

# **SWARTLAND MUNICIPALITY**

## **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021 TO 2022/2023**





# **ANNUAL BUDGET OF SWARTLAND MUNICIPALITY**

## **2020/2021 TO 2022/2023 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

**This document can be viewed:**

**At [www.swartland.org.za](http://www.swartland.org.za) for purposes of views, comment  
and input**

## Table of Contents

<b>PART 1 – ANNUAL BUDGET .....</b>	<b>2</b>
1.1 MAYOR'S REPORT .....	2
1.2 COUNCIL RESOLUTIONS .....	2
1.3 EXECUTIVE SUMMARY .....	7
1.4 OPERATING REVENUE FRAMEWORK .....	17
1.5 OPERATING EXPENDITURE FRAMEWORK .....	28
1.6 CAPITAL EXPENDITURE .....	31
1.7 ANNUAL BUDGET TABLES .....	34
<b>PART 2 – SUPPORTING DOCUMENTATION .....</b>	<b>51</b>
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS .....	51
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....	53
2.3 OVERVIEW OF BUDGET AND RELATED-POLICIES .....	60
2.4 OVERVIEW OF BUDGET ASSUMPTIONS .....	62
2.5 OVERVIEW OF BUDGET FUNDING .....	64
2.6 EXPENDITURE ON GRANTS .....	71
2.7 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY .....	72
2.8 COUNCILOR AND EMPLOYEE BENEFITS .....	73
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW .....	75
2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....	84
2.11 CAPITAL EXPENDITURE DETAILS .....	84
2.12 LEGISLATION COMPLIANCE STATUS .....	92
2.13 OTHER SUPPORTING DOCUMENTS .....	92
2.14 MANAGER'S QUALITY CERTIFICATE .....	93

## 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 draft multi-year capital and operating budgets, amended budget and related policies, property rates, tariffs and other charges for 2020/2021; 2021/2022; 2022/2023 for specific purposes of giving effect to public participation, inclusive of the approval for the taking-up of a long-term loan for the partial funding of the Moorreesburg and Darling waste water treatment works.

- (a) 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: 2020/21 – 2022/23 Draft Budget and Tariff File)** and consider same;
- (b) That council prior to approving the capital projects above R50 million as listed in **(Annexure B: 2020/21 – 2022/23 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;
- (c) 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	Draft Budget 2020/2021	Draft Budget 2021/2022	Draft Budget 2022/2023
External Loans	R 25 000 000	R 25 000 000	R -
Capital Replacement Reserve (CRR)	R 105 626 282	R 85 828 042	R 72 522 640
Municipal Infrastructure Grant (MIG)	R 21 183 000	R 22 700 000	R 23 810 000
Dept. Human Settlements	R 48 474 000	R -	R 36 760 000
Integrated National Electrification Programme	R 7 652 000	R 5 000 000	R 5 000 000
Dept. Cultural Affairs and Sport	R 70 000	R -	R -
RSEP / VPUU	R 3 000 000	R -	R -
Community Safety Grant	R 611 600	R 55 000	R -
Fire Service Capacity Building Grant	R 732 000	R -	R -
Energy Efficiency Demand Side Management	R 4 000 000	R -	R -
<b>GRAND TOTAL</b>	<b>R 216 348 882</b>	<b>R 138 583 042</b>	<b>R 138 092 640</b>

- (d) That council deemed it appropriate to consider the entire capital program excluding the 2 contractually combine projects above R 50 million as the aforementioned capital program's operational cost, inclusive of future costs being covered by the rates regime and the normal cost centres found in the operational budget;
- (e) That council note that the upgrading of both the Moorreesburg and Darling Waste Water Treatment Works will have an impact on the outer years, i.e from the 2022/23 financial year and beyond and therefore the process as prescribed in Section 33 of the MFMA is required prior to final approval in May 2020;
- (f) That council approves the purchasing of the Nedbank and Standard Bank Buildings at a cost of R 20 650 million for purposes of owning its own buildings in a bid to mitigate the risk of increasing rentals payable for the "Checkers", "Santam" and "Pep Buildings", inclusive of the cost additions of around R 6 million required to attend to the conversion works" required to operationalise the 2 buildings over the MTREF with the Standard Bank building becoming available first for the aforementioned purpose (**Annexure E**);
- (g) That council approves the capital projects as part of its consolidated capital program as per (**Annexure A, Section 1: 2020/21 – 2022/23 Draft Budget and Tariff File**);
- (h) That the draft multi-year Capital and Operating budgets with respect to the 2020/21–2022/23 financial years be approved, in accordance with sections 16, 17 and 19 of the MFMA to allow for public participation;

	Original Budget 2019/20	Mid-Year Adj Budget 2019/20	Draft Budget 2020/21	Draft Budget 2021/22	Draft Budget 2022/23
Capital budget	143 857 572	140 815 524	216 348 882	138 583 042	138 092 640
Operating Expenditure	749 828 067	757 190 607	791 593 605	883 808 881	921 507 325
Operating Revenue	830 826 697	855 620 406	918 266 141	972 092 891	1 058 036 519
<b>Budgeted (Surplus)/ Deficit</b>	<b>(80 998 630)</b>	<b>(98 429 799)</b>	<b>(126 672 537)</b>	<b>(88 284 010)</b>	<b>(136 529 195)</b>
Less: Capital Grants & Donations	67 161 000	80 451 000	85 722 600	27 755 000	65 570 000
<b>(Surplus)/ Deficit</b>	<b>(13 837 630)</b>	<b>(17 978 799)</b>	<b>(40 949 937)</b>	<b>(60 529 010)</b>	<b>(70 959 195)</b>

- (i) That council in-principle approves the raising of an external loan to the amount of R50 000 000 for the partial financing of the Moorreesburg and Darling Waste Water Treatment Works in the multi-year capital budget for 2020/21 to 2022/23 financial years, by means of testing the market as envisaged by MFMA section 46, requesting tenders from the financial institutions;
- (j) That approval be granted to the Director: Financial Services to prepare the necessary tender for purposes of giving effect to section 46 of the MFMA in respect of taking up a capital loan to the value R50 000 000, in terms of the requirements of Section 46 of the MFMA for the specific purpose of partially funding the aforementioned Treatment Works;

- (k) That council approves the property tax rates, exemptions and rebates for the 2020/2021 financial year as listed below and in the property rates policy for purposes of allowing for public participation;

Property Categories	Rate (c/R)
Residential properties	0,5354
Vacant land	0,7207
Industrial properties	0,7722
Business and commercial properties	0,7722
Agricultural properties (used for agricultural purposes)	0,1339
Agricultural properties used for eco-tourism	0,7722
Agricultural properties used for trading in or hunting of game;	0,7722
Mining properties	0,7722
Properties owned by an organ of state and used for public service purposes	0,7722
Public service infrastructure	0,0000
100% Rebate to owners of public benefit organisations used for the public benefit listed activities	0,0000
Properties used for multiple purposes	Either 0,7722, 0,5354 or 0,1339, according to permitted use
Properties in rural area zoned for business or in respect of which consent uses have been approved in terms of the municipality's zoning scheme regulations	0,7722
Municipal properties	0,0000
Informal settlements, including those on land which are not subdivided into residential ervens	0,0000
Property acquired through the Provision of Land and Assistance Act, 1993 (126 of 1993) or the Restitution of Land Rights Act, 1994 (Act 22 of 1994) or Communal Property Association Act, 1996	Either 0,7722, 0,5354, according to permitted use



Conservation areas	0,0000
Protected areas	0,0000
National monuments	0,0000
State owned properties	0,7722
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	Qualifying senior citizens and disabled persons

- (l) That the rebate to qualifying senior citizens and disabled persons who are owners of property, be limited to a maximum of R300 000 of the total valuation, as defined in the Property Rates Policy for the 2021/22 financial year, where after the impact of the rebate be assessed in the context of the affordability of increased revenue forgone;
- (m) That council approve the draft tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2020/21 – 2022/23 Draft Budget and Tariff File)** for purposes of allowing for public participation;
- (n) That council approves the proposed electricity tariffs as draft for the 2020/2021 financial year, bearing in mind that it is still subject to NERSA's final approval;
- (o) 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 2020/21 – 2022/23)**;
- (p) That the **amendments** to the budget and related policies, the Credit Control and Debt Collection By-law and Policy, also the **amendments** to the Property Rates Policy as set out in **(Annexure D: Draft Amendments to Budget Related Policies 2020/21)** hereto, be approved for purposes of soliciting the views and comment from the public, but that the amendments to the Indigent Policy be approved with immediate effect, i.e for the 2019/20 and 2020/21 financial years;
- (q) That the training budget limited to 0,83% of the salary budget in the amount of R2 003 144 for the 2020/21 financial year be approved as draft;
- (r) That Council takes note and grant approval for the following increases as follows:
- In respect of all personnel, excluding the Municipal Manager, CFO, Directors Civil Services and Development Services, an increase of **6.25%** for 2020/21; **6%** for 2021/22 and **6%** for the 2022/23 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase where applicable.
  - In respect of the other section 56-appointments, a **6.25%** increase with effect from 1 July 2020 as contractually allowed for (increases of the directors: Corporate, Electrical and Protection Services being linked to the other personnel costs negotiated and determined at national level);

- Provision has been made for a **5%** increase for political office bearers which are within the upper band of the inflation targets set by the South African Reserve Bank (SARB).
- (s) That council approves the additional increase in the salary bill to the tune of R 7 480 million to fund the posts per **Annexure F** (this only relates to the additional posts and not the other annual increases);
- (t) That Council takes note of the budgeted operating surpluses, the total expenditure growth of **4.5%** from the current to the new financial year and growth in revenue of **7.3%** for the MTREF period as well as the cash flow statement as per **(A-schedule A7)** for the next three financial years;
- the risk factor for cash coverage for operating expenses is **10.9 months** for 2020/2021, **9.6 months** for 2021/2022 and **10.1 months** for 2022/2023 financial years;
  - over the next three financial years the planning is such that the following operating surpluses are envisaged ( all things remaining equal), 2020/2021 an amount of **R 40 949 937**, 2021/2022 an amount of **R 60 529 010** and 2022/2023 an amount of **R 70 959 195 ( excluding capital grant income)**;
- (u) 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;
- (v) That Council take note that the budget was also prepared in the new mSCOA Version 6.4 as required by National Treasury;
- (w) That the process of soliciting public input, views or comments into the draft revised budget and related policies ( limited to the revisions from the previous year) and budget documents, inclusive of the property taxes and tariffs to close at 12 midday on 30 April 2020.

**Note:** Annexures A, E and F 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 figures, expenditure figures and growth rates 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 in the Council Item and Resolution, due to **development charges** and the fact that **departmental charges** are accounted for differently. The end result however in respect of the surplus 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 Circular No. 98 and No.99 was also used to guide the compilation of the 2020/21 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. The budget will be communicated through the normal legally required advertisements, our website and budget documentation will be made available at municipal buildings and libraries as advertised to allow for input up until 30 April 2020 before the final approval of this budget on 28 May 2020. Inputs and representations shall be considered prior to final approval after which consideration will be given in line with Section 23 of the MFMA whether the draft budget needs to be revised and amended.

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 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 to cost containment.

Further to this, the committee is cognisant of the very real future negative economic impact as a direct result of the COVID-19 pandemic, currently unknown and not quantified from an economic or growth perspective. In this regard the approach to the revenue projections over the MTREF was conservative with concerns raised in respect of the trajectory of expenditure growth compared to realistic revenue generation as economists project negative growth as a very reality over the short to medium term.

