Licensing and Registration Services	6 627	7 347	7 745	8 646	8 778	9 035	9 533	9 889	
	Manage Traffic and Law Enforcement	44 521	52 387	53 798	43 579	52 222	54 964	57 911	60 113	
	Manage Fire and Emergency Services	3 337	4 182	5 463	7 644	7 837	7 626	7 739	8 108	
	Manage the Harbour Yzerfontein	57	61	60	385	295	350	366	391	
	Inclusive economic growth	Facilitate economic development in the municipal area	–	–	–	150		150	150	150
Quality and sustainable living environment	Manage Development Services	14 441	43 165	27 491	22 587	23 364	46 187	51 691	21 508	
	Manage Development Services	1 727	1 435	1 910	2 078	2 079	2 152	2 223	2 282	
	Manage Planning and Valuations	5 680	6 917	7 635	8 676	8 815	8 007	8 174	8 083	
	Manage Building Control	2 835	2 611	2 759	3 063	3 052	3 268	3 430	3 557	
	Manage Human Settlements	2 060	30 345	13 393	6 629	7 266	30 442	35 429	5 058	
	Manage the Caravan Park Yzerfontein	2 139	1 858	1 795	2 140	2 152	2 317	2 436	2 527	
Caring, competent and responsive institutions, organisations and business	Manage Corporate Services	25 338	32 508	33 685	35 380	36 264	41 476	42 690	44 423	
	Manage Corporate Services, Secretariat and Records and Ward Committees	8 190	14 237	14 736	13 982	14 017	17 388	17 747	18 529	
	Manage Human Resource Services	4 332	5 048	4 678	5 213	5 559	6 026	5 900	6 126	
	Manage Properties, Contracts and Legal Administration	3 122	3 405	3 833	4 724	4 725	5 263	5 597	5 838	
	Manage Libraries	8 468	8 475	9 090	9 926	10 429	11 058	11 660	12 110	
	Manage Marketing And Tourism	1 226	1 342	1 347	1 534	1 534	1 740	1 786	1 820	
	Manage Electrical Engineering Services									
	Manage ICT Services	9 361	9 380	9 549	13 210	14 088	14 923	15 789	16 676	
	Manage the Office of the Municipal Manager	6 178	6 721	7 126	7 942	8 265	8 018	8 220	8 510	
	Manage the Office of the Municipal Manager	3 042	3 111	3 285	3 918	3 896	3 457	3 578	3 683	
	Manage Internal Audit	1 605	1 633	1 715	1 989	2 184	2 118	2 223	2 320	
	Manage Strategic Services	1 530	1 976	2 126	2 035	2 185	2 442	2 419	2 507	

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	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Sufficient, affordable and well-run services	<b>Manage Financial Services</b>	<b>37 322</b>	<b>38 731</b>	<b>44 937</b>	<b>59 827</b>	<b>54 110</b>	<b>59 521</b>	<b>60 939</b>	<b>62 797</b>
	Manage Financial Administration	7 624	2 180	1 758	2 146	2 146	1 746	1 801	1 844
	Manage Supply Chain Management	5 267	5 805	6 274	6 728	6 728	7 207	7 594	7 916
	Manage the Budget and Treasury Office	3 197	913	3 630	5 012	5 025	5 232	5 225	5 005
	Manage Finance (Credit Control, Income, Expenditure, etc)	18 135	26 176	29 124	39 208	32 083	37 616	39 725	41 260
	Manage Assets	700	1 169	1 242	2 488	2 363	1 303	1 358	1 409
	Manage Fleet	444	807	945	1 028	1 028	1 131	1 189	1 235
	Manage Rates	398	163	414	1 668	3 187	3 737	2 497	2 578
	Manage Financial Management Grant	1 557	1 520	1 550	1 550	1 550	1 550	1 550	1 550
	<b>Manage Council Expenses</b>								
	Manage Council Expenses	14 957	15 113	16 374	18 108	18 120	18 220	18 758	19 319
	<b>Manage Civil Engineering Services</b>	<b>446 610</b>	<b>473 146</b>	<b>530 669</b>	<b>569 764</b>	<b>564 751</b>	<b>627 675</b>	<b>685 296</b>	<b>776 908</b>
	Manage Civil Engineering Services	6 636	2 942	3 226	3 434	3 430	4 155	4 329	4 481
	Manage Cemeteries	346	481	702	669	771	773	809	861
	Manage Parks and Recreational Areas	12 539	13 357	14 038	15 721	16 561	17 257	18 245	18 881
	Manage Proclaimed Roads	19 084	11 970	6 470	327	327	487	487	19 943
	Manage Sewerage	39 956	47 944	49 952	48 252	45 886	45 778	46 581	49 341
	Manage Waste Water Treatment Works	8 735	2 040	2 740	2 868	2 971	4 399	4 046	4 199
	Manage Sportsgrounds	4 559	4 376	4 644	3 496	3 406	5 476	5 808	6 122
	Manage Streets	40 434	38 471	37 743	38 269	40 389	42 222	44 152	47 493
	Manage Storm water	10 475	14 293	15 174	17 157	16 798	16 314	17 016	18 004
	Manage Swimming Pools	1 044	1 914	2 156	3 606	3 706	2 223	2 342	2 441
	Manage Water Provision	47 486	53 379	59 631	78 984	67 340	69 431	70 141	74 231
	Manage Municipal Property	21 951	8 086	17 666	14 238	15 755	16 853	17 419	17 839
	Manage Refuse Removal	20 351	26 568	31 415	31 168	32 782	35 498	35 860	37 190
	Manage Street Cleaning	4 503	4 701	5 407	5 173	5 698	6 724	7 585	8 387
	Manage Solid Waste Disposal (Landfill Sites)	6 798	6 313	8 032	7 004	9 050	10 742	12 489	13 286
	Manage Electrical Engineering Services	1 445	–	–	1 732	1 732	1 779	1 827	1 876
	Manage Electricity Distribution	199 287	234 843	270 152	296 042	296 539	345 735	394 244	450 336
	Manage Street Lighting	982	1 469	1 523	1 625	1 611	1 829	1 915	1 997
<b>Total Expenditure</b>		<b>615 531</b>	<b>690 180</b>	<b>746 209</b>	<b>797 919</b>	<b>799 656</b>	<b>898 053</b>	<b>968 724</b>	<b>1 038 888</b>

## 2.2.3 Reconciliation between the 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	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Improved quality of life for citizens	Manage Development Services								
	Manage Multi-Purpose Centres	700	211	–	5 000	100	–	232	–
	Manage Protection Services								
	Manage Protection Services	70	108	1 692	146	146	77	50	50
	Manage Licensing and Registration	475	–	–	–	–	368	–	726
	Manage Traffic and Law Enforcement	500	2 108	835	562	562	–	–	–
	Manage Fire and Emergency Services	822	3 240	114	1 320	1 320	1 554	3 835	4 055
	Manage the Harbour Yzerfontein	–	–	–	–	–	–	–	–
Inclusive economic growth	municipal area	1 850	–	–	–	–	–	–	
Quality and sustainable living environment	Manage Development Services								
	Manage Development Services	32	8 957	1 958	38	1 891	40	42	44
	Manage Planning and Valuations	150	–	753	3 000	6 247	–	–	–
	Manage Human Settlements	25 806	3 344	26 689	45 454	40 987	19 268	15 800	19 760
	Manage the Caravan Park Yzerfontein	530	1 185	371	30	30	30	30	32
Caring, competent and responsive institutions, organisations and business	Manage Corporate Services								
	Manage Corporate Services, Secretariat and Records and Ward Committees	7 076	2 444	17	18 810	18 777	722	24	26
	Administration	32	27	53	100	99	100	100	100
	Manage Libraries	204	52	54	70	70	50	–	–
	Manage Electrical Engineering								
	Manage ICT Services	1 585	601	456	1 470	1 776	2 037	803	695
	Manage the Office of the Municipal								
	Manage the Office of the Municipal	6	4	–	10	3	10	10	12
	Manage Financial Services								
	Manage Financial Administration	16	53	10 759	44	44	56	28	30
	Expenditure,etc)	691	491	–	217	189	325	232	241
	Manage Council Expenses								
	Manage Council Expenses	6	8	2	10	–	10	10	572
Sufficient, affordable and well-run services	Manage Civil Engineering Services								
	Manage Civil Engineering Services	42	32	12	44	32	95	52	54
	Manage Cemeteries	–	674	–	–	–	–	300	–
	Manage Parks and Recreational Areas	3 197	1 579	159	758	1 475	1 308	1 185	1 631
	Manage Sewerage	11 031	6 322	42	58	88	808	3 223	2 177
	Manage Waste Water Treatment Works	475	2 654	14 454	62 846	64 076	60 661	11 243	500
	Manage Sportsgrounds	5 548	2 860	1 003	3 396	3 427	2 983	–	–
	Manage Streets	13 403	16 509	20 540	34 890	37 975	33 665	47 319	51 399
	Manage Storm water	51	54	1 878	558	558	60	562	564
	Manage Swimming Pools	–	–	–	540	540	–	–	–
	Manage Water Provision	1 965	14 797	9 659	2 364	2 539	5 338	27 040	17 462
	Manage Municipal Property	2 779	5 899	4 408	6 145	6 702	11 690	27	829
	Manage Refuse Removal	909	2 615	4 954	3 950	4 192	1 862	6 210	3 616
	Manage Electrical Engineering Services	300	306	334	400	400	350	350	360
	Manage Electricity Distribution	10 835	14 896	19 748	20 206	17 958	22 971	14 038	31 745
Total Capital Expenditure		100 408	92 031	120 942	212 436	212 205	166 436	132 745	136 679

## **Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

### **2.2.4 Measurable performance objectives**



Description	Unit of measurement	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	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Improved quality of life for citizens</b>									
Manage Development Services									
Manage Multi-Purpose Centres	Completion of projects	700	211	–	5 000	100	–	232	–
Manage Protection Services									
Manage Protection Services	Completion of projects	70	108	1 692	146	146	77	50	50
Manage Licensing and Registration	Completion of projects	475	–	–	–	–	368	–	726
Manage Traffic and Law Enforcement	Completion of projects	500	2 108	835	562	562	–	–	–
Manage Fire and Emergency Services	Completion of projects	822	3 240	114	1 320	1 320	1 554	3 835	4 055
<b>Inclusive economic growth</b>									
Facilitate economic development in the	Completion of projects	1 850	–	–	–	–	–	–	–
<b>Quality and sustainable living environment</b>									
Manage Development Services									
Manage Development Services	Completion of projects	32	8 957	1 958	38	1 891	40	42	44
Manage Planning and Valuations	Completion of projects	150	–	753	3 000	6 247	–	–	–
Manage Human Settlements	Completion of projects	25 806	3 344	26 689	45 454	40 987	19 268	15 800	19 760
Manage the Caravan Park Yzerfontein	Completion of projects	530	1 185	371	30	30	30	30	32
<b>Caring, competent and responsive institutions, organisations and business</b>									
Manage Corporate Services									
Manage Corporate Services, Secretariat	Completion of projects	7 076	2 444	17	18 810	18 777	722	24	26
Manage Properties, Contracts and Legal	Completion of projects	32	27	53	100	99	100	100	100
Manage Libraries	Completion of projects	204	52	54	70	70	50	–	–
Manage ICT Services	Completion of projects	1 585	601	456	1 470	1 776	2 037	803	695
Manage the Office of the Municipal									
Manage the Office of the Municipal	Completion of projects	6	4	–	10	3	10	10	12
Manage Financial Services									
Manage Financial Administration	Completion of projects	16	53	10 759	44	44	56	28	30
Manage Finance (Credit Control,	Completion of projects	691	491	–	217	189	325	232	241
Manage Council Expenses	Completion of projects	6	8	2	10	–	10	10	572
<b>Sufficient, affordable and well-run services</b>									
Manage Civil Engineering Services	Completion of projects	42	32	12	44	32	95	52	54
Manage Cemeteries	Completion of projects	–	674	–	–	–	–	300	–
Manage Parks and Recreational Areas	Completion of projects	3 197	1 579	159	758	1 475	1 308	1 185	1 631
Manage Proclaimed Roads	Completion of projects	–	–	–	–	–	–	–	–
Manage Sewerage	Completion of projects	11 031	6 322	42	58	88	808	3 223	2 177
Manage Waste Water Treatment Works	Completion of projects	475	2 654	14 454	62 846	64 076	60 661	11 243	500
Manage Sportsgrounds	Completion of projects	5 548	2 860	1 003	3 396	3 427	2 983	–	–
Manage Streets	Completion of projects	13 403	16 509	20 540	34 890	37 975	33 665	47 319	51 399
Manage Storm water	Completion of projects	51	54	1 878	558	558	60	562	564
Manage Swimming Pools	Completion of projects	–	–	–	540	540	–	–	–
Manage Water Storage	Completion of projects	1 965	14 797	9 659	2 364	2 539	5 338	27 040	17 462
Manage Municipal Property	Completion of projects	2 779	5 899	4 408	6 145	6 702	11 690	27	829
Manage Refuse Removal	Completion of projects	909	2 615	4 954	3 950	4 192	1 862	6 210	3 616
Manage Electrical Engineering Services	Completion of projects	300	306	334	400	400	350	350	360
Manage Electricity Distribution	Completion of projects	10 835	14 896	19 748	20 206	17 958	22 971	14 038	31 745
		<b>100 407 862</b>	<b>92 031 183</b>	<b>120 941 960</b>	<b>212 435 837</b>	<b>212 204 973</b>	<b>166 435 729</b>	<b>132 744 732</b>	<b>136 678 848</b>

## 2.3 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies / by-laws.

No.	Policy / By-Law Name	Reviewed (Yes / No)	Amended (Yes / No)
1.	Tariff Policy	Yes	Yes
2.	Property Rates Policy	Yes	Yes
3.	Property Rates By-law	Yes	Yes
4.	Credit Control and Debt Collection By-Law and Policy	Yes	No
5.	Indigent Policy	Yes	Yes
6.	Cash Management and Investment Policy	Yes	Yes
7.	Budget Implementation Policy	Yes	No
8.	Funding and Reserves Policy	Yes	No
9.	Debt and Borrowing Policy	Yes	No
10.	Virement Policy	Yes	No
11.	Asset Management Policy	Yes	Yes
12.	Fleet Management Policy	Yes	Yes
13.	Supply Chain Management Policy	Yes	Yes
14.	Preferential Procurement Policy	Yes	No
15.	Travel and Subsistence Policy	Yes	No
16.	Cost Containment Policy	Yes	No

**All the above policies are and will be made available on the Municipality's website.**

### 2.3.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy are reviewed annually and revisions were tabled and approved in May 2020. As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services. The Credit Control and Debt Collection Policy was reviewed and not amended for the 2021/22 financial year. However, the Indigent was reviewed and amended for the 2021/22 financial year.