The following principles amongst other were highlighted in the National Treasury budget circulars 98 and 99 informing the Draft 2020-2021 MTREF:

- *The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. However, there has not been any determination by NERSA since the impasse around Eskom's application. While the court case between NERSA and Eskom is still pending, municipalities should use the tariff increases previously (March 2019) approved by the regulator of 8.1 per cent for 2020/21, 5.2 per cent 2021/22 and 8.9 per cent for 2022/23. 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 8.1% and 7.62% for electricity sales.*
- *The latest March, 9 Circular also provides clarity and updates the December 2019 MFMA Circular No. 98 specifically with regards to long-term borrowing for multi-year capital projects. In terms of sections 16(3) of the MFMA, money for capital expenditure may be appropriated for a period not exceeding three financial years, provided that a separate appropriation is made for each of those financial years. National Treasury has taken the position that municipalities may not incur long-term debt to replenish internally generated funds which were spent in prior financial years, even if such spending was for capital expenditure. **In this regard budgets must be cash backed and able to generate surpluses.***
- *The Salary and Wage Collective Agreement for the period 01 July 2018 to 30 June 2021 is still in operation, therefore municipalities need to budget for their employee related costs in line with the multi-year wage agreement, and also ensure the agreement is correctly implemented and applied as per clauses of the agreement. Municipalities must ensure that compensation demands are balanced with the broader needs of society. In this context, municipalities should start taking decisive action to address bloated organisational structures and above inflation wage increases. Wage bill increases are crowding out spending on capital projects for future economic growth and impacts on service delivery.*
- *Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councillor(s) concerned.*
- *Over the next three years, above-inflation growth in allocations to the local government equitable share continues, while growth in conditional grants is slower as a result of the reductions announced in the 2020 Budget. The local government Equitable Share continues to receive above inflation increases because it allows municipalities to offer free basic services to indigent residents who cannot afford to pay for services. The total direct allocations to local*

government grow at an annual average rate of 6.6 per cent over the MTEF period.

- Over the past year, economic growth has been weaker than forecasted and is only expected to reach 0.9 per cent in 2020. The 2020 budget highlights the difficult economic and fiscal choices confronting government over the next several years.

The Macro-economic forecasts as illustrated below:

<b>Table 1 Macroeconomic performance and projections</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Percentage change	Estimate	Forecast		
Real GDP growth	0.3	0.9	1.3	1.6
CPI inflation	4.1	4.5	4.6	4.6

**NB NOTE:** the above forecasts were as at 9 March 2020 unchanged by the National Treasury, but given the current situation with the rapid spread of COVID-19, at best unrealistic with the very real potential of negative growth over the short to medium term, given the fact that SA is already technically in a recession.

As a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate additional revenue. The ability of consumers to pay for services continues to decline, resulting leading in potential reduced revenue collection. Therefore, municipalities must consider the following when compiling their 2020/2021 MTREF budgets:

- improving the effectiveness and initiatives around revenue management processes and procedures;
- exercise caution when they prepare their 2020/21 MTREF budgets to ensure synergy with national economic and fiscal prudence;
- the declining economic growth which might be impacted on further by the Corona virus pandemic and international companies closing down as a result, the deteriorating state of the finances for state-owned entities, continued high unemployment and water and electricity shortages will put pressure on the ability of municipalities to raise revenue;
- a conservative approach must be followed when projecting revenue and to eliminate any waste and unnecessary expenditure;
- importantly, municipalities should ensure that they adopt realistic and funded 2020/21 MTREF budgets;
- investments in waste collection and treatment infrastructure should be made in tandem with industrial and urban developments to minimise pollution to our land and waters to attract economic investment;
- paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as was highlighted in MFMA Circular No. 82 and municipal Cost containment policy;

- *ensuring value for money through the procurement process;*
- *the affordability of providing free basic services to all households; and*
- *curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.*

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

TYPE	2019/2020 (R'000)	2020/2021 (R'000)	2021/2022 (R'000)	2022/2023 (R'000)
Capital expenditure	140 816	216 349	138 583	138 093
Operating expenditure	745 220	778 842	869 960	906 464
<b>TOTAL</b>	<b>886 036</b>	<b>995 191</b>	<b>1 008 543</b>	<b>1 044 557</b>

**POTENTIAL AND REAL RISKS IMPACTING FINANCIAL PLANNING OVER THE MTREF AND ULTIMATELY THE REVENUE MODELLING EXERCISE FORMING THE BASIS FOR THE MTREF:**

- Planned anticipated revenue from the sale of water under pressure as a result of much lower consumption levels becoming the new norm;
- The upward pressure and multiplier effect of increases in staff salaries negotiated and agreed at National Level;
- The impact on the economy as a result of poor economic performance, unemployment and devastating impact of COVID-19 on all industries
- The impact of double digit Eskom increases over the MTREF and load shedding;
- The impact of the rapid spread of COVID-19 on both the SA and local economy.

The outbreak of the novel coronavirus (Covid-19) has caused disruption across the world and very recently South Africa. This is, above all, a human and social crisis necessitating some significant changes in the way we go about our daily lives. As efforts are underway to manage the spread as it radiates across the world, the impact to businesses and economies has become increasingly significant with the municipality not spared. This will have implications on our revenue projections requiring responsible expenditure decisions going forward.

Keeping the above in mind, the following table is a consolidated overview of the 2020/21 Medium-term Revenue and Expenditure Framework:

### Consolidated Overview of the 2020/21 MTREF (R'000)

R thousand	Year 2019/2020	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjustment Budget	2020/2021 (R'000)	2021/2022 (R'000)	2022/2023 (R'000)
Total Operating Revenue	763 199	818 651	929 347	976 280
Total Operating Expenditure	745 220	778 842	869 960	906 464
<b>Surplus / (Deficit) excluding capital transfers and development charges</b>	<b>17 979</b>	<b>39 809</b>	<b>59 387</b>	<b>69 816</b>
Capital Transfers & Development Charges	80 451	86 864	28 897	66 713
<b>Surplus / (Deficit) for the year</b>	<b>98 430</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>

Total operating revenue **excluding capital grants and development charges** for the 2020/21 financial year has been appropriated at R 818 651 million and is expected to grow by 7.27 per cent or R 55 452 million for the 2020/21 financial year when compared to the 2019/20 Adjusted Budget. For the two outer years, operational revenue will increase by 13.52 and 5.05 per cent respectively, equating to total revenue growth of R 157 629 million over the MTREF (2020/21 to 2022/23). The outer years are based on available information at the time of compiling this report.

Total operating expenditure for the 2020/21 financial year has been appropriated at R 778 842 million and translates into a budgeted surplus of R 39 809 million (**before capital transfers and development charges**). When compared to the 2019/20 financial year, operational expenditure is projected to grow by 4.51 per cent in the 2020/21 budget; 11.7 per cent in the 2021/22 budget and 4.2 per cent in the 2022/23 budget (based on current assumptions) equating to total expenditure growth of R 161 244 million over the MTREF (2020/21 to 2022/23).

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 2020/2021			Budget Year 2021/2022			Budget Year 2022/2023		
R thousand	Revenue	Expenditure	Surplus / (Deficit)	Revenue	Expenditure	Surplus / (Deficit)	Revenue	Expenditure	Surplus / (Deficit)
<b>Revenue &amp; Expenditure by Vote</b>									
<b>Vote 1 - Corporate Services</b>	<b>11 667</b>	<b>37 985</b>	<b>(26 317)</b>	<b>11 837</b>	<b>39 104</b>	<b>(27 266)</b>	<b>12 505</b>	<b>41 122</b>	<b>(28 617)</b>
1.1 - Administration	204	15 222	(15 018)	216	15 348	(15 132)	229	15 961	(15 733)
1.2 - Human Resources	676	6 019	(5 343)	302	6 007	(5 705)	333	6 312	(5 980)
1.3 - Libraries	10 428	9 926	502	10 959	10 506	453	11 562	11 115	448
1.4 - Marketing and Tourism	30	1 528	(1 498)	31	1 615	(1 584)	33	1 715	(1 681)
1.5 - Community Halls and Facilities	330	5 289	(4 959)	328	5 628	(5 300)	348	6 019	(5 671)
<b>Vote 2 - Civil Services</b>	<b>222 138</b>	<b>253 868</b>	<b>(31 730)</b>	<b>236 182</b>	<b>261 207</b>	<b>(25 025)</b>	<b>273 137</b>	<b>298 071</b>	<b>(24 934)</b>
2.1 - Administration		3 434	(3 434)		3 666	(3 666)		3 886	(3 886)
2.2 - Cemeteries	703	684	20	741	701	40	781	718	63
2.3 - Municipal Property Maintenance	943	14 698	(13 755)	957	14 749	(13 792)	1 015	14 949	(13 934)
2.4 - Parks and Recreational Areas	523	15 842	(15 319)		17 032	(17 032)		18 286	(18 286)
2.5 - Proclaimed Roads	286	327	(41)	293	519	(227)	20 300	25 037	(4 737)
2.6 - Refuse Removals	45 923	27 608	18 315	48 576	29 008	19 568	51 750	31 324	20 426
2.7 - Street Cleaning		5 273	(5 273)		5 585	(5 585)		5 900	(5 900)
2.8 - Solid Waste Disposal(Landfill Site)		7 004	(7 004)		7 982	(7 982)		7 784	(7 784)
2.9 - Sewerage Services	91 463	49 449	42 014	92 937	49 509	43 428	82 676	49 862	32 814
2.10 - Waste Water Treatment		2 868	(2 868)		3 031	(3 031)		3 205	(3 205)
2.11 - Sportgrounds	417	3 756	(3 340)	164	3 741	(3 577)	174	3 953	(3 779)
2.12 - Streets	1 436	38 369	(36 933)	6 572	38 882	(32 310)	9 120	41 968	(32 848)
2.13 - Stormwater	111	17 463	(17 352)		17 742	(17 742)		18 785	(18 785)
2.14 - Swimming Pools	392	3 606	(3 214)	395	3 717	(3 322)	428	3 790	(3 362)
2.15 - Water Distribution	79 940	63 487	16 453	85 547	65 342	20 205	106 893	68 625	38 268
<b>Vote 3 - Council</b>	<b>290</b>	<b>18 255</b>	<b>(17 964)</b>	<b>295</b>	<b>19 242</b>	<b>(18 947)</b>	<b>299</b>	<b>20 273</b>	<b>(19 974)</b>
3.1 - Council General Expenses	290	18 255	(17 964)	295	19 242	(18 947)	299	20 273	(19 974)
<b>Vote 4 - Electricity Services</b>	<b>339 512</b>	<b>311 371</b>	<b>28 142</b>	<b>364 827</b>	<b>340 568</b>	<b>24 259</b>	<b>399 907</b>	<b>372 942</b>	<b>26 965</b>
4.1 - Administration	-	1 732	(1 732)	-	1 832	(1 832)	-	1 925	(1 925)
4.2 - Distribution	339 512	294 377	45 136	364 827	322 449	42 378	399 907	353 914	45 993
4.3 - Street Lighting	-	1 805	(1 805)	-	2 054	(2 054)	-	2 349	(2 349)
4.4 - IT Services	-	13 457	(13 457)	-	14 234	(14 234)	-	14 754	(14 754)
<b>Vote 5 - Financial Services</b>	<b>224 655</b>	<b>55 504</b>	<b>169 151</b>	<b>244 150</b>	<b>58 527</b>	<b>185 623</b>	<b>265 258</b>	<b>61 656</b>	<b>203 602</b>
5.1 - Administration		1 940	(1 940)	-	2 092	(2 092)	-	2 179	(2 179)
5.2 - Finance	82 262	36 331	45 932	92 076	38 545	53 531	103 224	40 811	62 413
5.3 - Budget and Treasury		4 957	(4 957)		6 298	(6 298)		6 396	(6 396)
5.4 - Asset Management		2 488	(2 488)	-	1 304	(1 304)	-	1 384	(1 384)
5.5 - Grants and Subsidies - FMG	1 550	1 550		1 550	1 550		1 550	1 550	
5.6 - Fleet Management	-	1 028	(1 028)	-	1 084	(1 084)	-	1 146	(1 146)
5.7 - Property Rates	140 843	482	140 361	150 524	521	150 003	160 484	563	159 921
5.8 - Supply Chain Management	-	6 728	(6 728)	-	7 134	(7 134)	-	7 627	(7 627)
<b>Vote 6 - Development Services</b>	<b>61 151</b>	<b>29 054</b>	<b>32 097</b>	<b>54 451</b>	<b>73 986</b>	<b>(19 535)</b>	<b>44 852</b>	<b>31 600</b>	<b>13 253</b>
6.1 - Administration	1	2 078	(2 077)	1	2 206	(2 204)	1	2 336	(2 335)
6.2 - Caravan parks - Yzerfontein	3 172	2 178	994	3 295	2 290	1 004	3 418	2 486	932
6.3 - Community Development	3 118	3 088	31	38	3 339	(3 301)	38	3 511	(3 473)
6.4 - Multi-Purpose Centres	170	1 519	(1 349)	21	1 474	(1 453)	22	1 975	(1 952)
6.5 - Planning and Valuations	956	8 994	(8 037)	1 002	8 639	(7 637)	1 051	9 454	(8 404)
6.6 - Building Control	2 839	3 063	(224)	2 958	3 237	(279)	3 083	3 434	(352)
6.7 - Housing	50 894	6 282	44 612	47 135	51 053	(3 918)	37 239	6 556	30 683
6.8 - Occupational Health and Safety	-	1 852	(1 852)	-	1 747	(1 747)	-	1 846	(1 846)
<b>Vote 7 - Municipal Manager</b>	<b>-</b>	<b>8 728</b>	<b>(8 728)</b>	<b>-</b>	<b>9 243</b>	<b>(9 243)</b>	<b>-</b>	<b>9 677</b>	<b>(9 677)</b>
7.1 - Administration	-	4 398	(4 398)	-	4 635	(4 635)	-	4 868	(4 868)
7.2 - Strategic Planning	-	2 342	(2 342)	-	2 512	(2 512)	-	2 608	(2 608)
7.3 - Internal Audit	-	1 989	(1 989)	-	2 095	(2 095)	-	2 200	(2 200)
<b>Vote 8 - Protection Services</b>	<b>46 100</b>	<b>64 077</b>	<b>(17 977)</b>	<b>46 502</b>	<b>68 082</b>	<b>(21 580)</b>	<b>47 035</b>	<b>71 125</b>	<b>(24 090)</b>
8.1 - Administration	-	2 255	(2 255)	-	2 439	(2 439)	-	2 794	(2 794)
8.2 - Civil Protection	-	300	(300)	-	300	(300)	-	300	(300)
8.3 - Fire Fighting	762 012	7 218	(6 456)	30 012	7 714	(7 684)	30 012	7 928	(7 898)
8.4 - Harbour Yzerfontein	288	385	(96)	288	410	(122)	288	447	(159)
8.5 - Road and Traffic Regulation	9 759	8 652	1 107	10 339	9 146	1 192	10 954	9 716	1 237
8.6 - Policing and Law Enforcement	35 291	45 268	(9 976)	35 845	48 073	(12 228)	35 763	49 940	(14 176)
<b>Total Revenue &amp; Expenditure by Vote</b>	<b>905 515</b>	<b>778 842</b>	<b>126 673</b>	<b>958 244</b>	<b>869 960</b>	<b>88 284</b>	<b>1 042 994</b>	<b>906 464</b>	<b>136 529</b>