The final 2021/22 MTREF has been prepared on the basis of achieving an average debtors' collection rate of around 95 per cent on current billings.

### **2.3.2 Asset Management, Infrastructure Investment and Funding Policy**

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment. The policy was reviewed and amended for the 2021/22 financial year.

### **2.3.3 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in January 2006. The policy was reviewed and amended for the 2021/22 financial year.

### **2.3.4 Budget and Virement Policy**

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Virement Policy was approved by Council in June 2011. The policy was reviewed and not amended for the 2021/22 MTREF.

The Budget Implementation Policy was approved in May 2016. The policy was reviewed and not amended for the 2021/22 MTREF.

### **2.3.5 Cash Management and Investment Policy**

The Municipality's Cash Management and Investment Policy are reviewed annually and amendments were made for the 2021/22 financial year. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

Swartland Municipality strives to maintain a cost coverage ratio of between 4 to 6 months at all times, which is well above the norm in local government and the cost coverage as per A-schedule SA8 is around 8 to 9 months for the 2021/22 MTREF. (**Note:** this cost coverage does not refer to the annual cash / cost coverage ratio in the AFS as prescribed by Circular 71).

### **2.3.6 Tariff Policy**

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy was reviewed and amended for the 2021/22 financial year.

## 2.4 Overview of budget assumptions

### 2.4.1 External factors

The Swartland population increased from 72 115 (2001) to 113 782 (2011) and 133 762 (2016) as new households urbanize and in-migrate. This, coupled with the multiplier effect of the high unemployment rate in South Africa could place enormous pressure on the revenue streams and especially the recovery rate of debtors. The recovery rate for the 2019/20 year was 89.27% (including fines), currently around 91.04% (excluding fines) for 2020/21 and 95% of billings for the 2021/22 MTREF. Other factors include the following previously mentioned:

- Struggling South African Economy
- **Conservative budgeting w.r.t the revenue budget and therefore the amounts in years 2 and 3 of the MTREF are indicative only and not fixed, mainly to mitigate the risks given the global and local poor economic conditions. In this regard expenditure will have to be curbed with careful monitoring of budget performance and payment rates**
- Key focus areas for the 2021/22 Budget process
- Revenue modelling informing tariff increases to ensure services are delivered sustainably over the longer term with emphasis on the impact of increases on disposable income levels given the dire state of the economy
- **Limited Funding Choices and reduced National Government Equitable Share allocation to the tune of around R13,7 million over the two years**
- Expenditure and Revenue Consolidation and audited basis informing growth from 2020-2021 to 2021-2022
- Further initiatives will need to be looked at for revenue growth going forward
- **Double digit Electricity tariff increases over the MTREF and unsustainable salary increases**

### 2.4.2 Interest rates for borrowing and investment of funds

Interest rates are currently under control, all things remaining equal with the inflation rate currently being above the target range of the South African Reserve Bank.

### 2.4.3 Collection rate for revenue services

The base assumption is that tariff and rate increases will increase at a rate slightly above CPI over the long term and leaves the concern whether this is sustainable over the longer term.

The rate of revenue collection for 2021/2022 is currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings. The potential of over-performance of any increased collections or arrear collections will however be considered a source of additional cash in-flow once the performance has been carefully monitored.

#### **2.4.4 Growth or decline in tax base of the municipality**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

#### **2.4.5 Salary increases**

Personnel costs negotiated and determined at national level as allowed for in the Labour Relations Act or Individual Contracts of Employment, as follows:

Increases of the Directors: Corporate, Electrical Engineering Services and Protection Services that are contractually linked to the other personnel which is negotiated and determined at a national level:

- In respect of all personnel, an increase of 2.8% for 2021/2022; 2.8% for 2022/2023 and 2.8% for the 2023/2024 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase where applicable;
- In respect of the Directors: Corporate Services, Electrical Engineering Services and Protection Services, a 2.8% increase with effect from 1 July 2021;
- In respect of the Municipal Manager a 2.5% increase with effect from 1 July 2021;
- That it be noted that the Directors: Civil Engineering Services, Financial Services and Development Services received no increase for the 2020/21 year with no indication of increases for 2021/22 either;
- That it be noted that all councillors received no increase to their allowances during 2020/21;
- Provision has been made for a 2.8% increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).

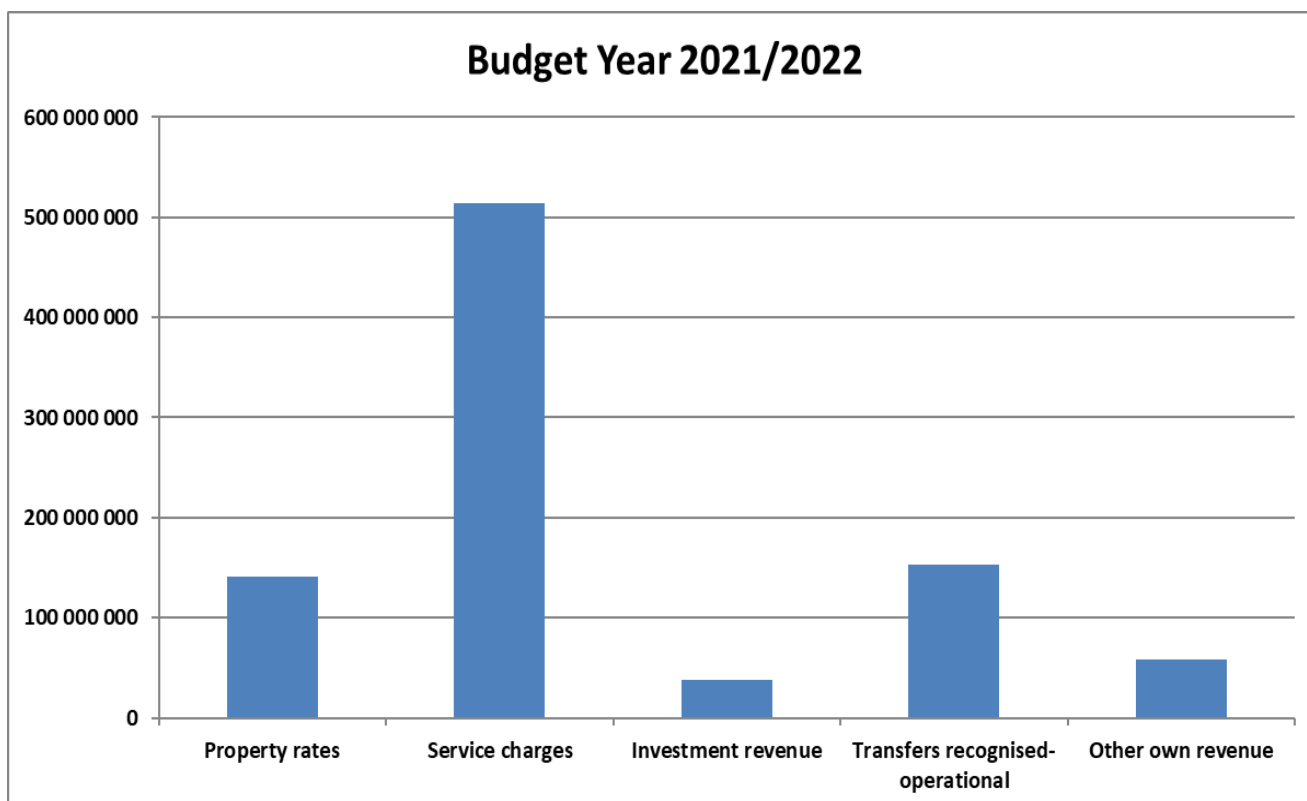
## 2.5 Overview of budget funding

### 2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousands</b>					
<b><u>Financial Performance</u></b>					
Property rates	128 928	128 928	138 386	150 854	159 643
Service charges	444 403	449 698	519 684	575 880	638 120
Investment revenue	30 712	33 658	37 706	36 526	33 355
Transfers recognised - operational	120 495	139 345	152 542	166 080	155 585
Other own revenue	58 634	50 503	58 731	57 691	65 798
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>783 171</b>	<b>802 132</b>	<b>907 049</b>	<b>987 031</b>	<b>1 052 501</b>

The following graph is a breakdown of the operational revenue per main category for the 2021/22 financial year.



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal.

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget process.

### **2.5.2 Detail Investment Information / Investment particulars by maturity**

All investments are transferred to the current account at year-end. However, excess cash is invested periodically to ensure maximum return.

### **2.5.3 Cash Flow Management**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves analysis for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).



## Budget cash flow statement

Description R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates	109 588	128 928	131 466	143 311	151 660
Service charges	377 742	449 698	496 199	549 735	609 022
Other revenue	34 299	29 159	38 479	36 213	43 031
Transfers and Subsidies - Operational	120 495	139 345	152 542	166 080	155 585
Transfers and Subsidies - Capital	86 864	79 626	46 716	44 610	49 471
Interest	34 609	36 111	37 706	36 526	33 355
Dividends	–	–	–	–	–
<b>Payments</b>					
Suppliers and employees	(636 646)	(646 432)	(743 542)	(813 857)	(871 384)
Finance charges	(11 934)	(11 934)	(11 055)	(10 180)	(9 324)
Transfers and Grants	(3 223)	(3 355)	(3 851)	(3 774)	(3 952)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>111 795</b>	<b>201 147</b>	<b>144 660</b>	<b>148 663</b>	<b>157 466</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	200	2 042	78	82	75
Decrease (increase) in non-current receivables	(2)	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–
<b>Payments</b>					
Capital assets	(212 436)	(212 205)	(166 436)	(132 745)	(136 679)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(212 238)</b>	<b>(210 163)</b>	<b>(166 358)</b>	<b>(132 662)</b>	<b>(136 604)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Short term loans	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–
Increase (decrease) in consumer deposits	15 314	867	867	867	867
<b>Payments</b>					
Repayment of borrowing	(11 846)	(11 846)	(11 846)	(11 846)	(11 846)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>3 468</b>	<b>(10 979)</b>	<b>(10 979)</b>	<b>(10 979)</b>	<b>(10 979)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(96 975)</b>	<b>(19 995)</b>	<b>(32 677)</b>	<b>5 022</b>	<b>9 883</b>
Cash/cash equivalents at the year begin:	<b>565 008</b>	<b>630 366</b>	<b>610 371</b>	<b>577 694</b>	<b>582 716</b>
Cash/cash equivalents at the year end:	<b>468 034</b>	<b>610 371</b>	<b>577 694</b>	<b>582 716</b>	<b>592 599</b>

### 2.5.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

### Cash backed reserves/accumulated surplus reconciliation

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>					
<b><u>Cash and investments available</u></b>					
Cash/cash equivalents at the year end	468 034	610 371	577 694	582 716	592 599
Other current investments > 90 days	(14 467)	–	0	0	0
Non current assets - Investments	–	–	–	–	–
<b>Cash and investments available:</b>	<b>453 566</b>	<b>610 371</b>	<b>577 694</b>	<b>582 716</b>	<b>592 599</b>
<b><u>Application of cash and investments</u></b>					
Unspent conditional transfers	611	611	16 850	16 850	16 850
Unspent borrowing	–	–	–	–	–
Statutory requirements					
Other working capital requirements	(37 833)	13 259	(16 606)	(40 175)	(68 585)
Other provisions					
Long term investments committed	–	–	–	–	–
Reserves to be backed by cash/investments					
<b>Total Application of cash and investments:</b>	<b>(37 222)</b>	<b>13 870</b>	<b>244</b>	<b>(23 325)</b>	<b>(51 735)</b>
<b>Surplus(shortfall)</b>	<b>490 788</b>	<b>596 501</b>	<b>577 450</b>	<b>606 041</b>	<b>644 334</b>

From the above table it can be seen that the cash and investments available over the MTREF will be sufficient to cover all commitments. Commitments include the following:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges.
- The Capital Replacement Reserve that needs to be cash-backed.

## 2.5.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the final budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

### Funding compliance measurement

#### 2.5.5.1 *Cash/cash equivalent position*

The Municipality's forecasted cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF is generally a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecasted cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

#### 2.5.5.2 *Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

#### 2.5.5.3 *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as boycotts. As mentioned before, the municipality strives to maintain a ratio of between 4 and 6 months, whilst the cost coverage as per A-schedule SA8 is around 8 months for the 2021/22 MTREF.

#### 2.5.5.4 *Surplus/deficit excluding depreciation off-sets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. It

needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.5.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

#### *2.5.5.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 95 per cent performance target, the cash flow statement has been based on actual rates achieved during 2019/20 and to date. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. It also includes fines with a very low collection rate (below 20%) This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *2.5.5.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

#### *2.5.5.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payment has been factored into the cash position forecasted over the entire financial year.

#### *2.5.5.9 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

#### *2.5.5.10 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

#### *2.5.5.11 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term

because the revenue budget is not being protected. Due to the use of a deemed cost for infrastructure valuations, this percentage seems very low.

#### *2.5.5.12 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.6 Expenditure on grants

### Expenditure on transfers and grant programmes

Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>R thousand</b>					
<b>RECEIPTS:</b>					
<b><u>Operating Transfers and Grants</u></b>					
<b>National Government:</b>	<b>105 612</b>	<b>119 821</b>	<b>112 178</b>	<b>120 819</b>	<b>125 016</b>
Local Government Equitable Share	102 195	116 404	108 796	119 269	123 466
Finance Management	1 550	1 550	1 550	1 550	1 550
EPWP Incentive	1 867	1 867	1 832		
<b>Provincial Government:</b>	<b>14 608</b>	<b>15 129</b>	<b>40 062</b>	<b>44 928</b>	<b>30 203</b>
Community Development Workers	38	38	38	38	38
Human Settlements	1 950	2 950	26 560	31 410	–
Municipal Accreditation and Capacity Building Grant	238	238	252	264	264
Libraries	10 068	9 690	10 394	10 621	10 801
Proclaimed Roads Subsidy	175	175	175	175	15 130
Financial Management Support Grant: Student Bursaries	401	300	250	–	–
Thusong Grant	150	150	–	–	150
Establishment of a K9 Unit	1 588	1 588	2 393	2 420	3 820
<b>Total Operating Transfers and Grants</b>	<b>120 220</b>	<b>134 950</b>	<b>152 240</b>	<b>165 747</b>	<b>155 219</b>
<b><u>Capital Transfers and Grants</u></b>					
<b>National Government:</b>	<b>32 835</b>	<b>30 435</b>	<b>31 055</b>	<b>28 810</b>	<b>29 711</b>
Municipal Infrastructure Grant (MIG)	21 183	21 183	22 700	23 810	24 711
Energy Efficiency and Demand Side Management Grant	4 000	3 600	–	–	–
Integrated National Electrification Programme (municipal)	7 652	5 652	8 355	5 000	5 000
<b>Provincial Government:</b>	<b>52 488</b>	<b>52 404</b>	<b>15 661</b>	<b>15 800</b>	<b>19 760</b>
Human Settlements	48 074	47 990	14 600	15 800	19 760
RSEP/VPUU Municipal Projects	3 000	3 000	–	–	–
Libraries	70	70	50	–	–
Fire Service Capacity Building Grant	732	732	–	–	–
Establishment of a K9 Unit	612	612	28	–	–
Sport Development	–	–	983	–	–
<b>Total Capital Transfers and Grants</b>	<b>85 323</b>	<b>82 839</b>	<b>46 716</b>	<b>44 610</b>	<b>49 471</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>205 543</b>	<b>217 789</b>	<b>198 955</b>	<b>210 357</b>	<b>204 690</b>

## 2.7 Allocations and Grants made by the municipality

The following cash allocations are provided for in the budget of the municipality:

Description  R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b><u>Cash Transfers to Organisations</u></b>					
Old age homes	1 049	1 051	1 532	1 636	1 747
SPCA	296	296	311	327	344
NSRI	87	32	33	35	37
Museums	221	221	232	244	257
Bergriver Canoe Marathon	30	30	30	30	54
Tourism associations	846	846	1 030	1 050	1 040
<b>Total Cash Transfers To Organisations</b>	<b>2 529</b>	<b>2 475</b>	<b>3 169</b>	<b>3 322</b>	<b>3 479</b>
<b><u>Cash Transfers to Groups of Individuals</u></b>					
Bursaries:non-employees	401	300	250	–	–
Welfare organisations	293	293	432	452	473
Project Linked Support (Housing)	–	287	–	–	–
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>3 223</b>	<b>3 355</b>	<b>3 851</b>	<b>3 774</b>	<b>3 952</b>



## 2.8 Councillor and employee benefits

### Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b><u>Councillors (Political Office Bearers plus Other)</u></b>					
Basic Salaries and Wages	9 103	9 103	8 900	9 195	9 421
Pension and UIF Contributions	1 005	1 005	1 124	1 080	1 112
Medical Aid Contributions	283	283	187	190	194
Motor Vehicle Allowance	—	—	—	—	—
Cellphone Allowance	1 081	1 081	1 021	1 021	1 021
Housing Allowances	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—
<b>Sub Total - Councillors</b>	<b>11 471</b>	<b>11 471</b>	<b>11 232</b>	<b>11 487</b>	<b>11 748</b>
<b>% increase</b>	<b>5.3%</b>	<b>—</b>	<b>(2.1%)</b>	<b>2.3%</b>	<b>2.3%</b>
<b><u>Senior Managers of the Municipality</u></b>					
Basic Salaries and Wages	8 355	8 355	8 050	8 259	8 473
Pension and UIF Contributions	1 503	1 503	1 494	1 530	1 567
Medical Aid Contributions	373	373	488	532	580
Overtime	—	—	—	—	—
Performance Bonus	598	598	803	823	843
Motor Vehicle Allowance	1 038	1 038	1 002	1 002	1 002
Cellphone Allowance	303	303	245	245	245
Housing Allowances	—	—	—	—	—
Other benefits and allowances	191	191	197	202	209
Payments in lieu of leave	29	29	31	33	36
Long service awards	34	34	36	74	58
Post-retirement benefit obligations	484	633	1 154	1 200	1 248
<b>Sub Total - Senior Managers of Municipality</b>	<b>12 907</b>	<b>13 056</b>	<b>13 501</b>	<b>13 900</b>	<b>14 262</b>
<b>% increase</b>	<b>10.7%</b>	<b>1.2%</b>	<b>3.4%</b>	<b>3.0%</b>	<b>2.6%</b>
<b><u>Other Municipal Staff</u></b>					
Basic Salaries and Wages	139 332	140 184	148 129	154 291	160 844
Pension and UIF Contributions	25 435	25 597	26 884	28 129	29 304
Medical Aid Contributions	10 729	10 795	12 057	12 995	14 007
Overtime	9 352	9 352	11 161	11 473	11 794
Performance Bonus	—	—	—	—	—
Motor Vehicle Allowance	5 395	5 523	6 314	6 310	6 310
Cellphone Allowance	552	559	563	563	563
Housing Allowances	1 719	1 719	1 823	1 876	1 931
Other benefits and allowances	24 687	25 016	27 423	28 619	29 818
Payments in lieu of leave	2 515	2 515	2 691	2 880	3 081
Long service awards	2 562	2 562	2 752	5 669	4 438
Post-retirement benefit obligations	4 199	4 010	7 303	7 596	7 899
<b>Sub Total - Other Municipal Staff</b>	<b>226 475</b>	<b>227 834</b>	<b>247 101</b>	<b>260 401</b>	<b>269 990</b>
<b>% increase</b>	<b>8.4%</b>	<b>0.6%</b>	<b>8.5%</b>	<b>5.4%</b>	<b>3.7%</b>
<b>Total Parent Municipality</b>	<b>250 854</b>	<b>252 362</b>	<b>271 833</b>	<b>285 788</b>	<b>296 000</b>
	<b>8.4%</b>	<b>0.6%</b>	<b>7.7%</b>	<b>5.1%</b>	<b>3.6%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>250 854</b>	<b>252 362</b>	<b>271 833</b>	<b>285 788</b>	<b>296 000</b>
<b>% increase</b>	<b>8.4%</b>	<b>0.6%</b>	<b>7.7%</b>	<b>5.1%</b>	<b>3.6%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>239 382</b>	<b>240 890</b>	<b>260 602</b>	<b>274 302</b>	<b>284 252</b>

## 2.9 Monthly targets for revenue, expenditure and capital

Description	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
<b>R thousand</b>															
<b>Revenue By Source</b>															
Property rates	12 455	13 147	11 624	11 348	11 348	11 209	11 209	11 348	11 209	11 209	11 209	11 071	138 386	150 854	159 643
Service charges - electricity revenue	31 122	36 691	31 078	31 452	29 955	29 581	32 949	29 207	29 581	31 034	31 782	25 332	369 764	416 855	469 929
Service charges - water revenue	6 241	6 542	4 436	4 963	6 466	6 842	7 218	6 842	6 617	6 564	6 391	6 068	75 190	78 956	82 902
Service charges - sanitation revenue	4 056	3 888	4 056	3 888	3 888	3 888	3 888	3 553	3 721	3 888	3 888	3 385	45 988	49 007	51 725
Service charges - refuse revenue	2 444	2 444	2 444	2 444	2 444	2 444	1 858	2 590	2 298	2 298	2 298	2 737	28 742	31 061	33 565
Rental of facilities and equipment	107	92	92	92	122	92	183	183	168	168	92	138	1 529	1 606	1 702
Interest earned - external investments	330	330	330	330	330	330	8 330	330	330	330	330	26 076	37 706	36 526	33 355
Interest earned - outstanding debtors	189	192	198	221	252	247	250	260	278	289	112	113	2 601	2 757	2 922
Fines, penalties and forfeits	23	23	23	23	23	23	23	23	23	23	23	23 343	23 591	25 003	26 501
Licences and permits	311	347	409	400	391	320	387	369	422	396	347	347	4 445	4 708	4 986
Agency services	472	466	471	546	473	400	473	500	478	450	462	507	5 699	6 040	6 403
Transfers and subsidies	47 761	—	—	—	—	46 565	—	—	14 470	—	—	43 746	152 542	166 080	155 585
Other revenue	668	851	853	959	959	925	925	886	803	825	825	1 297	10 776	12 119	12 802
Gains	—	—	—	—	—	200	—	—	—	—	—	9 892	10 092	5 457	10 482
<b>Total Revenue (excluding capital transfers and</b>	<b>106 178</b>	<b>65 012</b>	<b>56 013</b>	<b>56 664</b>	<b>56 651</b>	<b>103 066</b>	<b>67 693</b>	<b>56 091</b>	<b>70 397</b>	<b>57 473</b>	<b>57 758</b>	<b>154 050</b>	<b>907 049</b>	<b>987 031</b>	<b>1 052 501</b>
<b>Expenditure By Type</b>															
Employee related costs	18 520	19 543	19 609	19 521	31 472	19 563	19 565	19 444	19 400	19 532	19 510	34 925	260 602	274 302	284 252
Remuneration of councillors	876	876	876	876	876	876	876	1 022	1 022	1 022	1 022	1 011	11 232	11 487	11 748
Debt impairment	—	—	—	—	—	—	—	—	—	—	—	36 031	36 031	31 407	32 792
Depreciation & asset impairment	—	—	—	—	—	—	—	—	—	—	—	95 797	95 797	102 005	113 549
Finance charges	—	—	—	—	—	4 754	—	—	—	—	—	8 387	13 141	12 297	11 401
Bulk purchases - electricity	6 000	31 209	30 505	27 642	24 163	22 353	23 373	24 853	25 851	26 169	25 109	32 273	299 500	345 923	399 540
Inventory consumed	1 963	1 309	982	1 636	1 636	1 309	1 309	1 309	982	1 309	1 309	17 671	32 723	34 074	35 786
Contracted services	2 914	5 092	8 052	3 856	6 069	3 453	3 745	4 656	3 381	5 532	4 060	36 972	87 781	95 081	85 585
Transfers and subsidies	—	500	332	227	37	582	388	124	399	251	638	375	3 851	3 774	3 952
Other expenditure	1 647	2 407	5 168	4 181	2 661	2 407	2 661	2 407	2 407	3 105	2 407	16 972	48 433	49 585	50 893
Losses	—	—	—	—	—	—	—	—	—	—	—	8 964	8 964	8 791	9 390
<b>Total Expenditure</b>	<b>31 921</b>	<b>60 935</b>	<b>65 523</b>	<b>57 939</b>	<b>66 914</b>	<b>55 297</b>	<b>51 916</b>	<b>53 815</b>	<b>53 442</b>	<b>56 919</b>	<b>54 055</b>	<b>289 376</b>	<b>898 053</b>	<b>968 724</b>	<b>1 038 888</b>
<b>Surplus/(Deficit)</b>	<b>74 257</b>	<b>4 077</b>	<b>(9 510)</b>	<b>(1 275)</b>	<b>(10 263)</b>	<b>47 769</b>	<b>15 777</b>	<b>2 276</b>	<b>16 955</b>	<b>554</b>	<b>3 704</b>	<b>(135 326)</b>	<b>8 996</b>	<b>18 307</b>	<b>13 613</b>
Transfers and subsidies - capital (monetary)	—	—	—	—	—	—	—	—	—	—	—	46 716	46 716	44 610	49 471
Transfers and subsidies - capital (monetary)	100	100	100	100	100	100	100	100	100	100	100	100	1 197	1 256	1 317
Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	<b>74 357</b>	<b>4 177</b>	<b>(9 410)</b>	<b>(1 175)</b>	<b>(10 163)</b>	<b>47 868</b>	<b>15 877</b>	<b>2 376</b>	<b>17 055</b>	<b>654</b>	<b>3 803</b>	<b>(88 511)</b>	<b>56 908</b>	<b>64 173</b>	<b>64 401</b>