The municipality is in a very privileged position to be able to invest a total of R 263 977 million of its own funds over the 2020/21 MTREF.

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

Description	Adjustment Budget		2020/21 Medium Term Revenue & Expenditure Framework					
	2019/20 (R'000)	%	2020/21 (R'000)	%	2021/22 (R'000)	%	2022/23 (R'000)	%
<b>Funded by:</b>								
National Government	30 301	22%	32 835	15%	27 700	20%	28 810	21%
Provincial Government	48 150	34%	52 888	24%	55	0%	36 760	27%
Other transfers and grants	2 000	1%	-	0%	-	0%	-	0%
Borrowing	-	0%	25 000	12%	25 000	18%	-	0%
Internally generated funds	60 365	43%	105 626	49%	85 828	62%	72 523	53%
<b>Total Capital Funding</b>	<b>140 816</b>	<b>100%</b>	<b>216 349</b>	<b>100%</b>	<b>138 583</b>	<b>100%</b>	<b>138 093</b>	<b>100%</b>

The total final draft capital budget for 2020/2021 amounts to R 216 349 million with around R 105 626 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 493 025 million. An increase of R 12 985 million from the previous approved adjusted MTREF of R 480 040 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.

## PURCHASING OF 2 BUILDINGS FOR ADMINISTRATIVE PURPOSES

The need arose to investigate the purchasing of council's own buildings compared to escalating rentals placing an additional burden on already stretched resources in the operational budget over the medium to longer term. In this regard two buildings were identified which is well located to serve the purpose of administrative staff currently in the "Checkers and "Pep" buildings and the MAYCO in the "Santam" building. The "conversion works" are estimated at R 6 million and forms part of the additional capital costs. The purchase cost of the Nedbank and Standard Banks buildings is R 12 650 million and R8 million respectively.

## 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 R46 680 million in year 2 is envisaged for the De Hoop Housing Project in the form of top structures found in the operational budget and further services for the De Hoop projects in year 3 at R 36 760 million. Darling to get services in year 1 for Gap housing to the tune of R 1 800 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 Annexures**.

Council approved the upgrading of the waste water treatment works of both Moorreesburg and Darling in the previous MTREF. The commencement of these projects was however delayed as a result of a revised market approach given the prevailing market conditions in the current year. The higher than planned total cost as per the 2019-20 MTREF appropriation necessitated that all available funding sources be re-assessed once more in order to secure the correct funding mix over the implementation of these projects spanning over  $\pm 3$  years. The amount of external borrowing remains at R 50 million planned as follows: R 25 000 000 in 2020/21 and R 25 000 000 in 2021/22.

Due to the tender amendment impacting project implementation, budgets and cash flows, it is relevant at this juncture to also mention that the funding mix for Roads Swartland: Resealing of Roads, was also revised without impacting the total to be spent.

**Council's cash position must be closely monitored given the down-swing of the SA economy amidst global fears, but so also the planned funding mix of the WWTW's for purposes of longer term liquidity and financial sustainability. Council is requested to re-confirm its commitment to the funding mix in these documents.**

### 1.3.1 Financial indicators and benchmarks

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/21 MTREF. (Derived from the National Treasury A-schedules **and not** as prescribed by Circular 71)

WC015 Swartland - Supporting Table SA8 Performance indicators and benchmarks				
Description of financial indicator	Basis of calculation	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b><u>Borrowing Management</u></b>				
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.7%	3.3%	3.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.2%	3.8%	3.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	47.3%	0.0%	0.0%
<b><u>Safety of Capital</u></b>				
Gearing	Long Term Borrowing/ Funds &	67.5%	63.6%	54.1%
<b><u>Liquidity</u></b>				
Current Ratio	Current assets/current liabilities	4:1	4:1	4:1
Liquidity Ratio	Monetary Assets/Current Liabilities	3:1	3:1	3:1
<b><u>Revenue Management</u></b>				
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	96.2%	94.4%	94.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		94.4%	94.5%	93.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	19.3%	19.3%	21.7%
<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%
Creditors to Cash and Investments		20.6%	21.4%	20.7%
<b><u>Other Indicators</u></b>				
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.5%	27.7%	28.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.9%	29.0%	29.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.4%	5.9%	8.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.5%	11.9%	12.0%
<b><u>IDP regulation financial viability indicators</u></b>				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.5	12.5	13.5
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	26.3%	27.4%	29.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	10.9	9.6	10.1

**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 have formed part of the compilation of the 2020/2021 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) has been funded by way of borrowing.

### 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. Payment levels and credit control is considered to be favourable.

### 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.

#### 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.
- Employee costs as a percentage of operating revenue (excluding capital grants) over the MTREF is between 27.7% and 29.5%. Total remuneration as a percentage of operating revenue (excluding capital grants) over the MTREF is between 29% and 30.9%. As discussed previously in this report, the employee related costs at the municipality is in line with the benchmarks set in the Western Cape.
- Contracted services expenditure increased by around 15%, or R 18 652 million in total over the 2020/21 MTREF period when compared to the 2019/20 adjustments budget, mainly due to Housing Top structure and Proclaimed roads maintenance grant expenditure.

### 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 tough economic times strong revenue management is fundamental to the financial sustainability of every 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.

Council is cognisant of the very real future negative economic impact as a direct result of the COVID-19 pandemic, currently unknown and not quantified from an economic or growth perspective. In this regard the approach to the revenue projections over the MTREF was conservative with concerns raised in respect of the trajectory of expenditure growth compared to realistic revenue generation as economists project negative growth as a very reality over the short to medium term.

The following table is a summary of the 2020/2021 MTREF (classified by main revenue source):

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

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>			
<b>Financial Performance</b>			
Property rates	137 765	147 200	156 893
Service charges	461 850	504 106	550 258
Investment revenue	38 639	40 051	43 054
Transfers recognised - operational	120 495	176 350	162 620
Other own revenue	59 901	61 639	63 455
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>818 651</b>	<b>929 347</b>	<b>976 280</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	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>			
<b>Revenue by Vote</b>			
Vote 1 - Corporate Services	11 667	11 837	12 505
Vote 2 - Civil Services	222 138	236 182	273 137
Vote 3 - Council	290	295	299
Vote 4 - Electricity Services	339 512	364 827	399 907
Vote 5 - Financial Services	224 655	244 150	265 258
Vote 6 - Development Services	61 151	54 451	44 852
Vote 7 - Municipal Manager	–	–	–
Vote 8 - Protection Services	46 100	46 502	47 035
Vote 9 - [NAME OF VOTE 9]	–	–	–
Vote 9 - [NAME OF VOTE 9]	–	–	–
<b>Total Revenue by Vote</b>	<b>905 515</b>	<b>958 244</b>	<b>1 042 994</b>



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

Vote Description	Current Year 2019/2020		2020/21 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year 2021/22	%	Budget Year 2022/23	%
<b>Revenue by Source</b>								
Property rates	121 289	16%	137 765	17%	147 200	16%	156 893	16%
Service charges - electricity revenue	290 458	38%	322 741	39%	354 314	38%	388 969	40%
Service charges - water revenue	56 497	7%	63 196	8%	68 583	7%	73 910	8%
Service charges - sanitation revenue	44 138	6%	46 691	6%	50 124	5%	54 312	6%
Service charges - refuse revenue	27 557	4%	29 222	4%	31 086	3%	33 067	3%
Rental of facilities and equipment	1 606	0%	1 702	0%	1 804	0%	1 912	0%
Interest earned - external investments	42 237	6%	38 639	5%	40 051	4%	43 054	4%
Interest earned - outstanding debtors	2 799	0%	2 957	0%	3 139	0%	3 331	0%
Dividends received		0%		0%		0%		0%
Fines, penalties and forfeits	32 800	4%	33 130	4%	33 464	4%	33 803	3%
Licences and permits	4 524	1%	4 595	1%	4 865	1%	5 151	1%
Agency services	4 600	1%	4 876	1%	5 169	1%	5 479	1%
Transfers and subsidies	117 454	15%	120 495	15%	176 350	19%	162 620	17%
Other revenue	11 599	2%	12 441	2%	12 998	1%	13 580	1%
Gains	5 642	1%	200	0%	200	0%	200	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>763 199</b>	<b>100%</b>	<b>818 651</b>	<b>100%</b>	<b>929 347</b>	<b>100%</b>	<b>976 280</b>	<b>100%</b>
<b>Total Revenue from Property Rates and Service Charges</b>	<b>539 939</b>	<b>71%</b>	<b>599 616</b>	<b>73%</b>	<b>651 306</b>	<b>70%</b>	<b>707 151</b>	<b>72%</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 70 and 73 percent of the total revenue mix for the 2020/21 MTREF. In the 2020/21 financial year, revenue from property rates and services charges amounts to R 599 616 million or 73 per cent of total revenue mix. This figure increases to an estimated R 651 306 million (70%) and R 707 151 million (72%) in the respective financial years of the 2020/21 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, is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis. In line with the significant growth in population numbers over recent years, the municipality has seen a significant increase in the DORA allocation for the Equitable Share over the MTREF period.

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

WC015 Swartland - Supporting Table SA18 Transfers and grant receipts			
Description  R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>RECEIPTS:</b>			
<b>Operating Transfers and Grants</b>			
<b>National Government:</b>	<b>105 612</b>	<b>115 843</b>	<b>128 527</b>
Local Government Equitable Share	102 195	114 293	126 977
Finance Management	1 550	1 550	1 550
EPWP Incentive	1 867	–	–
<b>Provincial Government:</b>	<b>14 608</b>	<b>64 205</b>	<b>36 760</b>
Community Development Workers	38	38	38
Human Settlements	1 950	50 680	3 000
Municipal Accreditation and Capacity Building Grant	238	252	264
Libraries	10 068	10 695	11 283
Proclaimed Roads Subsidy	175	175	20 175
Financial Management Support Grant: Student Bursaries	401	–	–
Thusong Grant	150	–	–
Establishment of a K9 Unit	1 588	2 365	2 000
<b>Total Operating Transfers and Grants</b>	<b>120 220</b>	<b>180 048</b>	<b>165 287</b>
<b>Capital Transfers and Grants</b>			
<b>National Government:</b>	<b>32 835</b>	<b>27 700</b>	<b>28 810</b>
Municipal Infrastructure Grant (MIG)	21 183	22 700	23 810
Energy Efficiency and Demand Side Management Grant	4 000	–	–
Integrated National Electrification Programme (municipal)	7 652	5 000	5 000
<b>Provincial Government:</b>	<b>52 488</b>	<b>55</b>	<b>36 760</b>
Human Settlements	48 074	–	36 760
RSEP/VPUU Municipal Projects	3 000	–	–
Libraries	70	–	–
Fire Service Capacity Building Grant	732	–	–
Establishment of a K9 Unit	612	55	–
<b>Total Capital Transfers and Grants</b>	<b>85 323</b>	<b>27 755</b>	<b>65 570</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>205 543</b>	<b>207 803</b>	<b>230 857</b>

### 1.4.2 Property Rates

The average increase in tariffs for the 2020/2021 financial year is as follows, save for the reduction in property tax rates and the resultant increase in the municipal account for rates being dependent on individual property value fluctuations between the general valuation of 2015 and 2019.

The new general valuation envisaged for the 2020/21 financial year resulted in an increase in Valuation. Although the property tax rate will not increase, the increase in property valuations will have an impact on property taxes. The property rates increase growth proposed for 2021/22 and 2022/23 is limited to 6% for residential properties and 8% for business properties.

The following stipulations in the Property Rates Policy applicable to the 2020/2021 year are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R100 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 2020/21 Policy will become effective in the 2021/2022 financial year.

The categories of rate-able properties for purposes of levying rates and the proposed final rates for the 2020/21 financial year are as follows:

Property Rates	2019/20	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Residential Properties	0,6490	0,5354	0,5676	0,6016	-22.00%	6.00%	6.00%
Businesses, Commercial and Industrial Properties	0,8580	0,7722	0,8340	0,9007	-17.00%	8.00%	8.00%

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

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

All things remaining equal, it is envisaged that the Level 1 restrictive water tariffs will still apply with the start of the new financial year starting 1 July 2020. In this regard and more specifically having considered the plight of the poor and other water consumers within the first block of consumption, considerable savings have been factored into the suggested draft water tariffs inclusive of the Mayors framework to the CFO insofar as bringing relief with the new revised blocks one and two. The municipality has moved away from the 8% and 12% across the board increases of the past. In this regard the Executive Mayor wants to thank all water consumers

for their responsible consumptions during the period of drought experienced not too long ago. Water tariffs increases by 6% for the consumptive blocks up to 20kls and 8% thereafter. All other users will pay 8% more given the extent of water infrastructure investment of the medium term.

R thousand	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	2020/2021 (R'000)	2021/2022 (R'000)	2022/2023 (R'000)
Revenue – Water Management	77 935	79 940	85 547	106 893
Expenditure – Water Management	63 235	63 487	65 342	68 625
<b>Net Surplus / (Deficit)</b>	<b>14 700</b>	<b>16 453</b>	<b>20 205</b>	<b>38 268</b>
<b>Net Surplus / (Deficit) %</b>	<b>19%</b>	<b>21%</b>	<b>24%</b>	<b>36%</b>
Unconditional grant	14 874	14 253	14 572	15 484
Capital grants	4 934	-	-	15 000
<b>Revenue – Water Management (excl. unconditional and capital grants)</b>	<b>58 126</b>	<b>65 687</b>	<b>70 974</b>	<b>76 409</b>
<b>Net Surplus / (Deficit) (excl. unconditional and capital grants)</b>	<b>(5 108)</b>	<b>2 200</b>	<b>5 632</b>	<b>7 784</b>
<b>Net Surplus / (Deficit) % (excl. unconditional and capital grants)</b>	<b>(9%)</b>	<b>3%</b>	<b>8%</b>	<b>10%</b>

A summary of the 2020/21 draft tariffs and increases for households (residential) and non-residential are as follows:

Water	2019/20	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Network Charge: Residential, Indigent, Agricultural, Schools, Government Institutions, Sport Clubs	R 64.87	R 68.76	R 72.89	R 77.26	6.00%	6.00%	6.00%
Network Charge: Business	R 110.00	R 116.60	R 123.60	R 131.01	6.00%	6.00%	6.00%
Residential: 0 - 6kl ***Revised Block***	R 5.03	R 5.33	R 5.65	R 5.99	6.00%	6.00%	6.00%
Residential: 7 - 10kl ***Revised Block***	R 8.64	R 9.16	R 9.71	R 10.29	6.00%	6.00%	6.00%
Residential: 11-15kl	R 15.77	R 16.72	R 17.72	R 18.78	6.00%	6.00%	6.00%
Residential: 16 - 20kl	R 19.99	R 21.19	R 22.46	R 23.81	6.00%	6.00%	6.00%
Residential: 21 - 25kl	R 29.64	R 32.01	R 34.57	R 37.33	8.00%	8.00%	8.00%
Residential: 26 - 35 kl	R 61.75	R 66.69	R 72.03	R 77.79	8.00%	8.00%	8.00%
Residential: 36 kl >	R 85.22	R 92.04	R 99.40	R 107.36	8.00%	8.00%	8.00%
Business/Commercial/Industrial/Agricultural	R 21.60	R 23.33	R 25.19	R 27.21	8.00%	8.00%	8.00%
Schools, Government Institutions, Sport Clubs	R 22.90	R 24.73	R 26.71	R 28.84	8.00%	8.00%	8.00%
Equitable Share: 6 kl Free	R 8.64	R 9.16	R 9.71	R 10.29	6.00%	6.00%	6.00%



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

Electricity is regarded as a trading service which should operate at a significant surplus. From the table below it is clearly evident that the gross profit margin has been placed under pressure due to the inability of the municipality to pass all bulk tariff increases from Eskom directly to the consumer.

To date NERSA has not yet provided guidelines or benchmarks for the 2020/21 municipal electricity tariff increases suffice for the existing multi-year price determination in force unless otherwise indicated by NERSA. The municipality opted to stick with the guidelines provided by the National Treasury MFMA Circular 99 confirming the electricity tariff increase for 2020/21 of 8.1% for budgeting purposes. Meanwhile the High Court ruled in Eskom's favour to recover losses incurred since 2018/19 as a result of the NERSA tariff determinations by means of additional tariff increases. It is however unlikely that such increased tariffs will already be incorporated in the 2020/21 adjustments but remained unclear at the time of budget preparation. The proposed electricity tariff adjustments are therefore preliminary and will be revised upon receipt of the final determinations from NERSA.

**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 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	2020/2021 (R'000)	2021/2022 (R'000)	2022/2023 (R'000)
Revenue – Electricity	302 982	339 512	364 827	399 907
Expenditure – Electricity	267 355	297 914	326 335	358 188
<b>Net Surplus / (Deficit)</b>	<b>35 627</b>	<b>41 598</b>	<b>38 492</b>	<b>41 719</b>
<b>Net Surplus / (Deficit) %</b>	<b>12%</b>	<b>12%</b>	<b>11%</b>	<b>10%</b>
Unconditional grant	3 348	4 923	5 317	5 742
Capital grants	9 140	11 652	5 000	5 000
<b>Revenue – Electricity (excl. unconditional and capital grants)</b>	<b>290 494</b>	<b>322 937</b>	<b>354 510</b>	<b>389 165</b>
<b>Net Surplus / (Deficit) (excl. unconditional and capital grants)</b>	<b>23 139</b>	<b>25 023</b>	<b>28 176</b>	<b>30 977</b>
<b>Net Surplus / (Deficit) % (excl. unconditional and capital grants)</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>

Electricity losses during 2017/18 and 2018/19 audited financial years were calculated at only 5.86 per cent and 5.62 per cent respectively.

The following table shows the proposed draft 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.

Electricity		2019/20	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
1	Residential Consumers Network charge	R 204.96	R 220.58	R 237.39	R 255.47	7.62%	7.62%	7.62%
1	(0-50kWh)	R 1.033799	R 1.112574	R 1.197353	R 1.288591	7.62%	7.62%	7.62%
1	(51-350kWh)	R 1.329251	R 1.430540	R 1.539547	R 1.656861	7.62%	7.62%	7.62%
1	(351-600kWh)	R 1.870743	R 2.013294	R 2.166707	R 2.331810	7.62%	7.62%	7.62%
1	(>600kWh)	R 2.203056	R 2.370929	R 2.551594	R 2.746025	7.62%	7.62%	7.62%
2	Commercial / Non Standard . Basic Ampere	R 9.6214	R 10.3545	R 11.1435	R 11.9926	7.62%	7.62%	7.62%
2	Commercial / Non Standard .per kWh	R 1.724748	R 1.856174	R 1.997614	R 2.149832	7.62%	7.62%	7.62%
2	Commercial Basic < 20KVA	R 521.32	R 561.04	R 603.80	R 649.81	7.62%	7.62%	7.62%
2	Commercial Basic 20 to 40 KVA	R 685.72	R 737.97	R 794.21	R 854.72	7.62%	7.62%	7.62%
2	Commercial Basic >40 KVA	R 1 251.51	R 1 346.88	R 1 449.51	R 1 559.96	7.62%	7.62%	7.62%
2	Commercial Basic < 20KVA per kWh	R 1.724748	R 1.856174	R 1.997614	R 2.149832	7.62%	7.62%	7.62%
2	Commercial Basic 20 to 40 KVA per kWh	R 1.724748	R 1.856174	R 1.997614	R 2.149832	7.62%	7.62%	7.62%
2	Commercial Basic >40 KVA per kWh	R 1.724748	R 1.856174	R 1.997614	R 2.149832	7.62%	7.62%	7.62%
5	Alternative - Households 20 Amp.:-							
5	(0-50kWh)	R 0.947753	R 1.019972	R 1.097694	R 1.181338	7.62%	7.62%	7.62%
5	(51-350kWh)	R 1.243092	R 1.337816	R 1.439757	R 1.549467	7.62%	7.62%	7.62%
5	(351-600kWh)	R 1.772259	R 1.907305	R 2.052642	R 2.209053	7.62%	7.62%	7.62%
5	(>600kWh)	R 2.129921	R 2.292221	R 2.466888	R 2.654865	7.62%	7.62%	7.62%
7	Pre-paid meter system (Indigent Residential)							
7	(0-50kWh)	R 0.947753	R 1.019972	R 1.097694	R 1.181338	7.62%	7.62%	7.62%
7	(51-350kWh)	R 1.243092	R 1.337816	R 1.439757	R 1.549467	7.62%	7.62%	7.62%
7	(351-600kWh)	R 1.772259	R 1.907305	R 2.052642	R 2.209053	7.62%	7.62%	7.62%
7	(>600kWh)	R 2.129221	R 2.291468	R 2.466077	R 2.653993	7.62%	7.62%	7.62%