Description  R thousand	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
<b>Revenue by Vote</b>															
Vote 1 - Corporate Services	31	33	36	37	41	32	47	47	43	45	32	11 082	11 506	11 443	11 684
Vote 2 - Civil Services	38 227	13 278	11 348	11 750	13 272	38 073	13 453	13 481	20 701	13 228	13 009	48 275	248 096	254 865	289 229
Vote 3 - Council	21	24	25	26	26	23	23	24	21	23	23	33	295	299	304
Vote 4 - Electricity Services	33 516	36 708	31 095	31 469	29 972	31 916	32 966	29 224	30 318	31 051	31 799	33 705	383 738	428 024	481 703
Vote 5 - Financial Services	33 329	13 746	12 233	11 983	12 017	31 839	19 873	12 025	18 039	11 910	11 724	38 924	227 643	245 402	250 865
Vote 6 - Development Services	311	449	435	492	496	502	513	460	419	412	402	42 183	47 074	54 225	27 318
Vote 7 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Protection Services	841	874	940	1 008	926	780	918	929	956	904	868	26 664	36 609	38 637	42 186
<b>Total Revenue by Vote</b>	<b>106 278</b>	<b>65 112</b>	<b>56 113</b>	<b>56 764</b>	<b>56 751</b>	<b>103 166</b>	<b>67 793</b>	<b>56 191</b>	<b>70 496</b>	<b>57 573</b>	<b>57 858</b>	<b>200 865</b>	<b>954 961</b>	<b>1 032 897</b>	<b>1 103 289</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Corporate Services	2 454	2 862	2 892	2 974	3 998	2 569	2 877	2 620	2 582	2 908	2 717	10 023	41 476	42 690	44 423
Vote 2 - Civil Services	10 360	11 940	13 724	11 771	17 161	15 223	10 978	11 479	10 361	12 140	11 100	142 094	278 331	287 310	322 699
Vote 3 - Council	932	1 284	3 383	1 091	1 044	1 554	1 091	1 253	1 476	1 854	1 629	1 629	18 220	18 758	19 319
Vote 4 - Electricity Services	8 719	34 286	33 926	31 119	28 523	25 553	26 427	27 887	28 792	29 263	28 112	61 658	364 266	413 775	470 886
Vote 5 - Financial Services	3 773	4 104	4 483	4 435	5 999	3 962	4 045	4 056	3 950	4 127	4 009	12 578	59 521	60 939	62 797
Vote 6 - Development Services	1 786	1 997	2 238	2 012	2 991	1 868	1 906	1 956	1 864	2 032	1 917	30 490	53 057	58 633	28 824
Vote 7 - Municipal Manager	571	613	665	605	888	582	589	602	581	618	592	1 261	8 168	8 370	8 660
Vote 8 - Protection Services	3 326	3 850	4 211	3 932	6 309	3 986	4 003	3 963	3 835	3 977	3 979	29 644	75 013	78 248	81 280
<b>Total Expenditure by Vote</b>	<b>31 921</b>	<b>60 935</b>	<b>65 523</b>	<b>57 939</b>	<b>66 914</b>	<b>55 297</b>	<b>51 916</b>	<b>53 815</b>	<b>53 442</b>	<b>56 919</b>	<b>54 055</b>	<b>289 376</b>	<b>898 053</b>	<b>968 724</b>	<b>1 038 888</b>
<b>Surplus/(Deficit)</b>	<b>74 357</b>	<b>4 177</b>	<b>(9 410)</b>	<b>(1 175)</b>	<b>(10 163)</b>	<b>47 868</b>	<b>15 877</b>	<b>2 376</b>	<b>17 055</b>	<b>654</b>	<b>3 803</b>	<b>(88 511)</b>	<b>56 908</b>	<b>64 173</b>	<b>64 401</b>

Description  R thousand	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
<b>Multi-year expenditure to be appropriated</b>															
Vote 1 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Civil Services	6 600	6 600	8 100	8 650	8 671	6 000	6 000	7 950	5 508	5 700	5 730	5 587	81 096	45 922	33 907
Vote 3 - Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity Services	50	400	1 100	1 300	1 200	1 600	1 100	1 450	4 700	1 100	555	300	14 855	5 000	20 000
Vote 5 - Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Development Services	-	314	784	784	784	1 568	784	784	6 272	784	243	-	13 100	15 800	19 760
Vote 7 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>6 650</b>	<b>7 314</b>	<b>9 984</b>	<b>10 734</b>	<b>10 655</b>	<b>9 168</b>	<b>7 884</b>	<b>10 184</b>	<b>16 479</b>	<b>7 584</b>	<b>6 528</b>	<b>5 887</b>	<b>109 051</b>	<b>66 722</b>	<b>73 667</b>
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - Corporate Services	-	60	405	40	25	-	-	10	12	-	10	310	872	124	126
Vote 2 - Civil Services	350	650	3 515	4 635	6 809	6 410	2 828	5 398	4 018	2 410	300	51	37 373	51 240	44 325
Vote 3 - Council	-	-	2	-	2	-	2	2	2	-	-	-	10	10	572
Vote 4 - Electricity Services	82	237	308	745	4 563	616	458	758	1 662	518	457	96	10 503	10 190	12 800
Vote 5 - Financial Services	-	6	9	328	8	7	5	10	8	-	-	-	381	260	271
Vote 6 - Development Services	158	1 114	790	275	275	544	275	275	2 160	275	89	6	6 238	304	76
Vote 7 - Municipal Manager	-	-	2	-	2	-	2	2	2	-	-	-	10	10	12
Vote 8 - Protection Services	-	-	-	1 168	130	-	-	-	-	97	604	-	1 998	3 885	4 831
<b>Capital single-year expenditure sub-total</b>	<b>590</b>	<b>2 066</b>	<b>5 032</b>	<b>7 191</b>	<b>11 815</b>	<b>7 578</b>	<b>3 571</b>	<b>6 455</b>	<b>7 864</b>	<b>3 300</b>	<b>1 460</b>	<b>462</b>	<b>57 385</b>	<b>66 023</b>	<b>63 012</b>
<b>Total Capital Expenditure</b>	<b>7 240</b>	<b>9 380</b>	<b>15 016</b>	<b>17 925</b>	<b>22 469</b>	<b>16 745</b>	<b>11 455</b>	<b>16 639</b>	<b>24 344</b>	<b>10 884</b>	<b>7 989</b>	<b>6 350</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>

Description	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
<b>Capital Expenditure - Functional</b>															
<b>Governance and administration</b>	606	233	1 786	2 318	2 080	1 218	1 167	1 728	1 686	888	832	306	14 850	1 134	2 404
Executive and council	–	–	4	–	4	–	4	4	4	–	–	–	20	20	584
Finance and administration	606	233	1 782	2 318	2 076	1 218	1 163	1 724	1 682	888	832	306	14 830	1 114	1 820
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>	203	363	618	1 835	758	860	403	428	176	199	617	13	6 469	5 732	6 594
Community and social services	–	60	–	40	10	–	–	10	10	–	10	10	150	632	100
Sport and recreation	203	303	618	628	618	860	403	418	166	103	3	3	4 321	1 215	1 663
Public safety	–	–	–	1 168	130	–	–	–	–	97	604	–	1 998	3 885	4 831
Housing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	156	1 481	4 513	4 808	7 035	5 624	3 798	5 308	9 328	2 798	219	2 003	47 068	59 442	66 237
Planning and development	156	1 261	1 163	658	708	1 293	648	658	5 177	648	203	3	12 578	1 927	1 267
Road transport	–	220	3 349	4 149	6 327	4 331	3 149	4 649	4 150	2 149	15	2 000	34 490	57 515	64 970
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	6 276	7 304	8 099	8 964	12 597	9 043	6 087	9 176	13 155	6 999	6 321	4 028	98 049	66 437	61 444
Energy sources	126	610	1 350	1 705	5 205	2 105	1 500	2 150	5 710	1 560	910	390	23 321	14 388	32 105
Water management	150	560	535	975	1 345	1 019	495	942	3 146	325	385	51	9 925	29 275	20 437
Waste water management	6 000	6 034	6 104	6 084	5 835	4 799	4 092	6 084	4 178	5 114	5 026	3 587	62 940	16 564	5 286
Waste management	–	100	110	200	212	1 120	–	–	120	–	–	–	1 862	6 210	3 616
<b>Other</b>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Functional</b>	<b>7 240</b>	<b>9 380</b>	<b>15 016</b>	<b>17 925</b>	<b>22 469</b>	<b>16 745</b>	<b>11 455</b>	<b>16 639</b>	<b>24 344</b>	<b>10 884</b>	<b>7 989</b>	<b>6 350</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>
<b>Funded by:</b>															
National Government	2 500	2 700	4 000	4 000	3 945	3 823	2 500	2 500	4 433	500	155	–	31 055	28 810	29 711
Provincial Government	–	349	1 019	1 049	1 039	1 907	1 024	1 029	7 063	891	281	10	15 661	15 800	19 760
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(monetary allocations) (National /	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>2 500</b>	<b>3 049</b>	<b>5 019</b>	<b>5 049</b>	<b>4 984</b>	<b>5 730</b>	<b>3 524</b>	<b>3 529</b>	<b>11 495</b>	<b>1 391</b>	<b>436</b>	<b>10</b>	<b>46 716</b>	<b>44 610</b>	<b>49 471</b>
<b>Borrowing</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>	<b>4 740</b>	<b>6 331</b>	<b>9 997</b>	<b>12 876</b>	<b>17 486</b>	<b>11 015</b>	<b>7 931</b>	<b>13 110</b>	<b>12 848</b>	<b>9 493</b>	<b>7 553</b>	<b>6 340</b>	<b>119 720</b>	<b>88 135</b>	<b>87 208</b>
<b>Total Capital Funding</b>	<b>7 240</b>	<b>9 380</b>	<b>15 016</b>	<b>17 925</b>	<b>22 469</b>	<b>16 745</b>	<b>11 455</b>	<b>16 639</b>	<b>24 344</b>	<b>10 884</b>	<b>7 989</b>	<b>6 350</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>

## 2.10 Contracts having future budgetary implications

Section 33 stipulates that if approved total revenue are greater than R500 million, all operational costs of projects  $\geq$  than R 5 million per annum must be listed and in this scenario SM does not have any such additional operational costs not being part of the normally planned revenue streams over the MTREF.

Description	2021/22 Medium Term Revenue & Expenditure Framework			Total Contract Value
	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate
<b>R thousand</b>				
<b>Parent Municipality:</b>				
<b>Revenue Obligation By Contract</b>				
Contract 1	Not applicable			–
Contract 2				–
Contract 3 etc				–
<b>Total Operating Revenue Implication</b>	–	–	–	–
<b>Expenditure Obligation By Contract</b>				
Contract 1	Not applicable			–
Contract 2				–
Contract 3 etc				–
<b>Total Operating Expenditure Implication</b>	–	–	–	–
<b>Capital Expenditure Obligation By Contract</b>				
Contract 1	Not applicable			–
Contract 2				–
Contract 3 etc				–
<b>Total Capital Expenditure Implication</b>	–	–	–	–
<b>Total Parent Expenditure Implication</b>	–	–	–	–
<b>References</b> 1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column 2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33) 3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million				

## 2.11 Capital expenditure details

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, then the repair and maintenance of assets and finally the depreciation per asset class with overlapping due to the nature of some transactions.