### 1.4.5 Sanitation and Impact of Tariff Increases

The draft tariff increase of 7.51% 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 2020/21 MTREF. The additional percentage of 3.01% above headline inflation is equal to an increase of R7.05 per month over and above estimated headline inflation of 4.5% due to the fact that the waste water treatment works in Moorreesburg and Darling are in need of critical upgrades per the quantum in the capital budget. These projects will require the municipality to take up an external loan to the amount of R50 million apart from the MIG (municipal infrastructure grant) and the CRR (capital replacement reserve). **Council upon deciding on the funding mix, considered the impact on the consumer and therefore funding to the tune of R 46 135 million from councils own reserves forms part of the finance source in the new MTREF.**

The table below indicates that the service is not cost reflective over the MTREF when **unconditional and capital grants are excluded.**

R thousand	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	2020/2021 (R'000)	2021/2022 (R'000)	2022/2023 (R'000)
Revenue – Sanitation	82 813	91 463	92 937	82 676
Expenditure – Sanitation	46 750	52 316	52 540	53 067
<b>Net Surplus / (Deficit)</b>	<b>36 063</b>	<b>39 147</b>	<b>40 397</b>	<b>29 609</b>
<b>Net Surplus / (Deficit) %</b>	<b>44%</b>	<b>43%</b>	<b>43%</b>	<b>36%</b>
Unconditional grant	23 454	25 641	27 567	29 637
Capital grants	16 367	20 156	16 433	-
<b>Revenue – Sanitation (excl. unconditional and capital grants)</b>	<b>42 991</b>	<b>45 666</b>	<b>48 937</b>	<b>53 039</b>
<b>Net Surplus / (Deficit) (excl. unconditional and capital grants)</b>	<b>(3 759)</b>	<b>(6 650)</b>	<b>(3 602)</b>	<b>(28)</b>
<b>Net Surplus / (Deficit) % (excl. unconditional and capital grants)</b>	<b>(9%)</b>	<b>(15%)</b>	<b>(7%)</b>	<b>(0%)</b>

The following proposed draft tariffs were incorporated in the MTREF:

Sanitation	2019/20	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Households, Flats and Semi-detached households pm	R 234.35	R 251.95	R 270.87	R 291.21	7.51%	7.51%	7.51%
Businesses, Industrial, Schools, Churches, Sport Facilities, etc. p	R 234.35	R 251.95	R 270.87	R 291.21	7.51%	7.51%	7.51%

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

The draft tariff increase of 6.6% which 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 2020/21 MTREF. The additional percentage of 2.1% above headline inflation is equal to R2.76 per month and due to the fact that additional fencing are being required in Moorreesburg and at Highlands inclusive of the construction of transfer stations.

The table below indicates that the service is not cost reflective during over the MTREF when **unconditional and capital grants are excluded**.

R thousand	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	2020/2021 (R'000)	2021/2022 (R'000)	2022/2023 (R'000)
Revenue – Refuse Removal	43 136	45 923	48 576	51 750
Expenditure – Refuse Removal	38 707	39 885	42 575	45 007
<b>Net Surplus / (Deficit)</b>	<b>4 429</b>	<b>6 038</b>	<b>6 000</b>	<b>6 743</b>
<b>Net Surplus / (Deficit) %</b>	<b>10%</b>	<b>13%</b>	<b>12%</b>	<b>13%</b>
Unconditional grant	13 842	14 866	15 906	17 020
Capital grants	-	-	-	-
<b>Revenue – Refuse Removal (excl. unconditional and capital grants)</b>	<b>29 294</b>	<b>31 058</b>	<b>32 669</b>	<b>34 730</b>
<b>Net Surplus / (Deficit) (excl. unconditional and capital grants)</b>	<b>(9 413)</b>	<b>(8 827)</b>	<b>(9 906)</b>	<b>(10 277)</b>
<b>Net Surplus / (Deficit) % (excl. unconditional and capital grants)</b>	<b>(32%)</b>	<b>(28%)</b>	<b>(30%)</b>	<b>(30%)</b>

The following table compares current with draft tariffs and increases payable from 1 July 2020:

Refuse Removal	2019/20	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Removal of residential / business refuse pm (Black Bags)	R 131.52	R 140.20	R 149.46	R 159.32	6.60%	6.60%	6.60%

#### Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on various households as per the A-schedule SA14 examples. The **water usage examples are unrealistic** with the current water restrictions.

Description	2020/21 Medium Term Revenue & Expenditure Framework			
	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Rand/cent</b>				
<b>Monthly Account for Household - 'Middle Income Range'</b>				
<b>Rates and services charges:</b>				
Property rates	(22.0%)	312.32	331.10	350.93
Electricity: Basic levy	7.6%	220.58	237.39	255.47
Electricity: Consumption	7.6%	1 918.60	2 064.80	2 222.14
Water: Basic levy	6.0%	68.76	72.89	77.26
Water: Consumption	6.0%	751.68	806.65	865.71
Sanitation	7.5%	251.95	270.87	291.21
Refuse removal	6.6%	140.20	149.46	159.32
Other				
<b>sub-total</b>	<b>4.1%</b>	<b>3 664.10</b>	<b>3 933.16</b>	<b>4 222.05</b>
VAT on Services		502.77	540.31	580.67
<b>Total large household bill:</b>	<b>4.4%</b>	<b>4 166.86</b>	<b>4 473.46</b>	<b>4 802.72</b>
<b>% increase/-decrease</b>		<b>4.4%</b>	<b>7.4%</b>	<b>7.4%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>				
<b>Rates and services charges:</b>				
Property rates	(22.0%)	223.08	236.50	250.67
Electricity: Basic levy	7.6%	220.58	237.39	255.47
Electricity: Consumption	7.6%	786.78	846.74	911.26
Water: Basic levy	6.0%	68.76	72.89	77.26
Water: Consumption	6.0%	418.21	446.50	476.75
Sanitation	7.5%	251.95	270.87	291.21
Refuse removal	6.6%	140.20	149.46	159.32
Other				
<b>sub-total</b>	<b>3.6%</b>	<b>2 109.57</b>	<b>2 260.34</b>	<b>2 421.94</b>
VAT on Services		282.97	303.58	325.69
<b>Total small household bill:</b>	<b>4.0%</b>	<b>2 392.54</b>	<b>2 563.92</b>	<b>2 747.63</b>
<b>% increase/-decrease</b>		<b>4.0%</b>	<b>7.2%</b>	<b>7.2%</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>				
<b>Rates and services charges:</b>				
Property rates	(22.0%)	133.85	141.90	150.40
Electricity: Basic levy	7.6%	220.58	237.39	255.47
Electricity: Consumption	7.6%	401.34	431.93	464.84
Water: Basic levy	6.0%	68.76	72.89	77.26
Water: Consumption	6.0%	226.16	239.73	254.12
Sanitation	7.5%	251.95	270.87	291.21
Refuse removal	6.6%	140.20	149.46	159.32
Other				
<b>sub-total</b>	<b>5.6%</b>	<b>1 442.85</b>	<b>1 544.16</b>	<b>1 652.62</b>
VAT on Services		196.35	210.34	225.33
<b>Total small household bill:</b>	<b>5.8%</b>	<b>1 639.20</b>	<b>1 754.50</b>	<b>1 877.95</b>
<b>% increase/-decrease</b>		<b>5.8%</b>	<b>7.0%</b>	<b>7.0%</b>

#### 1.4.7 Fines

Fines represent approximately 4 per cent of the revenue mix of the municipality. The 2020/21 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.

The significant increase in debt impairment relating to fines can be attributed to the changes in iGRAP 1 specifically relating to fines (non-exchange revenue). 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 efficiency in directorates and to more importantly give effect to expenditure consolidation and cost containment.

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>			
<b>Financial Performance</b>			
Employee costs	241 343	257 065	273 370
Remuneration of councillors	11 471	12 055	12 659
Depreciation & asset impairment	92 755	94 522	102 138
Finance charges	17 355	16 143	14 898
Materials and bulk purchases	285 010	312 752	343 312
Transfers and grants	3 345	3 108	3 283
Other expenditure	127 564	174 314	156 804
<b>Total Expenditure</b>	<b>778 842</b>	<b>869 960</b>	<b>906 464</b>

- The budgeted allocation for employee related costs (excluding Remuneration of Councillors) for the 2020/21 financial year totals R 241 343 million, which equals 30.99 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 and provision were made for R 7 480 million for additional critical posts. The latter filling of the additional posts will however require careful monitoring of budget and real payment rate performance in the new financial year.

- 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 affordable limits, with an amount of R 2003 144 budgeted for training in the 2020/21 operating budget, which constitutes 0.83% of the Municipality's salary budget (excluding councillor remuneration). This budget is considered more than sufficient to provide for training needs within the Municipality given the historic and current training programmes already covered.

- 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 most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.
- The provision of debt impairment was determined based on historical actual collection rates of receivables.
- 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 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 2020/21 MTREF are shown below:

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>			
<b>R&amp;M as a % of PPE</b>	2.6%	2.7%	4.0%
<b>R&amp;M as a % of Operating Expenditure</b>	6.8%	6.3%	9.1%

### 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 totals R 70 207 million in 2020/21 and it will increase to R 84 595 million and R 93 885 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>R100 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



For the month of **February 2020**, support was provided to the following indigent household numbers:

Number of indigent households: 8 991

- Number receiving Property rate discount: 8 030
- Number with access to free basic water: 8 991  
(and exempted by way of subsidy of the water network charge)
- Number with access to free basic electricity: 5934
- Number provided by ESKOM: 2 023
- Number with access to free basic sanitation: 8 490
- Number with access to free basic refuse removal: 8 814

## 1.6 Capital expenditure

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

Vote Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Capital expenditure - Vote</b>			
<b>Multi-year expenditure to be appropriated</b>			
Vote 1 - Corporate Services	–	–	–
Vote 2 - Civil Services	88 592	80 452	44 956
Vote 3 - Council	–	–	–
Vote 4 - Electricity Services	4 800	5 500	5 500
Vote 5 - Financial Services	–	–	–
Vote 6 - Development Services	46 254	6 500	36 760
Vote 7 - Municipal Manager	–	–	–
Vote 8 - Protection Services	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–
<b>Capital multi-year expenditure sub-total</b>	<b>139 646</b>	<b>92 452</b>	<b>87 216</b>
<b>Single-year expenditure to be appropriated</b>			
Vote 1 - Corporate Services	21 980	59	63
Vote 2 - Civil Services	27 870	32 870	38 576
Vote 3 - Council	10	10	10
Vote 4 - Electricity Services	17 276	8 923	9 690
Vote 5 - Financial Services	261	249	259
Vote 6 - Development Services	7 268	293	72
Vote 7 - Municipal Manager	10	10	10
Vote 8 - Protection Services	2 028	3 717	2 196
Vote 15 - [NAME OF VOTE 15]	–	–	–
<b>Capital single-year expenditure sub-total</b>	<b>76 703</b>	<b>46 131</b>	<b>50 876</b>
<b>Total Capital Expenditure - Vote</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>

The following table provides more information on the breakdown of the capital budget.