### 2.11.1 Capital expenditure on new assets by asset class

Description R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>68 092</b>	<b>61 510</b>	<b>35 632</b>	<b>41 455</b>	<b>59 288</b>
Roads Infrastructure	40 403	37 877	11 081	28 206	32 265
<i>Roads</i>	40 403	37 877	11 081	28 206	32 265
Storm water Infrastructure	—	—	—	—	—
Electrical Infrastructure	8 506	6 786	15 571	5 438	20 569
<i>MV Substations</i>	200	200	200	—	15 000
<i>MV Switching Stations</i>	—	—	—	—	—
<i>MV Networks</i>	7 152	3 052	14 855	5 000	5 000
<i>LV Networks</i>	1 154	3 534	516	438	569
Water Supply Infrastructure	8 626	6 544	5 778	4 239	4 372
<i>Dams and Weirs</i>	—	—	—	—	—
<i>Boreholes</i>	—	—	—	740	—
<i>Distribution</i>	8 626	6 444	5 628	3 499	4 372
<i>Distribution Points</i>	—	100	150	—	—
Sanitation Infrastructure	10 306	10 053	2 482	1 572	2 083
<i>Pump Station</i>	—	—	920	—	—
<i>Reticulation</i>	10 306	10 053	1 562	1 572	2 083
Solid Waste Infrastructure	250	250	720	2 000	—
<i>Landfill Sites</i>	250	250	720	2 000	—
<b>Community Assets</b>	<b>13 090</b>	<b>14 027</b>	<b>3 768</b>	<b>1 000</b>	<b>700</b>
Community Facilities	8 700	8 586	2 368	1 000	700
<i>Halls</i>	5 000	—	—	—	—
<i>Cemeteries/Crematoria</i>	—	—	—	300	—
<i>Police</i>	—	—	—	—	—
<i>Parks</i>	700	1 417	700	700	700
<i>Public Open Space</i>	3 000	6 347	1 668	—	—
<i>Nature Reserves</i>	—	—	—	—	—
<i>Public Ablution Facilities</i>	—	—	—	—	—
<i>Markets</i>	—	822	—	—	—
Sport and Recreation Facilities	4 390	5 441	1 400	—	—
<i>Indoor Facilities</i>	3 850	4 901	800	—	—
<i>Outdoor Facilities</i>	540	540	600	—	—
<b>Other assets</b>	<b>3 777</b>	<b>4 804</b>	<b>21 656</b>	<b>1 833</b>	<b>1 169</b>
Operational Buildings	1 000	1 500	10 880	—	—
<i>Municipal Offices</i>	500	1 000	10 880	—	—
<i>Yards</i>	500	500	—	—	—
Housing	2 777	3 304	10 776	1 833	1 169
<i>Social Housing</i>	2 777	3 304	10 776	1 833	1 169
<b>Computer Equipment</b>	<b>2 200</b>	<b>2 458</b>	<b>1 587</b>	<b>1 233</b>	<b>1 120</b>
Computer Equipment	2 200	2 458	1 587	1 233	1 120
<b>Furniture and Office Equipment</b>	<b>354</b>	<b>336</b>	<b>348</b>	<b>272</b>	<b>280</b>
Furniture and Office Equipment	354	336	348	272	280
<b>Machinery and Equipment</b>	<b>2 720</b>	<b>4 060</b>	<b>2 319</b>	<b>5 890</b>	<b>4 877</b>
Machinery and Equipment	2 720	4 060	2 319	5 890	4 877
<b>Transport Assets</b>	<b>4 873</b>	<b>5 124</b>	<b>3 574</b>	<b>11 014</b>	<b>15 131</b>
Transport Assets	4 873	5 124	3 574	11 014	15 131
<b>Land</b>	<b>18 790</b>	<b>18 757</b>	<b>700</b>	<b>—</b>	<b>—</b>
Land	18 790	18 757	700	—	—
<b>Total Capital Expenditure on new assets</b>	<b>113 896</b>	<b>111 077</b>	<b>69 582</b>	<b>62 695</b>	<b>82 565</b>



## 2.11.2 Capital expenditure on the renewal of existing assets by asset class

Description R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b><u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u></b>					
<b><u>Infrastructure</u></b>	<b>22 198</b>	<b>23 858</b>	<b>27 200</b>	<b>33 000</b>	<b>36 600</b>
Roads Infrastructure	18 898	20 638	23 000	25 000	28 600
<i>Roads</i>	18 898	20 638	23 000	25 000	28 600
Electrical Infrastructure	3 300	3 220	4 200	8 000	8 000
<i>MV Substations</i>	3 100	3 100	3 600	–	–
<i>LV Networks</i>	200	120	600	8 000	8 000
<b><u>Community Assets</u></b>	<b>1 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>
Community Facilities	1 000	1 000	–	–	–
<i>Public Ablution Facilities</i>	1 000	1 000	–	–	–
<b><u>Other assets</u></b>	<b>–</b>	<b>–</b>	<b>830</b>	<b>–</b>	<b>–</b>
Operational Buildings	–	–	–	–	–
Housing	–	–	830	–	–
<i>Staff Housing</i>	–	–	830	–	–
<b><u>Computer Equipment</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computer Equipment	–	–	–	–	–
<b><u>Furniture and Office Equipment</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Furniture and Office Equipment	–	–	–	–	–
<b><u>Machinery and Equipment</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Machinery and Equipment	–	–	–	–	–
<b><u>Transport Assets</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transport Assets	–	–	–	–	–
<b>Total Capital Expenditure on renewal of existing</b>	<b>23 198</b>	<b>24 858</b>	<b>28 030</b>	<b>33 000</b>	<b>36 600</b>

## 2.11.3 Repairs and maintenance expenditure by asset class

Description R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>36 771</b>	<b>36 898</b>	<b>40 155</b>	<b>43 124</b>	<b>65 098</b>
Roads Infrastructure	4 759	4 985	5 140	5 196	24 830
<i>Roads</i>	4 695	4 921	5 073	5 127	24 759
<i>Road Furniture</i>	64	64	67	69	71
Storm water Infrastructure	17 375	17 375	17 281	18 318	19 184
<i>Storm water Conveyance</i>	17 375	17 375	17 281	18 318	19 184
Electrical Infrastructure	2 505	2 505	2 729	2 901	3 031
<i>MV Substations</i>	153	153	153	165	175
<i>LV Networks</i>	2 353	2 353	2 576	2 736	2 856
Water Supply Infrastructure	1 384	1 284	1 705	1 478	1 803
<i>Reservoirs</i>	1 069	845	1 102	1 135	1 169
<i>Pump Stations</i>	132	132	139	145	153
<i>Distribution</i>	183	307	465	198	482
Sanitation Infrastructure	3 906	3 881	5 334	5 009	5 190
<i>Pump Station</i>	1 042	914	939	967	997
<i>Waste Water Treatment Works</i>	2 863	2 967	4 394	4 041	4 194
Solid Waste Infrastructure	6 842	6 867	7 966	10 222	11 060
<i>Landfill Sites</i>	6 842	6 867	7 966	10 222	11 060
<b>Community Assets</b>	<b>2 752</b>	<b>2 805</b>	<b>3 286</b>	<b>3 648</b>	<b>3 544</b>
Community Facilities	2 037	2 060	2 122	2 207	2 306
<i>Halls</i>	386	386	387	404	423
<i>Centres</i>	1 400	1 404	1 470	1 544	1 621
<i>Libraries</i>	50	58	60	50	50
<i>Cemeteries/Crematoria</i>	101	90	105	109	113
<i>Parks</i>	100	122	100	100	100
Sport and Recreation Facilities	715	745	1 164	1 441	1 238
<i>Indoor Facilities</i>	80	80	100	100	100
<i>Outdoor Facilities</i>	635	665	1 064	1 341	1 138
<b>Other assets</b>	<b>1 754</b>	<b>1 750</b>	<b>1 744</b>	<b>1 926</b>	<b>1 689</b>
Operational Buildings	1 343	1 343	990	1 039	1 092
<i>Municipal Offices</i>	1 343	1 343	990	1 039	1 092
Housing	411	408	754	887	597
<i>Staff Housing</i>	191	193	197	207	217
<i>Social Housing</i>	220	215	557	680	380
<b>Intangible Assets</b>	<b>3 144</b>	<b>3 823</b>	<b>4 226</b>	<b>4 475</b>	<b>4 621</b>
<i>Computer Software and Applications</i>	3 144	3 823	4 226	4 475	4 621
<b>Computer Equipment</b>	<b>460</b>	<b>685</b>	<b>316</b>	<b>319</b>	<b>407</b>
Computer Equipment	460	685	316	319	407
<b>Furniture and Office Equipment</b>	<b>64</b>	<b>63</b>	<b>77</b>	<b>69</b>	<b>71</b>
Furniture and Office Equipment	64	63	77	69	71
<b>Machinery and Equipment</b>	<b>1 216</b>	<b>1 260</b>	<b>1 282</b>	<b>1 304</b>	<b>1 280</b>
Machinery and Equipment	1 216	1 260	1 282	1 304	1 280
<b>Transport Assets</b>	<b>5 351</b>	<b>5 908</b>	<b>6 412</b>	<b>6 799</b>	<b>7 245</b>
Transport Assets	5 351	5 908	6 412	6 799	7 245
<b>Total Repairs and Maintenance Expenditure</b>	<b>51 511</b>	<b>53 191</b>	<b>57 497</b>	<b>61 664</b>	<b>83 955</b>

## 2.11.4 Capital expenditure on the upgrading of existing assets by asset class

Description  R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b><u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u></b>					
<b><u>Infrastructure</u></b>	<b>71 946</b>	<b>72 843</b>	<b>66 441</b>	<b>37 049</b>	<b>17 514</b>
Roads Infrastructure	–	–	–	–	–
Storm water Infrastructure	500	500	–	500	500
<i>Storm water Conveyance</i>	500	500	–	500	500
Electrical Infrastructure	7 500	7 100	2 600	–	–
<i>MV Switching Stations</i>	300	300	300	–	–
<i>MV Networks</i>	1 500	1 500	–	–	–
<i>LV Networks</i>	5 700	5 300	2 300	–	–
<i>Capital Spares</i>	–	–	–	–	–
Water Supply Infrastructure	1 100	1 167	4 100	25 306	16 014
<i>Pump Stations</i>	–	–	1 000	–	–
<i>Water Treatment Works</i>	–	–	–	–	–
<i>Bulk Mains</i>	–	–	–	–	–
<i>Distribution</i>	1 100	1 167	3 100	25 306	16 014
Sanitation Infrastructure	62 846	64 076	59 741	11 243	1 000
<i>Waste Water Treatment Works</i>	62 846	64 076	59 741	11 243	1 000
<b><u>Community Assets</u></b>	<b>3 396</b>	<b>3 427</b>	<b>2 383</b>	<b>–</b>	<b>–</b>
Community Facilities	–	–	–	–	–
Sport and Recreation Facilities	3 396	3 427	2 383	–	–
<i>Outdoor Facilities</i>	3 396	3 427	2 383	–	–
<b><u>Intangible Assets</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes	–	–	–	–	–
Licences and Rights	–	–	–	–	–
<b><u>Computer Equipment</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computer Equipment	–	–	–	–	–
<b><u>Furniture and Office Equipment</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Furniture and Office Equipment	–	–	–	–	–
<b><u>Machinery and Equipment</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Machinery and Equipment	–	–	–	–	–
<b><u>Transport Assets</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transport Assets	–	–	–	–	–

## 2.11.5 Future financial implications of the capital budget

Vote Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
<b>Capital expenditure</b>						
Vote 1 - Corporate Services	872	124	126	872	124	126
Vote 2 - Civil Services	118 469	97 161	78 232	118 469	97 161	78 232
Vote 3 - Council	10	10	572	10	10	572
Vote 4 - Electricity Services	25 358	15 190	32 800	25 358	15 190	32 800
Vote 5 - Financial Services	381	260	271	381	260	271
Vote 6 - Development Services	19 338	16 104	19 836	19 338	16 104	19 836
Vote 7 - Municipal Manager	10	10	12	10	10	12
Vote 8 - Protection Services	1 998	3 885	4 831	1 998	3 885	4 831
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–	–
<b>Total Capital Expenditure</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>	<b>166 436</b>	<b>132 745</b>	<b>136 679</b>
<b>Future operational costs by vote</b>						
Vote 2 - Civil Services	–	–	2 171	2 306	2 452	2 595
<b>Total future revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net Financial Implications</b>	<b>166 436</b>	<b>132 745</b>	<b>138 850</b>	<b>168 742</b>	<b>135 197</b>	<b>139 274</b>