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CAPITAL EXPENDITURE</b>			
<b>Total New Assets</b>	<b>117 809</b>	<b>40 251</b>	<b>69 726</b>
<i>Roads Infrastructure</i>	40 403	17 100	31 657
<i>Storm water Infrastructure</i>	–	–	–
<i>Electrical Infrastructure</i>	8 506	5 316	5 438
<i>Water Supply Infrastructure</i>	8 626	1 041	7 568
<i>Sanitation Infrastructure</i>	10 306	34	4 250
<i>Solid Waste Infrastructure</i>	250	720	2 000
<b>Infrastructure</b>	<b>68 092</b>	<b>24 211</b>	<b>50 913</b>
Community Facilities	8 700	1 100	700
Sport and Recreation Facilities	4 390	–	–
<b>Community Assets</b>	<b>13 090</b>	<b>1 100</b>	<b>700</b>
Operational Buildings	1 000	4 500	2 000
Housing	2 777	–	4 595
<b>Other Assets</b>	<b>3 777</b>	<b>4 500</b>	<b>6 595</b>
<b>Computer Equipment</b>	<b>1 400</b>	<b>1 087</b>	<b>733</b>
<b>Furniture and Office Equipment</b>	<b>354</b>	<b>205</b>	<b>211</b>
<b>Machinery and Equipment</b>	<b>3 758</b>	<b>2 681</b>	<b>2 116</b>
<b>Transport Assets</b>	<b>5 548</b>	<b>6 467</b>	<b>8 459</b>
<b>Land</b>	<b>21 790</b>	<b>–</b>	<b>–</b>
<b>Total Renewal of Existing Assets</b>	<b>23 198</b>	<b>31 000</b>	<b>33 000</b>
<i>Roads Infrastructure</i>	18 898	24 000	25 000
<i>Electrical Infrastructure</i>	3 300	7 000	8 000
<b>Infrastructure</b>	<b>22 198</b>	<b>31 000</b>	<b>33 000</b>
Community Facilities	1 000	–	–
Sport and Recreation Facilities	–	–	–
<b>Community Assets</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
<b>Total Upgrading of Existing Assets</b>	<b>75 342</b>	<b>67 332</b>	<b>35 366</b>
<i>Storm water Infrastructure</i>	500	–	–
<i>Electrical Infrastructure</i>	7 500	–	–
<i>Water Supply Infrastructure</i>	1 100	3 100	27 720
<i>Sanitation Infrastructure</i>	62 846	62 232	7 646
<b>Infrastructure</b>	<b>71 946</b>	<b>65 332</b>	<b>35 366</b>
Sport and Recreation Facilities	3 396	2 000	–
<b>Community Assets</b>	<b>3 396</b>	<b>2 000</b>	<b>–</b>

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CAPITAL EXPENDITURE</b>			
<b>Total Capital Expenditure</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>
<i>Roads Infrastructure</i>	59 301	41 100	56 657
<i>Storm water Infrastructure</i>	500	–	–
<i>Electrical Infrastructure</i>	19 306	12 316	13 438
<i>Water Supply Infrastructure</i>	9 726	4 141	35 288
<i>Sanitation Infrastructure</i>	73 152	62 266	11 896
<i>Solid Waste Infrastructure</i>	250	720	2 000
<b>Infrastructure</b>	<b>162 236</b>	<b>120 543</b>	<b>119 279</b>
Community Facilities	9 700	1 100	700
Sport and Recreation Facilities	7 786	2 000	–
<b>Community Assets</b>	<b>17 486</b>	<b>3 100</b>	<b>700</b>
Operational Buildings	1 000	4 500	2 000
Housing	2 777	–	4 595
<b>Other Assets</b>	<b>3 777</b>	<b>4 500</b>	<b>6 595</b>
Computer Equipment	1 400	1 087	733
Furniture and Office Equipment	354	205	211
Machinery and Equipment	3 758	2 681	2 116
Transport Assets	5 548	6 467	8 459
Land	21 790	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 068 543</b>	<b>2 074 396</b>	<b>2 152 895</b>
<i>Roads Infrastructure</i>	466 936	460 361	520 343
<i>Storm water Infrastructure</i>	118 319	123 710	135 463
<i>Electrical Infrastructure</i>	329 230	337 737	369 773
<i>Water Supply Infrastructure</i>	378 774	391 641	459 602
<i>Sanitation Infrastructure</i>	437 034	444 342	330 201
<i>Solid Waste Infrastructure</i>	12 287	13 359	13 839
<b>Infrastructure</b>	<b>1 742 580</b>	<b>1 771 149</b>	<b>1 829 220</b>
<b>Community Assets</b>	<b>115 507</b>	<b>106 589</b>	<b>116 021</b>
<b>Heritage Assets</b>	<b>1 120</b>	<b>1 120</b>	<b>1 120</b>
<b>Investment properties</b>	<b>45 338</b>	<b>45 603</b>	<b>45 308</b>
<b>Other Assets</b>	<b>52 937</b>	<b>33 867</b>	<b>34 157</b>
<b>Intangible Assets</b>	<b>558</b>	<b>569</b>	<b>575</b>
Computer Equipment	3 442	2 891	2 660
Furniture and Office Equipment	1 789	1 712	1 861
Machinery and Equipment	10 204	9 790	10 872
Transport Assets	36 191	38 642	42 765
Land	58 876	62 463	68 336
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 068 543</b>	<b>2 074 396</b>	<b>2 152 895</b>

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>EXPENDITURE OTHER ITEMS</b>	<b>144 386</b>	<b>148 287</b>	<b>183 274</b>
<u>Depreciation</u>	91 755	93 522	101 138
<u>Repairs and Maintenance by Asset Class</u>	<b>52 631</b>	<b>54 765</b>	<b>82 136</b>
<i>Roads Infrastructure</i>	4 771	5 035	29 813
<i>Storm water Infrastructure</i>	17 569	17 933	19 138
<i>Electrical Infrastructure</i>	2 685	2 992	3 315
<i>Water Supply Infrastructure</i>	1 384	1 513	1 525
<i>Sanitation Infrastructure</i>	3 920	4 140	4 373
<i>Solid Waste Infrastructure</i>	6 842	7 269	7 610
<b>Infrastructure</b>	<b>37 171</b>	<b>38 881</b>	<b>65 774</b>
Community Facilities	2 037	2 136	2 240
Sport and Recreation Facilities	735	1 192	1 397
<b>Community Assets</b>	<b>2 772</b>	<b>3 328</b>	<b>3 637</b>
Operational Buildings	1 343	990	1 039
Housing	871	651	291
<b>Other Assets</b>	<b>2 214</b>	<b>1 641</b>	<b>1 330</b>
Licences and Rights	3 305	3 448	3 600
<b>Intangible Assets</b>	<b>3 305</b>	<b>3 448</b>	<b>3 600</b>
<b>Computer Equipment</b>	<b>540</b>	<b>563</b>	<b>489</b>
<b>Furniture and Office Equipment</b>	<b>64</b>	<b>67</b>	<b>71</b>
<b>Machinery and Equipment</b>	<b>1 236</b>	<b>1 128</b>	<b>1 162</b>
<b>Transport Assets</b>	<b>5 329</b>	<b>5 708</b>	<b>6 072</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>144 386</b>	<b>148 287</b>	<b>183 274</b>

## 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 2020/21 MTREF budget.

## MBRR Table A1 - Budget Summary

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>			
<b>Financial Performance</b>			
Property rates	137 765	147 200	156 893
Service charges	461 850	504 106	550 258
Investment revenue	38 639	40 051	43 054
Transfers recognised - operational	120 495	176 350	162 620
Other own revenue	59 901	61 639	63 455
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>818 651</b>	<b>929 347</b>	<b>976 280</b>
Employee costs	241 343	257 065	273 370
Remuneration of councillors	11 471	12 055	12 659
Depreciation & asset impairment	92 755	94 522	102 138
Finance charges	17 355	16 143	14 898
Materials and bulk purchases	285 010	312 752	343 312
Transfers and grants	3 345	3 108	3 283
Other expenditure	127 564	174 314	156 804
<b>Total Expenditure</b>	<b>778 842</b>	<b>869 960</b>	<b>906 464</b>
<b>Surplus/(Deficit)</b>	<b>39 809</b>	<b>59 387</b>	<b>69 816</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	85 723	27 755	65 570
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit)	1 141	1 142	1 143
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>
Share of surplus/ (deficit) of associate	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>
<b>Capital expenditure &amp; funds sources</b>			
<b>Capital expenditure</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>
Transfers recognised - capital	85 723	27 755	65 570
Borrowing	25 000	25 000	–
Internally generated funds	105 626	85 828	72 523
<b>Total sources of capital funds</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>
<b>Financial position</b>			
Total current assets	738 056	840 459	846 763
Total non current assets	2 041 333	2 045 849	2 121 635
Total current liabilities	177 589	196 439	216 619
Total non current liabilities	231 429	233 773	235 397
Community wealth/Equity	2 370 372	2 456 097	2 516 382
<b>Cash flows</b>			
Net cash from (used) operating	191 663	153 725	200 707
Net cash from (used) investing	(216 149)	(138 407)	(137 893)
Net cash from (used) financing	37 166	(11 882)	(13 159)
<b>Cash/cash equivalents at the year end</b>	<b>577 666</b>	<b>581 102</b>	<b>630 756</b>
<b>Cash backing/surplus reconciliation</b>			
Cash and investments available	560 172	640 451	613 169
Application of cash and investments	(19 219)	(27 138)	(49 088)
<b>Balance - surplus (shortfall)</b>	<b>579 392</b>	<b>667 590</b>	<b>662 257</b>
<b>Asset management</b>			
Asset register summary (WDV)	2 068 543	2 074 396	2 152 895
Depreciation	91 755	93 522	101 138
Renewal and Upgrading of Existing Assets	98 540	98 332	68 366
Repairs and Maintenance	52 631	54 765	82 136
<b>Free services</b>			
Cost of Free Basic Services provided	59 683	63 362	67 883
Revenue cost of free services provided	5 778	6 024	6 290

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

1. 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).
2. 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.
3. 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:
  - a. The accumulated surplus is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. 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	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue - Functional</b>			
<i><b>Governance and administration</b></i>	<b>226 770</b>	<b>245 921</b>	<b>267 134</b>
Executive and council	290	295	299
Finance and administration	226 480	245 627	266 835
Internal audit	–	–	–
<i><b>Community and public safety</b></i>	<b>106 489</b>	<b>99 241</b>	<b>90 093</b>
Community and social services	14 750	12 088	12 752
Sport and recreation	4 504	3 854	4 020
Public safety	36 341	36 164	36 082
Housing	50 894	47 135	37 239
Health	–	–	–
<i><b>Economic and environmental services</b></i>	<b>15 086</b>	<b>20 974</b>	<b>44 317</b>
Planning and development	3 795	3 961	4 133
Road transport	11 291	17 013	40 183
Environmental protection	–	–	–
<i><b>Trading services</b></i>	<b>557 140</b>	<b>592 076</b>	<b>641 417</b>
Energy sources	339 512	364 827	399 907
Water management	79 940	85 547	106 893
Waste water management	91 764	93 127	82 866
Waste management	45 923	48 576	51 750
<i><b>Other</b></i>	<b>30</b>	<b>31</b>	<b>33</b>
<b>Total Revenue - Functional</b>	<b>905 515</b>	<b>958 244</b>	<b>1 042 994</b>
<b>Expenditure - Functional</b>			
<i><b>Governance and administration</b></i>	<b>140 894</b>	<b>146 727</b>	<b>153 761</b>
Executive and council	22 653	23 877	25 141
Finance and administration	116 367	120 870	126 534
Internal audit	1 874	1 980	2 085
<i><b>Community and public safety</b></i>	<b>105 342</b>	<b>155 978</b>	<b>117 024</b>
Community and social services	20 806	21 948	23 637
Sport and recreation	25 383	26 780	28 515
Public safety	52 870	56 197	58 315
Housing	6 282	51 053	6 556
Health	–	–	–
<i><b>Economic and environmental services</b></i>	<b>61 433</b>	<b>62 524</b>	<b>91 628</b>
Planning and development	14 398	14 389	15 497
Road transport	47 035	48 136	76 131
Environmental protection	–	–	–
<i><b>Trading services</b></i>	<b>469 646</b>	<b>503 114</b>	<b>542 337</b>
Energy sources	296 182	324 503	356 263
Water management	63 487	65 342	68 625
Waste water management	70 092	70 694	72 442
Waste management	39 885	42 575	45 007
<i><b>Other</b></i>	<b>1 528</b>	<b>1 615</b>	<b>1 715</b>
<b>Total Expenditure - Functional</b>	<b>778 842</b>	<b>869 960</b>	<b>906 464</b>
<b>Surplus/(Deficit) for the year</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>

**NB:** The above surpluses include capital grants which results in a higher than real planned budgeted surplus.

### 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	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue by Vote</b>			
Vote 1 - Corporate Services	11 667	11 837	12 505
Vote 2 - Civil Services	222 138	236 182	273 137
Vote 3 - Council	290	295	299
Vote 4 - Electricity Services	339 512	364 827	399 907
Vote 5 - Financial Services	224 655	244 150	265 258
Vote 6 - Development Services	61 151	54 451	44 852
Vote 7 - Municipal Manager	–	–	–
Vote 8 - Protection Services	46 100	46 502	47 035
Vote 9 - [NAME OF VOTE 9]	–	–	–
Vote 9 - [NAME OF VOTE 9]	–	–	–
<b>Total Revenue by Vote</b>	<b>905 515</b>	<b>958 244</b>	<b>1 042 994</b>
<b>Expenditure by Vote to be appropriated</b>			
Vote 1 - Corporate Services	37 985	39 104	41 122
Vote 2 - Civil Services	253 868	261 207	298 071
Vote 3 - Council	18 255	19 242	20 273
Vote 4 - Electricity Services	311 371	340 568	372 942
Vote 5 - Financial Services	55 504	58 527	61 656
Vote 6 - Development Services	29 054	73 986	31 600
Vote 7 - Municipal Manager	8 728	9 243	9 677
Vote 8 - Protection Services	64 077	68 082	71 125
Vote 9 - [NAME OF VOTE 9]	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–
<b>Total Expenditure by Vote</b>	<b>778 842</b>	<b>869 960</b>	<b>906 464</b>
<b>Surplus/(Deficit) for the year</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>

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

1. 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	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue By Source</b>			
Property rates	137 765	147 200	156 893
Service charges - electricity revenue	322 741	354 314	388 969
Service charges - water revenue	63 196	68 583	73 910
Service charges - sanitation revenue	46 691	50 124	54 312
Service charges - refuse revenue	29 222	31 086	33 067
Rental of facilities and equipment	1 702	1 804	1 912
Interest earned - external investments	38 639	40 051	43 054
Interest earned - outstanding debtors	2 957	3 139	3 331
Fines, penalties and forfeits	33 130	33 464	33 803
Licences and permits	4 595	4 865	5 151
Agency services	4 876	5 169	5 479
Transfers and subsidies	120 495	176 350	162 620
Other revenue	12 441	12 998	13 580
Gains	200	200	200
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>818 651</b>	<b>929 347</b>	<b>976 280</b>
<b>Expenditure By Type</b>			
Employee related costs	241 343	257 065	273 370
Remuneration of councillors	11 471	12 055	12 659
Debt impairment	19 954	21 285	22 722
Depreciation & asset impairment	92 755	94 522	102 138
Finance charges	17 355	16 143	14 898
Bulk purchases	253 500	279 500	308 200
Other materials	31 510	33 252	35 112
Contracted services	61 744	104 860	84 392
Transfers and subsidies	3 345	3 108	3 283
Other expenditure	36 420	38 414	39 610
Losses	9 446	9 755	10 080
<b>Total Expenditure</b>	<b>778 842</b>	<b>869 960</b>	<b>906 464</b>
<b>Surplus/(Deficit)</b>	<b>39 809</b>	<b>59 387</b>	<b>69 816</b>
Transfers and subsidies - capital (monetary)	85 723	27 755	65 570
Transfers and subsidies - capital (monetary)	1 141	1 142	1 143
Transfers and subsidies - capital (in-kind - all)	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>
<b>Surplus/(Deficit) for the year</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>

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

1. 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	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Capital expenditure - Vote</b>			
<b>Multi-year expenditure to be appropriated</b>			
Vote 2 - Civil Services	88 592	80 452	44 956
Vote 4 - Electricity Services	4 800	5 500	5 500
Vote 6 - Development Services	46 254	6 500	36 760
<b>Capital multi-year expenditure sub-total</b>	<b>139 646</b>	<b>92 452</b>	<b>87 216</b>
<b>Single-year expenditure to be appropriated</b>			
Vote 1 - Corporate Services	21 980	59	63
Vote 2 - Civil Services	27 870	32 870	38 576
Vote 3 - Council	10	10	10
Vote 4 - Electricity Services	17 276	8 923	9 690
Vote 5 - Financial Services	261	249	259
Vote 6 - Development Services	7 268	293	72
Vote 7 - Municipal Manager	10	10	10
Vote 8 - Protection Services	2 028	3 717	2 196
<b>Capital single-year expenditure sub-total</b>	<b>76 703</b>	<b>46 131</b>	<b>50 876</b>
<b>Total Capital Expenditure - Vote</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>
<b>Capital Expenditure - Functional</b>			
<b>Governance and administration</b>	<b>29 706</b>	<b>5 973</b>	<b>3 132</b>
Executive and council	20	20	20
Finance and administration	29 686	5 953	3 112
<b>Community and public safety</b>	<b>12 159</b>	<b>7 731</b>	<b>3 465</b>
Community and social services	5 170	660	39
Sport and recreation	4 962	3 353	1 230
Public safety	2 028	3 717	2 196
<b>Economic and environmental services</b>	<b>65 836</b>	<b>42 082</b>	<b>62 271</b>
Planning and development	5 859	90	4 689
Road transport	59 977	41 992	57 582
<b>Trading services</b>	<b>108 648</b>	<b>82 797</b>	<b>69 224</b>
Energy sources	20 606	13 266	14 388
Water management	10 063	4 188	35 746
Waste water management	74 029	62 655	13 595
Waste management	3 950	2 688	5 495
<b>Total Capital Expenditure - Functional</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>
<b>Funded by:</b>			
National Government	32 835	27 700	28 810
Provincial Government	52 888	55	36 760
<b>Transfers recognised - capital</b>	<b>85 723</b>	<b>27 755</b>	<b>65 570</b>
<b>Borrowing</b>	<b>25 000</b>	<b>25 000</b>	<b>-</b>
<b>Internally generated funds</b>	<b>105 626</b>	<b>85 828</b>	<b>72 523</b>
<b>Total Capital Funding</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</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 2020/21 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 R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	560 172	640 451	613 169
Call investment deposits	–	–	–
Consumer debtors	118 359	129 563	146 962
Other debtors	39 634	49 509	64 651
Current portion of long-term receivables	47	–	–
Inventory	19 844	20 935	21 982
<b>Total current assets</b>	<b>738 056</b>	<b>840 459</b>	<b>846 763</b>
<b>Non current assets</b>			
Long-term receivables	2	26	26
Investments	–	–	–
Investment property	45 338	45 603	45 308
Investment in Associate	–	–	–
Property, plant and equipment	1 994 315	1 998 531	2 074 606
Biological	–	–	–
Intangible	558	569	575
Other non-current assets	1 120	1 120	1 120
<b>Total non current assets</b>	<b>2 041 333</b>	<b>2 045 849</b>	<b>2 121 635</b>
<b>TOTAL ASSETS</b>	<b>2 779 389</b>	<b>2 886 308</b>	<b>2 968 398</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft	–	–	–
Borrowing	11 846	12 793	13 817
Consumer deposits	13 459	14 370	15 028
Trade and other payables	144 349	160 860	178 858
Provisions	7 935	8 415	8 917
<b>Total current liabilities</b>	<b>177 589</b>	<b>196 439</b>	<b>216 619</b>
<b>Non current liabilities</b>			
Borrowing	123 948	121 624	118 972
Provisions	107 480	112 148	116 425
<b>Total non current liabilities</b>	<b>231 429</b>	<b>233 773</b>	<b>235 397</b>
<b>TOTAL LIABILITIES</b>	<b>409 017</b>	<b>430 211</b>	<b>452 016</b>
<b>NET ASSETS</b>	<b>2 370 372</b>	<b>2 456 097</b>	<b>2 516 382</b>
<b>COMMUNITY WEALTH/EQUITY</b>			
Accumulated Surplus/(Deficit)	2 186 793	2 264 826	2 296 495
Reserves	183 579	191 271	219 886
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 370 372</b>	<b>2 456 097</b>	<b>2 516 382</b>

## Explanatory notes to Table A6 - Budgeted Financial Position

1. 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	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property rates	130 673	139 616	147 237
Service charges	435 485	475 588	513 920
Other revenue	34 378	35 622	36 498
Transfers and Subsidies - Operational	120 495	176 350	162 620
Transfers and Subsidies - Capital	85 723	27 755	65 570
Interest	41 596	43 190	46 385
Dividends	-	-	-
<b>Payments</b>			
Suppliers and employees	(635 988)	(725 145)	(753 343)
Finance charges	(17 355)	(16 143)	(14 898)
Transfers and Grants	(3 345)	(3 108)	(3 283)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>191 663</b>	<b>153 725</b>	<b>200 707</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of PPE	200	200	200
Decrease (increase) in non-current receivables	-	(24)	-
Decrease (increase) in non-current investments	-	-	-
<b>Payments</b>			
Capital assets	(216 349)	(138 583)	(138 093)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(216 149)</b>	<b>(138 407)</b>	<b>(137 893)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Short term loans	-	-	-
Borrowing long term/refinancing	50 000	-	-
Increase (decrease) in consumer deposits	(989)	911	658
<b>Payments</b>			
Repayment of borrowing	(11 846)	(12 793)	(13 817)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>37 166</b>	<b>(11 882)</b>	<b>(13 159)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>12 680</b>	<b>3 435</b>	<b>49 655</b>
Cash/cash equivalents at the year begin:	<b>564 986</b>	<b>577 666</b>	<b>581 102</b>
Cash/cash equivalents at the year end:	<b>577 666</b>	<b>581 102</b>	<b>630 756</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.
3. The cash levels above include unspent grants.

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

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Cash and investments available</b>			
Cash/cash equivalents at the year end	577 666	581 102	630 756
Other current investments > 90 days	(17 494)	59 350	(17 588)
Non current assets - Investments	-	-	-
<b>Cash and investments available:</b>	<b>560 172</b>	<b>640 451</b>	<b>613 169</b>
<b>Application of cash and investments</b>			
Unspent conditional transfers	611	636	661
Unspent borrowing	-	-	-
Statutory requirements	-	-	-
Other working capital requirements	(19 831)	(27 774)	(49 749)
Other provisions	-	-	-
Long term investments committed	-	-	-
Reserves to be backed by cash/investments	-	-	-
<b>Total Application of cash and investments:</b>	<b>(19 219)</b>	<b>(27 138)</b>	<b>(49 088)</b>
<b>Surplus(shortfall)</b>	<b>579 392</b>	<b>667 590</b>	<b>662 257</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 Circular 98 and 99.
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.
4. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 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.