## 2.11.6 Detailed capital budget per municipal function and directorate



PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FINANCE SOURCE	TYPE	ASSETS CLASS	ASSETS SUB CLAS	2021/22	2022/23	2023/24
1 Equipment : Civil	Vote 2 - Civil Services	Planning and Development	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	95 000	52 000	54 000
2 Sewerage Works: Moorreesburg (MIG)	Vote 2 - Civil Services	Waste Water Management	National Government	Upgrading	Sanitation Infrastructure	Waste Water Treatment Works	16 432 570	-	-
3 Sewerage Works: Moorreesburg (CRR)	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	Upgrading	Sanitation Infrastructure	Waste Water Treatment Works	38 587 430	10 437 000	-
4 Sewerage Works: Darling (CRR)	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	Upgrading	Sanitation Infrastructure	Waste Water Treatment Works	2 275 696	806 350	-
5 Sewerage Works: Darling (MIG)	Vote 2 - Civil Services	Waste Water Management	National Government	Upgrading	Sanitation Infrastructure	Waste Water Treatment Works	2 444 904	-	-
6 Sewerage Works: Koringberg	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	Upgrading	Sanitation Infrastructure	Waste Water Treatment Works	-	-	500 000
7 Malmesbury: New Macerator	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Sanitation Infrastructure	Pump Station	920 000	-	-
8 Equipment : Sewerage Telemetry	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Sanitation Infrastructure	Reticulation	150 000	36 000	38 000
9 Equipment : Sewerage	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	28 000	30 000	32 000
10 Sewerage: CK11942 Nissan NP300	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Transport Assets	Transport Assets	315 000	-	-
11 Sewerage: CK18173 Nissan NP300	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Transport Assets	Transport Assets	315 000	-	-
12 Sewerage: CK14612 Nissan UD290 Rep	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Transport Assets	Transport Assets	-	1 549 584	-
13 Sewerage: CK31209 UD330	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Transport Assets	Transport Assets	-	-	1 606 976
14 Sewerage: New Vacuum Tanker extend	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Transport Assets	Transport Assets	-	1 606 957	-
15 Upgrading of bulk collectors: Darling	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	Upgrading	Sanitation Infrastructure	Waste Water Treatment Works	-	-	500 000
16 Chatsworth: Social Economic Facility	Vote 2 - Civil Services	Finance and Administration	Internally generated funds	New	Sport and Recreation Facilities	Indoor Facilities	800 000	-	-
17 Repair Burnt Caretakers House: Mby Se	Vote 2 - Civil Services	Finance and Administration	Internally generated funds	Renewal	Housing	Staff Housing	830 000	-	-
18 Conversion / Operationalising of Office	Vote 2 - Civil Services	Finance and Administration	Internally generated funds	New	Operational Buildings	Municipal Offices	5 100 000	-	-
19 Conversion / Operationalising of Office	Vote 2 - Civil Services	Finance and Administration	Internally generated funds	New	Operational Buildings	Municipal Offices	4 900 000	-	-
20 Equipment : Buildings & Maintenance	Vote 2 - Civil Services	Finance and Administration	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	25 500	26 800	28 500
21 Buildings: CK23064 Nissan NP300 H	Vote 2 - Civil Services	Finance and Administration	Internally generated funds	New	Transport Assets	Transport Assets	-	-	800 000
22 Buildings: New Painting Machine	Vote 2 - Civil Services	Finance and Administration	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	34 500	-	-
23 New Cemetery: Chatsworth	Vote 2 - Civil Services	Community and Social Service	Internally generated funds	New	Community Facilities	Cemeteries/Crematoria	-	300 000	-
24 Ward Committee Projects: Parks	Vote 2 - Civil Services	Sport and Recreation	Internally generated funds	New	Community Facilities	Parks	700 000	700 000	700 000
25 Equipment: Parks	Vote 2 - Civil Services	Sport and Recreation	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	60 000	62 000	64 000
26 Parks: CK16683 Nissan NP300	Vote 2 - Civil Services	Sport and Recreation	Internally generated funds	New	Transport Assets	Transport Assets	-	-	336 000
27 Parks: CK17851 Nissan UD35A	Vote 2 - Civil Services	Sport and Recreation	Internally generated funds	New	Transport Assets	Transport Assets	547 890	-	-
28 Parks: CK30905 John Deere Tractor	Vote 2 - Civil Services	Sport and Recreation	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	-	-	438 368
29 Parks: CK41465 John Deere Tractor	Vote 2 - Civil Services	Sport and Recreation	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	-	422 712	-
30 Parks: CK43400 Trailer with Roller	Vote 2 - Civil Services	Sport and Recreation	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	-	-	92 624
31 Roads Swartland: Resealing of Road	Vote 2 - Civil Services	Road Transport	Internally generated funds	Renewal	Roads Infrastructure	Roads	19 177 474	25 000 000	22 000 000
32 Roads Swartland: Resealing of Road	Vote 2 - Civil Services	Road Transport	National Government	Renewal	Roads Infrastructure	Roads	3 822 526	-	6 599 541
33 Roads Swartland: New Roads (CRR)	Vote 2 - Civil Services	Road Transport	Internally generated funds	New	Roads Infrastructure	Roads	7 555 096	500 000	6 500 000
34 Roads Swartland: New Roads (MIG)	Vote 2 - Civil Services	Road Transport	National Government	New	Roads Infrastructure	Roads	-	8 810 000	9 111 459
35 Upgrading of N7/Voortrekker Northern I	Vote 2 - Civil Services	Road Transport	Internally generated funds	New	Roads Infrastructure	Roads	2 000 000	8 000 000	2 381 500
36 Ward Committee Projects: Roads	Vote 2 - Civil Services	Road Transport	Internally generated funds	New	Roads Infrastructure	Roads	700 000	700 000	700 000
37 Roads: CK18925 UD85	Vote 2 - Civil Services	Road Transport	Internally generated funds	New	Transport Assets	Transport Assets	-	-	925 232
38 Roads: CK15928 Dezzi Grader	Vote 2 - Civil Services	Road Transport	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	-	4 309 200	-
39 Roads: CK274 Caterpillar	Vote 2 - Civil Services	Road Transport	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	-	-	3 180 870
40 Roads: CK41130 Isuzu KB 250 Tipper	Vote 2 - Civil Services	Road Transport	Internally generated funds	New	Transport Assets	Transport Assets	409 500	-	-



	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FINANCE SOURCE	TYPE	ASSETS CLASS	ASSETS SUB CLAS	2021/22	2022/23	2023/24
41	Upgrading of Sports Grounds: Darling	Vote 2 - Civil Services	Sport and Recreation	Internally generated funds	Upgrading	Sport and Recreation Facilities	Outdoor Facilities	2 000 000	-	-
42	Upgrading: Darling Combination Courts	Vote 2 - Civil Services	Sport and Recreation	Provincial Government	Upgrading	Sport and Recreation Facilities	Outdoor Facilities	207 500	-	-
43	Upgrading: Kalbaskraal Combination Co	Vote 2 - Civil Services	Sport and Recreation	Provincial Government	Upgrading	Sport and Recreation Facilities	Outdoor Facilities	175 500	-	-
44	Construction: Chatsworth Combination	Vote 2 - Civil Services	Sport and Recreation	Provincial Government	New	Sport and Recreation Facilities	Outdoor Facilities	600 000	-	-
45	Stormwater Network	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	Upgrading	Storm water Infrastructure	Storm water Conveyance	-	500 000	500 000
46	Equipment: Streets and Stormwater	Vote 2 - Civil Services	Waste Water Management	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	60 000	62 000	64 000
47	Water networks: Upgrades and Replace	Vote 2 - Civil Services	Water Management	Internally generated funds	Upgrading	Water Supply Infrastructure	Distribution	2 000 000	1 120 000	-
48	Water networks: Upgrades and Replace	Vote 2 - Civil Services	Water Management	National Government	Upgrading	Water Supply Infrastructure	Distribution	-	2 217 712	-
49	Water: Upgrading water reticulation r	Vote 2 - Civil Services	Water Management	Internally generated funds	Upgrading	Water Supply Infrastructure	Distribution	100 000	100 000	100 000
50	Riebeeck Wes Square: New Borehole, Pu	Vote 2 - Civil Services	Water Management	Internally generated funds	New	Water Supply Infrastructure	Distribution Points	150 000	-	-
51	Upgrading: Ongegrond Water Supply	Vote 2 - Civil Services	Water Management	Internally generated funds	Upgrading	Water Supply Infrastructure	Distribution	-	-	500 000
52	Bulk water infrastructure (emergency	Vote 2 - Civil Services	Water Management	Internally generated funds	New	Water Supply Infrastructure	Distribution	500 000	600 000	600 000
53	Connections: Water Meters (New/Re	Vote 2 - Civil Services	Water Management	Internally generated funds	New	Water Supply Infrastructure	Distribution	540 823	664 089	797 216
54	Equipment : Water	Vote 2 - Civil Services	Water Management	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	47 000	49 000	51 000
55	Water: CK10564 Toyota Hilux 3.0 D4D	Vote 2 - Civil Services	Water Management	Internally generated funds	New	Transport Assets	Transport Assets	-	421 200	-
56	Upgrade: Riverlands and Kalbaskraal w	Vote 2 - Civil Services	Water Management	Internally generated funds	Upgrading	Water Supply Infrastructure	Pump Stations	1 000 000	-	-
57	Swartland System System S3.3 & S	Vote 2 - Civil Services	Water Management	Internally generated funds	Upgrading	Water Supply Infrastructure	Distribution	800 000	4 000 000	4 000 000
58	Swartland System System S3.3 & S	Vote 2 - Civil Services	Water Management	National Government	Upgrading	Water Supply Infrastructure	Distribution	-	5 000 000	5 000 000
59	Wesbank I1/4 to Wesbank Reservoir	Vote 2 - Civil Services	Water Management	Internally generated funds	Upgrading	Water Supply Infrastructure	Distribution	-	3 585 938	2 414 062
60	Wesbank I1/4 to Wesbank Reservoir	Vote 2 - Civil Services	Water Management	National Government	Upgrading	Water Supply Infrastructure	Distribution	-	3 782 288	4 000 000
61	Riebeeck Kasteel supply S2.4	Vote 2 - Civil Services	Water Management	Internally generated funds	Upgrading	Water Supply Infrastructure	Distribution	200 000	1 000 000	-
62	De Hoop Supply SMW1.1 - CRR	Vote 2 - Civil Services	Water Management	Internally generated funds	Upgrading	Water Supply Infrastructure	Distribution	-	500 000	-
63	De Hoop Supply SMW1.2 - MIG	Vote 2 - Civil Services	Water Management	National Government	Upgrading	Water Supply Infrastructure	Distribution	-	4 000 000	-
64	Dumping site Moorreesburg: Fencing	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Solid Waste Infrastructure	Landfill Sites	720 000	-	-
65	Boreholes for Landfill sites	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Water Supply Infrastructure	Boreholes	-	740 000	-
66	Chipper and Trailer	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	1 000 000	-	-
67	Fencing: Highlands (10 ha )	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Solid Waste Infrastructure	Landfill Sites	-	2 000 000	-
68	Equipment : Refuse bins, traps, skip	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	120 000	150 000	150 000
69	Equipment : Refuse Removal	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	22 000	24 000	26 000
70	Refuse: CK27606 Nissan UD40	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Transport Assets	Transport Assets	-	516 564	-
71	Refuse: CK38712 Nissan UD350	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Transport Assets	Transport Assets	-	2 779 812	-
72	Refuse: CK43134 Nissan UD35A	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Transport Assets	Transport Assets	-	-	557 536
73	Refuse: CK37359 Nissan UD330	Vote 2 - Civil Services	Waste Management	Internally generated funds	New	Transport Assets	Transport Assets	-	-	2 882 768



PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FINANCE SOURCE	TYPE	ASSETS CLASS	ASSETS SUB CLAS	2021/22	2022/23	2023/24
74 Equipment : Development Services	Vote 6 - Development Services	Planning and Development	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	40 000	42 000	44 000
75 Equipment: YZF Caravan Park	Vote 6 - Development Services	Sport and Recreation	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	30 000	30 000	32 000
76 Thusong Centre: CK18244 Nissan Tiida	Vote 6 - Development Services	Community and Social Services	Internally generated funds	New	Transport Assets	Transport Assets	-	232 200	-
77 Malmesbury De Hoop (Professional Fees)	Vote 6 - Development Services	Planning and Development	Provincial Government	New	Housing	Social Housing	8 600 000	-	-
78 Malmesbury De Hoop Serviced Sites	Vote 6 - Development Services	Planning and Development	Provincial Government	New	Housing	Social Housing	-	562 885	605 664
79 Malmesbury De Hoop Serviced Sites	Vote 6 - Development Services	Waste Water Management	Provincial Government	New	Sanitation Infrastructure	Reticulation	-	1 038 083	1 116 977
80 Malmesbury De Hoop Serviced Sites	Vote 6 - Development Services	Water Management	Provincial Government	New	Water Supply Infrastructure	Distribution	-	1 509 938	1 624 694
81 Malmesbury De Hoop Serviced Sites	Vote 6 - Development Services	Road transport	Provincial Government	New	Roads Infrastructure	Roads	-	6 889 094	7 412 665
82 Malmesbury De Hoop - External Services	Vote 6 - Development Services	Water Management	Internally generated funds	New	Water Supply Infrastructure	Distribution	3 000 000	-	-
83 Riebeeck Kasteel Fencing	Vote 6 - Development Services	Planning and Development	Internally generated funds	New	Community Facilities	Public Open Space	1 667 500	-	-
84 Kalbaskraal Serviced Sites (Prof Fees)	Vote 6 - Development Services	Planning and Development	Provincial Government	New	Housing	Social Housing	-	1 000 000	562 885
85 Kalbaskraal Serviced Sites (Sewerage)	Vote 6 - Development Services	Waste Water Management	Provincial Government	New	Sanitation Infrastructure	Reticulation	-	-	928 083
86 Kalbaskraal Serviced Sites (Water)	Vote 6 - Development Services	Water Management	Provincial Government	New	Water Supply Infrastructure	Distribution	-	-	1 349 938
87 Kalbaskraal Serviced Sites (Streets & Stormwater)	Vote 6 - Development Services	Road transport	Provincial Government	New	Roads Infrastructure	Roads	-	-	6 159 094
88 Darling Serviced Sites (Prof Fees)	Vote 6 - Development Services	Planning and Development	Provincial Government	New	Housing	Social Housing	275 596	-	-
89 Darling Serviced Sites (Sewerage)	Vote 6 - Development Services	Waste Water Management	Provincial Government	New	Sanitation Infrastructure	Reticulation	211 779	-	-
90 Darling Serviced Sites (Water)	Vote 6 - Development Services	Water Management	Provincial Government	New	Water Supply Infrastructure	Distribution	187 119	-	-
91 Darling Serviced Sites (Streets & Stormwater)	Vote 6 - Development Services	Road transport	Provincial Government	New	Roads Infrastructure	Roads	825 506	-	-
92 Chatsworth Serviced Sites (Prof Fees)	Vote 6 - Development Services	Planning and Development	Provincial Government	New	Housing	Social Housing	1 500 000	270 185	-
93 Chatsworth Serviced Sites (Sewerage)	Vote 6 - Development Services	Waste Water Management	Provincial Government	New	Sanitation Infrastructure	Reticulation	-	498 280	-
94 Chatsworth Serviced Sites (Water)	Vote 6 - Development Services	Water Management	Provincial Government	New	Water Supply Infrastructure	Distribution	-	724 770	-
95 Chatsworth Serviced Sites (Streets & Stormwater)	Vote 6 - Development Services	Road transport	Provincial Government	New	Roads Infrastructure	Roads	-	3 306 765	-
96 Silvertown IBS (Prof Fees)	Vote 6 - Development Services	Planning and Development	Provincial Government	New	Housing	Social Housing	400 000	-	-
97 Silvertown IBS (Sewerage)	Vote 6 - Development Services	Waste Water Management	Provincial Government	New	Sanitation Infrastructure	Reticulation	1 200 000	-	-
98 Silvertown IBS (Water)	Vote 6 - Development Services	Water Management	Provincial Government	New	Water Supply Infrastructure	Distribution	1 400 000	-	-
99 Saamstaan/De Hoop: 389 plot housing	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Electrical Infrastructure	MV Networks	6 500 000	-	-
100 Malmesbury: Saamstaan/De Hoop a	Vote 4 - Electricity Services	Energy Sources	National Government	New	Electrical Infrastructure	MV Networks	8 355 000	5 000 000	5 000 000
101 132/11kV Eskom Schoonspruit subs	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Electrical Infrastructure	MV Substations	-	-	15 000 000
102 ELECT Renewal of old/aging electric	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Renewal	Electrical Infrastructure	LV Networks	-	8 000 000	8 000 000
103 Minisubstations: Swartland	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Renewal	Electrical Infrastructure	MV Substations	3 600 000	-	-
104 LV Upgrading: Swartland	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Upgrading	Electrical Infrastructure	LV Networks	1 600 000	-	-
105 Substation Fencing: Swartland	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Electrical Infrastructure	MV Substations	200 000	-	-
106 Malmesbury Polebox Replacement	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Renewal	Electrical Infrastructure	LV Networks	200 000	-	-
107 Replace oil metering units (Darling Finit	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Upgrading	Electrical Infrastructure	MV Switching Stations	300 000	-	-
108 Streetlight Network Upgrade: Darling So	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Upgrading	Electrical Infrastructure	LV Networks	100 000	-	-
109 Caravan Park Kiosk Replacement: Yzerfc	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Renewal	Electrical Infrastructure	LV Networks	100 000	-	-
110 Protection Relay Upgrade: Swartland	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Renewal	Electrical Infrastructure	LV Networks	300 000	-	-
111 Jakaranda RMU - N7 feeder cable: Mooi	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Upgrading	Electrical Infrastructure	LV Networks	250 000	-	-
112 Park Close Mount Pleasant feeder cable	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	Upgrading	Electrical Infrastructure	LV Networks	350 000	-	-
113 Riebeeck Kasteel Low cost housing deve	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Electrical Infrastructure	LV Networks	150 000	-	-





PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FINANCE SOURCE	TYPE	ASSETS CLASS	ASSETS SUB CLAS	2021/22	2022/23	2023/24
114 Kalbaskraal Low cost housing develop	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Electrical Infrastructure	LV Networks	50 000	-	-
115 Malmesbury Security Operational Ce	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Computer Equipment	Computer Equipment	500 000	500 000	500 000
116 Replacement of obsolete air conditio	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Furniture and Office Equipment	Furniture and Office Equipment	100 000	100 000	100 000
117 Connections: Electricity Meters (New	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Electrical Infrastructure	LV Networks	316 320	437 626	568 636
118 Equipment: Electric	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	350 000	350 000	360 000
119 Elec: CK24542 Isuzu FRR500 & Cr	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Transport Assets	Transport Assets	-	-	1 456 000
120 Elec: CK29443 Isuzu N Series & Cr	Vote 4 - Electricity Services	Energy Sources	Internally generated funds	New	Transport Assets	Transport Assets	-	-	1 120 000
121 Backup Solution	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Computer Equipment	Computer Equipment	-	120 000	-
122 Terminals	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Computer Equipment	Computer Equipment	40 000	-	40 000
123 Monitor Replacements	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Computer Equipment	Computer Equipment	-	45 000	-
124 Scanner Replacements	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Computer Equipment	Computer Equipment	80 000	80 000	80 000
125 Equipment: Information Technology	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	70 000	70 000	75 000
126 New Server SM virtual environment	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Computer Equipment	Computer Equipment	500 000	-	-
127 Printers	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Computer Equipment	Computer Equipment	60 000	60 000	60 000
128 DeskTops	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Computer Equipment	Computer Equipment	155 000	147 500	140 000
129 Notebooks	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Computer Equipment	Computer Equipment	252 000	280 000	300 000
130 Communications and infrastructure equ	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Operational Buildings	Municipal Offices	430 000	-	-
131 Communications and infrastructure equ	Vote 4 - Electricity Services	Finance and Administration	Internally generated funds	New	Operational Buildings	Municipal Offices	450 000	-	-
132 Equipment : Financial	Vote 5 - Financial Services	Finance and Administration	Internally generated funds	New	Furniture and Office Equipment	Furniture and Office Equipment	56 000	28 000	30 000
133 Finance: CK30046 Toyota Etios	Vote 5 - Financial Services	Finance and Administration	Internally generated funds	New	Transport Assets	Transport Assets	-	232 200	-
134 Finance: New Sedan Motor Vehicle	Vote 5 - Financial Services	Finance and Administration	Internally generated funds	New	Transport Assets	Transport Assets	215 000	-	-
135 Finance: CK40700 Citi Golf 310	Vote 5 - Financial Services	Finance and Administration	Internally generated funds	New	Transport Assets	Transport Assets	-	-	240 800
136 Meterreading Handhelds	Vote 5 - Financial Services	Finance and Administration	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	110 000	-	-
137 Traffic: CK31936 Corolla	Vote 8 - Protection Services	Public Safety	Internally generated funds	New	Transport Assets	Transport Assets	367 500	-	-
138 Traffic: CK41293 Toyota Hilux DC 2.	Vote 8 - Protection Services	Public Safety	Internally generated funds	New	Transport Assets	Transport Assets	-	-	725 760
139 Equipment: Protection	Vote 8 - Protection Services	Public Safety	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	49 000	50 000	50 000
140 Equipment : Fire Fighting	Vote 8 - Protection Services	Public Safety	Internally generated funds	New	Machinery and Equipment	Machinery and Equipment	150 000	160 000	135 000
141 Equipment : K9 Unit	Vote 8 - Protection Services	Public Safety	Provincial Government	New	Machinery and Equipment	Machinery and Equipment	27 500	-	-
142 Fire: CK27542 Tata LPTA 713 (Replac	Vote 8 - Protection Services	Public Safety	Internally generated funds	New	Transport Assets	Transport Assets	-	3 675 000	-
143 Fire: CK32736 Nissan Hardbody (Replac	Vote 8 - Protection Services	Public Safety	Internally generated funds	New	Transport Assets	Transport Assets	1 404 000	0	-
144 Fire: CK38172 Nissan Cabstar (Rep	Vote 8 - Protection Services	Public Safety	Internally generated funds	New	Transport Assets	Transport Assets	-	-	3 920 000
145 Equipment : MM	Vote 7 - Municipal Manage	Executive and Council	Internally generated funds	New	Furniture and Office Equipment	Furniture and Office Equipment	10 000	10 000	12 000
146 Equipment : Council	Vote 3 - Council	Executive and Council	Internally generated funds	New	Furniture and Office Equipment	Furniture and Office Equipment	10 000	10 000	12 000
147 Council: CK15265 Caravelle Kombi 2	Vote 3 - Council	Executive and Council	Internally generated funds	New	Transport Assets	Transport Assets	-	-	560 000
148 Equipment : Corporate	Vote 1 - Corporate Services	Finance and Administration	Internally generated funds	New	Furniture and Office Equipment	Furniture and Office Equipment	22 000	24 000	26 000
149 Equipment: Libraries	Vote 1 - Corporate Services	Community and Social Ser	Provincial Government	New	Furniture and Office Equipment	Furniture and Office Equipment	50 000	-	-
150 Equipment Corporate: Buildings & S	Vote 1 - Corporate Services	Community and Social Ser	Internally generated funds	New	Furniture and Office Equipment	Furniture and Office Equipment	100 000	100 000	100 000
151 Purchase of Die Kraaltjie, Transnet (erf	Vote 1 - Corporate Services	Finance and Administration	Internally generated funds	New	Land	Land	400 000	-	-
152 Purchase of land: Moorreesburg (Erf 28	Vote 1 - Corporate Services	Finance and Administration	Internally generated funds	New	Land	Land	100 000	-	-
153 Purchase of land: Riebeek Kasteel (Erf 2	Vote 1 - Corporate Services	Finance and Administration	Internally generated funds	New	Land	Land	200 000	-	-
<b>GRAND TOTAL</b>							<b>166 435 729</b>	<b>132 744 732</b>	<b>136 678 848</b>

## **2.12 Legislation compliance status**

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### **1. In year reporting**

Full compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial Government and National Treasury.

### **2. Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

### **3. Audit Committee**

An Audit Committee has been established and is fully functional.

### **4. Budget Steering Committee**

A Budget Steering Committee has been established and is fully functional.

### **5. Service Delivery and Implementation Plan**

The draft SDBIP document was tabled with the approval of the draft 2021/2022 MTREF budget. The final SDBIP document will be tabled after the approval of the final 2020/2021 MTREF budget. The SDBIP was aligned and informed by the 2021/2022 MTREF budget.

### **6. Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements.

### **7. Policies**

Refer to section 2.3.

## **2.13 Other supporting documents**

All other supporting schedules are available on request and will also be placed on the website within 5 days after the approval of the budget.



## 2.14 Manager's quality certificate

I J.J. Scholtz, Municipal Manager of Swartland Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: J.J. Scholtz

Municipal Manager of Swartland Municipality

Signature: \_\_\_\_\_

Date: 20-05-2021

**Province: SWARTLAND (WC015) - Schedule of Service Delivery Standards**

<b>Standard</b>	<b>Description</b>	<b>Service Level</b>
<b>Solid Waste Removal</b>		
	Premise based removal (Residential Frequency)	1/week
	Premise based removal (Business Frequency)	1 to 5/week
	Bulk Removal (Frequency)	some twice daily, but most 2/week
	Removal Bags provided(Yes/No)	No, only for equitable share households
	Garden refuse removal Included (Yes/No)	With household refuse weekly
	Street Cleaning Frequency in CBD	2/week to daily
	Street Cleaning Frequency in areas excluding CBD	weekly to monthly
	How soon are public areas cleaned after events (24hours/48hours/longer)	24hours
	Clearing of illegal dumping (24hours/48hours/longer)	Household, daily to weekly. Builders rubble and garden refuse monthly.
	Recycling or environmentally friendly practices(Yes/No)	77 Recycling igloos throughout eleven towns and schools
	Licenced landfill site(Yes/No)	6 of which one is for household refuse
<b>Water Service</b>		
	Water Quality rating (Blue/Green/Brown/N0 drop)	Blue Drop
	Is free water available to all? (All/only to the indigent consumers)	6kl free to only Indigent consumers
	Frequency of meter reading? (per month, per year)	per month
	Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	three month's
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	three month's
<b>Standard</b>	<b>Description</b>	<b>Service Level</b>
<b>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</b>		
	One service connection affected (number of hours)	3 hours
	Up to 5 service connection affected (number of hours)	3 hours
	Up to 20 service connection affected (number of hours)	3 hours
	Feeder pipe larger than 800mm (number of hours)	10 hours
	What is the average minimum water flow in your municipality?	0.2m3/h
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No

Standard	Description	Service Level
	How long does it take to replace faulty water meters? (days)	1 day
	Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
<b>Electricity Service</b>		
	What is your electricity availability percentage on average per month?	99.27% including Eskom load shedding
	Do your municipality have a ripple control in place that is operational? (Yes/No)	YES in Malmesbury
	How much do you estimate is the cost saving in utilizing the ripple control system?	R450 000 per year
	What is the frequency of meters being read? (per month, per year)	per month
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	three month's
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	three month's
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	90% within 1,5 hours
	Are accounts normally calculated on actual readings? (Yes/no)	Yes
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
	How long does it take to replace faulty meters? (days)	2 days
	Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
Standard	Description	Service Level
	How effective is the action plan in curbing line losses? (Good/Bad)	Good: Total electricity losses = 6.01%
	How soon does the municipality provide a quotation to a customer upon a written request? (days)	1 day
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	1 day
	How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	10 days
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	10 days
<b>Sewerage Service</b>		
	Are your purification system effective enough to put water back in to the system after purification?	Effluent complies to General Limits of DWA
	To what extend do you subsidize your indigent consumers?	Subsidize full sewerage levy
<b>How long does it take to restore sewerage breakages on average</b>		
	Severe overflow? (hours)	3 hours
	Sewer blocked pipes: Large pipes? (Hours)	10 hours

Standard	Description	Service Level
	Sewer blocked pipes: Small pipes? (Hours)	3 hours
	Spillage clean-up? (hours)	10 hours
	Replacement of manhole covers? (Hours)	24 hours
<b>Road Infrastructure Services</b>		
	Time taken to repair a single pothole on a major road? (Hours)	36 hours
	Time taken to repair a single pothole on a minor road? (Hours)	36 hours
	Time taken to repair a road following an open trench service crossing? (Hours)	36 hours
	Time taken to repair walkways? (Hours)	36 hours
Standard	Description	Service Level
<b>Property valuations</b>		
	How long does it take on average from completion to the first account being issued? (one month/three months or longer)	Semi- annually
	Do you have any special rating properties? (Yes/No)	No
<b>Financial Management</b>		
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
	Are the financial statement outsourced? (Yes/No)	No
	Are there Council adopted business processes structuring the flow and managemet of documentation feeding to Trial Balance?	Yes
	How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 Days
	Is there advance planning from SCM unit linking all departmental plans quaterly and annually including for the next two to three years procurement plans?	Yes
<b>Administration</b>		
	Reaction time on enquiries and requests?	Acknowledgement of receipt within five working days, or immediately after capture by an SMS system
	Time to respond to a verbal customer enquiry or request? (working days)	within 10 working days
	Time to respond to a written customer enquiry or request? (working days)	within 10 working days
	Time to resolve a customer enquiry or request? (working days)	within 10 working days
	What percentage of calls are not answered? (5%,10% or more)	> 5%

Standard	Description	Service Level
	How long does it take to respond to voice mails? (hours)	N/A
	Does the municipality have control over locked enquiries? (Yes/No)	Yes
	Is there a reduction in the number of complaints or not? (Yes/No)	Yes
	How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
	How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	N/A
Standard	Description	Service Level
<b>Community safety and licensing services</b>		
	How long does it take to register a vehicle? (minutes)	± 4 min.
	How long does it take to renew a vehicle license? (minutes)	± 1 min
	How long does it take to issue a duplicate registration certificate vehicle? (minutes)	± 6 min.
	How long does it take to de-register a vehicle? (minutes)	± 5 min.
	How long does it take to renew a drivers license? (minutes)	± 4 min.
	What is the average reaction time of the fire service to an incident? (minutes)	± 12 min in urban area
	What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A
	What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A
<b>Economic development</b>		
	How many economic development projects does the municipality drive?	SM facilitate decision-making on projects.
	How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	3 (Swartland junction, Swartland werf & Piggery abattoir)
	What percentage of the projects have created sustainable job security?	Unknown, projects still to be implemented.
	Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	No
<b>Other Service delivery and communication</b>		
	Is a information package handed to the new customer? (Yes/No)	Yes. Every new client is furnished with a Client Services Charter, containing the Munisipality's service standards.
	Does the municipality have training or information sessions to inform the community? (Yes/No)	No. Communication platforms are used (website, facebook, newsletters, etc)
	Are customers treated in a professional and humanly manner? (Yes/No)	Yes



Capital Projects with a total project cost in excess of R50 million (to give effect to Sec 19 (1) (b) of the MFMA)

"ANNEXURE A-2"

Project Description	Preceding Years		Actual	Nature	Location	Budget Year	Budget Year	Budget Year	Forecast	Forecast	Sum of Future Years	Total Project Value	Funding Sources	Future Operational Cost	Operating Impact absorbed by:	Sec 33 Triggered Y / N
	Costs / Budget	2020/21	2021/22			2022/23	2023/24	2024/25	2025/26	Estimate	Estimate					
Sewerage Works: Moorreesburg	R 4 328 955	R 11 146 733	Upgrading Waste Water Treatment Works in Moorreesburg	Moorreesburg	R 38 587 430	R 10 437 000	R -	R -	R -	R -	R 64 500 118	CRR	Future operational cost (e.g. Interest, repairs & maintenance, depreciation, etc) of R9 523 348 starting from 2022/23 to 2024/25	Existing Sewerage Revenue Regime	Y	
Sewerage Works: Moorreesburg	R 9 219 401	R 9 303 685		Moorreesburg	R 16 432 570	R -	R -	R -	R -	R -	R 34 955 656	MIG			Y	
Roads Swartland: Resealing of Roads	R 11 104 430	R 9 244 487	Resealing of roads in the Swartland area	Swartland Area	R 19 177 474	R 25 000 000	R 22 000 000	R 27 000 000	R 28 000 000	R 55 000 000	R 121 177 474	CRR	Future operational cost (e.g. Interest, repairs & maintenance, depreciation, etc) will be covered by the Roads cost centre	MTREF CRR and beyond	N	
Roads Swartland: Resealing of Roads	R 17 873 273	R 1 026 749		Swartland Area	R 3 822 526	R -	R 6 599 541	R -	R -	R -	R 10 422 067	MIG			N	

### Swartland Strate Herseël Totaal

R 24 000 000,00

KORINGBERG	R	363 541.39
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R	363 541,39
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	Begin	Einde	Lengte	Breedte	Area	Koste
Impala	Blesbok	Sentrum	289	5,4	1561	R 179 469,00
Zinnia Street	Sentrum	Sirkel	399	5,6	2234	R 256 956,00
Sirkel	Zinnia	Palmboom	478	5,6	2677	R 307 832,00
Denneboom	Sirkel	Bloekomboom	323	5,0	1615	R 185 725,00
Kameeldoring	Sirkel	Bloekomboom	355	5,0	1775	R 204 125,00
Bloekomboom	Kameeldoring	Palmboom	128	5,0	640	R 73 600,00
Palmboom	Bloekomboom	Gravel	473	5,0	2365	R 271 975,00
Omega	Palmboom	Renonker	178	5,0	890	R 102 350,00
Golf	Rivier	Main	268	7,2	1930	R 221 904,00
Sentraal	Vrede	CDS	155	7,4	1147	R 235 135,00
Royal	Hoop	Vrede	405	8,6	3483	R 714 015,00
Uitsig	Main	Suider	534	7,2	3845	R 788 184,00
Nonnie Greef	Uitsig	Excelsior	208	6,7	1394	R 285 688,00
Christiaan Carstens	Uitsig	Excelsior	210	7,0	1470	R 301 350,00
Excelsior	Nonnie Greef	Tuin	220	7,2	1584	R 324 720,00
Suider	Uitsig	Main	597	7,4	4418	R 868 576,58
Constantia	Heuwel	Sterling	504	7,2	3629	R 743 904,00
Loop	Vlok	Fort Resevior	101	6,8	687	R 140 794,00
Main Road	8th Avenue	9th Avenue	207	7,0	1449	R 297 045,00
Tuin	Dirkie Uys	Sterling	570	6,8	3876	R 794 580,00

R	7 297 927,58
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Straat	Begin	Einde	Lengte	Breedte	Area	Koste
Vestiging en oorhoofs						R -
Adamse	Merindal	Waterkant	175	6,0	1050	R 120 750,00
Koelenberg	Merindal	Waterkant	161	6,0	966	R 111 090,00
Solomonse	Kononia	Waterkant	205	5,0	1025	R 117 875,00
Waterkant	Voortrekker	Kachelhoff	258	5,6	1445	R 201 127,64

**R 550 842,64**

Straat	Begin	Einde	Lengte	Breedte	Area	Koste
Piet Retief	Hermon	Kloof	503	6,2	3119	R 623 627,35
Hoof	Hermon	Heuwel	120	7,4	888	R 182 040,00
Gladiola	Madeliefie	Madeliefie	152	5,2	790	R 90 896,00
Madeliefie	Lelie	Watsonia	295	5,6	1652	R 189 980,00
Waterblommietjie	Jasmyn	Jasmyn	200	5,2	1040	R 127 227,72

R	1 213 771,07
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**ABBOTSDALE R 415 528,55**

Straat	Begin	Einde	Lengte	Breedte	Area	Koste
Bloekombos	Akkerboom	Viooltjie	443	5,2	2304	R 264 914,00
Eikeboom	Viooltjie	Viooltjie	233	5,2	1212	R 150 614,55
						<b>R 415 528,55</b>

KALBASKRAAL	R	255 511,35
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<b>Straat</b>	<b>Begin</b>	<b>Einde</b>	<b>Lengte</b>	<b>Breedte</b>	<b>Area</b>	<b>Koste</b>
Thembilihle	Calabash	Ukhanyo	141	5,2	733	R     84 318,00
Calabash	Kalbaskraal Rd	Thembilihle	166	5,2	863	R     90 463,35
Bloekom	Essenhout	Bloekom Link	135	5,2	702	R     80 730,00
<b>R</b>						<b>255 511,35</b>

<b>RIVERLANDS</b>	<b>R</b>	<b>351 558,54</b>
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[illegible]

**DARLING**                      **R**        **1 251 010,09**

[illegible]

**YZERFONTEIN R 1 106 109,72**

Straat	Begin	Einde	Lengte	Breedte	Area	Beraming
Vestiging en oorhoofs						
Ibis	Flamingo	Cul Du Suc	54	5,0	270	R 41 177,96
Lutie Katz	Joint	Joint	500	6,8	3400	R 401 127,94
Lutie Katz	Versveld	De Jonge	268	7,0	1876	R 225 867,94
Sundowner	Atlantic	Atlantic	342	6,0	2052	R 246 107,94
Jeff's Place	Dassen Island	Dassen Island Dr	316	5,0	1580	R 191 827,94
						<b>R 1 106 109,72</b>

**MALMESBURY R 11 194 199,07**

<b>Straat</b>	<b>Begin</b>	<b>Einde</b>	<b>Lengte</b>	<b>Breedte</b>	<b>Area</b>	<b>Beraming</b>
Vestiging en oorhoofs						
Alfa	Darling Rd	Akasia	61	11	671	R 137 555,00
Kruisement	Alfa	CDS	188	5	940	R 108 100,00
Roosmaryn	Kruisement	Alfa	479	5	2395	R 275 425,00
Marjolein	Roosmaryn	Kruisement	321	4,5	1445	R 166 117,50
Begonia	Koljander	Koljander	215	4,5	968	R 111 262,50
Felicia	Akasia	Akasia	334	7,5	2505	R 288 075,00
Godetia	Akasia	Eike	364	6	2184	R 251 160,00
Disa	Darling	Denne Ave	262	7,3	1913	R 219 949,00
Abelia	Alfa	Disa	154	6,4	986	R 113 344,00
Angelier	Akasia	Denne Ave	181	6	1086	R 124 890,00
Affodil	Alfa	Angelier	76	6,4	486	R 55 936,00
Jasmyn	Akasia	Denne Ave	185	6	1110	R 127 650,00
Wilger	Nerina	Magnolia	79	6,2	490	R 56 327,00
Tinktinkie	Valk	Kiewiet	445	5,6	2492	R 286 580,00
Kraanvoel	Arend	Visarend	304	5	1520	R 174 800,00
Biko	Alfa	Tshwete	100	3,2	320	R 36 800,00
Flamink	Tinktinkie	Kiewiet	350	5,6	1960	R 225 400,00
Geelhout	Mopanie Joint	Taaibos Joint	253	6,1	1543	R 177 479,50
Mopanie	Waboom	Geelhout	75	6	450	R 51 750,00
Mimosa	Essenhout	Palmboom	496	9,3	4613	R 530 472,00
Essenhout	Mimosa	Bloekom	283	5,6	1585	R 182 252,00
Bloekom	Bloekom	Bloekom CDS	122	5,6	683	R 78 568,00
Essenhout	Bloekom	Mimosa	319	5	1595	R 183 425,00
Heemraad	Hoopvol	Tosca	238	5,8	1380	R 158 746,00
Tosca	De Kock	Wethmar	389	9	3501	R 402 615,00
Loubser	De Kock	Wethmar	372	9,3	3460	R 397 854,00
Sonop	Malan	Loubser	92	9,1	837	R 171 626,00
Malan	PG Nelson	Malan End	404	9,3	3757	R 770 226,00
Uitsig	Dr Bruwer	Buitekant	228	6	1368	R 280 440,00
Renosterbos	Buitekant	Dr Bruwer	235	6	1410	R 289 050,00
Ford	Truter	Sarel Cilliers	149	6,7	998	R 204 651,50
Rood	Loedolf	Plein	175	6	1050	R 215 250,00
Rood	Hill	Berg	225	6	1350	R 276 750,00
Meul	Plein	Loedolf	176	6,2	1091	R 223 696,00
Biccard	Hill	Berg	206	5,7	1174	R 240 711,00
Berg	CDS	Rood	120	8	960	R 196 800,00
Hof	Dirkie Uys	Vrede	208	7	1456	R 298 480,00
Dr Euvrard	Lang	Truter	230	7,2	1656	R 339 480,00
Duthie	Sarel Cilliers	Lang	373	7,2	2686	R 550 548,00
Hill	Voortrekker	Vrede	394	9,3	3664	R 825 329,07
Loedolf	Imhof	Barocca	169	7,4	1251	R 256 373,00
Du Toit	Voortrekker	Dagbreek - Joint	287	6	1722	R 353 010,00
St John's	Spoorweg	Kaap Agri	442	8,6	3801	R 779 246,00

**R 11 194 199,07**