**Note:** Other current investments > 90 days refer to other cash movements and not short-term investments.

**MBRR Table A9 - Asset Management**

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CAPITAL EXPENDITURE</b>			
<b><u>Total New Assets</u></b>	<b>117 809</b>	<b>40 251</b>	<b>69 726</b>
<i>Roads Infrastructure</i>	40 403	17 100	31 657
<i>Storm water Infrastructure</i>	–	–	–
<i>Electrical Infrastructure</i>	8 506	5 316	5 438
<i>Water Supply Infrastructure</i>	8 626	1 041	7 568
<i>Sanitation Infrastructure</i>	10 306	34	4 250
<i>Solid Waste Infrastructure</i>	250	720	2 000
<b>Infrastructure</b>	<b>68 092</b>	<b>24 211</b>	<b>50 913</b>
Community Facilities	8 700	1 100	700
Sport and Recreation Facilities	4 390	–	–
<b>Community Assets</b>	<b>13 090</b>	<b>1 100</b>	<b>700</b>
Operational Buildings	1 000	4 500	2 000
Housing	2 777	–	4 595
<b>Other Assets</b>	<b>3 777</b>	<b>4 500</b>	<b>6 595</b>
<b>Computer Equipment</b>	<b>1 400</b>	<b>1 087</b>	<b>733</b>
<b>Furniture and Office Equipment</b>	<b>354</b>	<b>205</b>	<b>211</b>
<b>Machinery and Equipment</b>	<b>3 758</b>	<b>2 681</b>	<b>2 116</b>
<b>Transport Assets</b>	<b>5 548</b>	<b>6 467</b>	<b>8 459</b>
<b>Land</b>	<b>21 790</b>	<b>–</b>	<b>–</b>
<b><u>Total Renewal of Existing Assets</u></b>	<b>23 198</b>	<b>31 000</b>	<b>33 000</b>
<i>Roads Infrastructure</i>	18 898	24 000	25 000
<i>Electrical Infrastructure</i>	3 300	7 000	8 000
<b>Infrastructure</b>	<b>22 198</b>	<b>31 000</b>	<b>33 000</b>
Community Facilities	1 000	–	–
Sport and Recreation Facilities	–	–	–
<b>Community Assets</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
<b><u>Total Upgrading of Existing Assets</u></b>	<b>75 342</b>	<b>67 332</b>	<b>35 366</b>
<i>Storm water Infrastructure</i>	500	–	–
<i>Electrical Infrastructure</i>	7 500	–	–
<i>Water Supply Infrastructure</i>	1 100	3 100	27 720
<i>Sanitation Infrastructure</i>	62 846	62 232	7 646
<b>Infrastructure</b>	<b>71 946</b>	<b>65 332</b>	<b>35 366</b>
Sport and Recreation Facilities	3 396	2 000	–
<b>Community Assets</b>	<b>3 396</b>	<b>2 000</b>	<b>–</b>

Description  R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CAPITAL EXPENDITURE</b>			
<b>Total Capital Expenditure</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>
<i>Roads Infrastructure</i>	59 301	41 100	56 657
<i>Storm water Infrastructure</i>	500	–	–
<i>Electrical Infrastructure</i>	19 306	12 316	13 438
<i>Water Supply Infrastructure</i>	9 726	4 141	35 288
<i>Sanitation Infrastructure</i>	73 152	62 266	11 896
<i>Solid Waste Infrastructure</i>	250	720	2 000
<b>Infrastructure</b>	<b>162 236</b>	<b>120 543</b>	<b>119 279</b>
Community Facilities	9 700	1 100	700
Sport and Recreation Facilities	7 786	2 000	–
<b>Community Assets</b>	<b>17 486</b>	<b>3 100</b>	<b>700</b>
Operational Buildings	1 000	4 500	2 000
Housing	2 777	–	4 595
<b>Other Assets</b>	<b>3 777</b>	<b>4 500</b>	<b>6 595</b>
Computer Equipment	1 400	1 087	733
Furniture and Office Equipment	354	205	211
Machinery and Equipment	3 758	2 681	2 116
Transport Assets	5 548	6 467	8 459
Land	21 790	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>216 349</b>	<b>138 583</b>	<b>138 093</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 068 543</b>	<b>2 074 396</b>	<b>2 152 895</b>
<i>Roads Infrastructure</i>	466 936	460 361	520 343
<i>Storm water Infrastructure</i>	118 319	123 710	135 463
<i>Electrical Infrastructure</i>	329 230	337 737	369 773
<i>Water Supply Infrastructure</i>	378 774	391 641	459 602
<i>Sanitation Infrastructure</i>	437 034	444 342	330 201
<i>Solid Waste Infrastructure</i>	12 287	13 359	13 839
<b>Infrastructure</b>	<b>1 742 580</b>	<b>1 771 149</b>	<b>1 829 220</b>
<b>Community Assets</b>	<b>115 507</b>	<b>106 589</b>	<b>116 021</b>
<b>Heritage Assets</b>	<b>1 120</b>	<b>1 120</b>	<b>1 120</b>
<b>Investment properties</b>	<b>45 338</b>	<b>45 603</b>	<b>45 308</b>
<b>Other Assets</b>	<b>52 937</b>	<b>33 867</b>	<b>34 157</b>
<b>Intangible Assets</b>	<b>558</b>	<b>569</b>	<b>575</b>
Computer Equipment	3 442	2 891	2 660
Furniture and Office Equipment	1 789	1 712	1 861
Machinery and Equipment	10 204	9 790	10 872
Transport Assets	36 191	38 642	42 765
Land	58 876	62 463	68 336
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 068 543</b>	<b>2 074 396</b>	<b>2 152 895</b>

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>EXPENDITURE OTHER ITEMS</b>	<b>144 386</b>	<b>148 287</b>	<b>183 274</b>
<u>Depreciation</u>	91 755	93 522	101 138
<u>Repairs and Maintenance by Asset Class</u>	<b>52 631</b>	<b>54 765</b>	<b>82 136</b>
<i>Roads Infrastructure</i>	4 771	5 035	29 813
<i>Storm water Infrastructure</i>	17 569	17 933	19 138
<i>Electrical Infrastructure</i>	2 685	2 992	3 315
<i>Water Supply Infrastructure</i>	1 384	1 513	1 525
<i>Sanitation Infrastructure</i>	3 920	4 140	4 373
<i>Solid Waste Infrastructure</i>	6 842	7 269	7 610
<b>Infrastructure</b>	<b>37 171</b>	<b>38 881</b>	<b>65 774</b>
Community Facilities	2 037	2 136	2 240
Sport and Recreation Facilities	735	1 192	1 397
<b>Community Assets</b>	<b>2 772</b>	<b>3 328</b>	<b>3 637</b>
Operational Buildings	1 343	990	1 039
Housing	871	651	291
<b>Other Assets</b>	<b>2 214</b>	<b>1 641</b>	<b>1 330</b>
Licences and Rights	3 305	3 448	3 600
<b>Intangible Assets</b>	<b>3 305</b>	<b>3 448</b>	<b>3 600</b>
<b>Computer Equipment</b>	<b>540</b>	<b>563</b>	<b>489</b>
<b>Furniture and Office Equipment</b>	<b>64</b>	<b>67</b>	<b>71</b>
<b>Machinery and Equipment</b>	<b>1 236</b>	<b>1 128</b>	<b>1 162</b>
<b>Transport Assets</b>	<b>5 329</b>	<b>5 708</b>	<b>6 072</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>144 386</b>	<b>148 287</b>	<b>183 274</b>

### 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 2020/21 expenditure on the renewal and upgrading of existing assets is 45.5% and for 2021/22 increases to 71% but decreases to 49.5% in 2022/23.
4. The expenditure on repairs and maintenance as a percentage of the total expenditure amounts to 6.8% for 2020/21. The repairs and maintenance as a percentage of PPE is at 2.6% for 2020/21.



## MBRR Table A10 - Basic Service Delivery Measurement

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Household service targets</b>			
<b><u>Water:</u></b>			
Piped water inside dwelling	32 872	32 872	32 872
Piped water inside yard (but not in dwelling)	3 232	3 232	3 232
Using public tap (at least min.service level)	55	55	55
Other water supply (at least min.service level)	158	158	158
<i>Minimum Service Level and Above sub-total</i>	36 317	36 317	36 317
Using public tap (< min.service level)	–	–	–
Other water supply (< min.service level)	2 822	2 822	2 822
No water supply	–	–	–
<i>Below Minimum Service Level sub-total</i>	2 822	2 822	2 822
<b>Total number of households</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>
<b><u>Sanitation/sewerage:</u></b>			
Flush toilet (connected to sewerage)	33 744	33 744	33 744
Flush toilet (with septic tank)	3 887	3 887	3 887
Chemical toilet	29	29	29
Pit toilet (ventilated)	37	37	37
Other toilet provisions (> min.service level)	–	–	–
<i>Minimum Service Level and Above sub-total</i>	37 697	37 697	37 697
Bucket toilet	991	991	991
Other toilet provisions (< min.service level)	141	141	141
No toilet provisions	310	310	310
<i>Below Minimum Service Level sub-total</i>	1 442	1 442	1 442
<b>Total number of households</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>
<b><u>Energy:</u></b>			
Electricity (at least min.service level)	38 631	38 631	38 631
Electricity - prepaid (min.service level)	–	–	–
<i>Minimum Service Level and Above sub-total</i>	38 631	38 631	38 631
Electricity (< min.service level)	–	–	–
Electricity - prepaid (< min. service level)	–	–	–
Other energy sources	508	508	508
<i>Below Minimum Service Level sub-total</i>	508	508	508
<b>Total number of households</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>
<b><u>Refuse:</u></b>			
Removed at least once a week	32 675	32 675	32 675
<i>Minimum Service Level and Above sub-total</i>	32 675	32 675	32 675
Removed less frequently than once a week	480	480	480
Using communal refuse dump	897	897	897
Using own refuse dump	4 863	4 863	4 863
Other rubbish disposal	205	205	205
No rubbish disposal	19	19	19
<i>Below Minimum Service Level sub-total</i>	6 464	6 464	6 464
<b>Total number of households</b>	<b>39 139</b>	<b>39 139</b>	<b>39 139</b>
<b><u>Households receiving Free Basic Service</u></b>			
Water (6 kilolitres per household per month)	9 247	9 524	9 810
Sanitation (free minimum level service)	8 745	9 007	9 277
Electricity /other energy (50kwh per household per month)	8 196	8 442	8 695
Refuse (removed at least once a week)	9 078	9 351	9 631

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b><u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u></b>			
Water (6 kilolitres per indigent household per month)	14 253	14 572	15 484
Sanitation (free sanitation service to indigent households)	25 641	27 567	29 637
Electricity/other energy (50kwh per indigent household per month)	4 923	5 317	5 742
Refuse (removed once a week for indigent households)	14 866	15 906	17 020
<b><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></b>	-	-	-
<b>Total cost of FBS provided</b>	<b>59 683</b>	<b>63 362</b>	<b>67 883</b>
<b><u>Highest level of free service provided per household</u></b>			
Property rates (R value threshold)	R 100 000	R 100 000	R 100 000
Water (kilolitres per household per month)	6	6	6
Sanitation (kilolitres per household per month)	-	-	-
Sanitation (Rand per household per month)	R 251.95	R 270.87	R 291.21
Electricity (kwh per household per month)	50	50	50
Refuse (average litres per week- N/A) (Rand per household per month)	R 140.20	R 149.46	R 159.32
<b><u>Revenue cost of subsidised services provided (R'000)</u></b>			
Property rates (tariff adjustment) ( impermissable values per section 17 of MPRA)	-	-	-
Property rates exemptions, reductions and rebates and impermissable values in	5 778	6 024	6 290
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-
<b>Total revenue cost of subsidised services provided</b>	<b>5 778</b>	<b>6 024</b>	<b>6 290</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 (2020/21 – 2024/25) and the budget for the 2020/2021 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 29 August 2019. Key dates applicable to the process were:

- **October / November 2019** – Review of the financial strategy and key economic and financial planning assumptions. This included financial forecasting and scenario considerations;
- **October / November 2019** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

- **30 January 2020** - Council considered and approved the 2019/20 Mid-year Review and Adjustments Budget;
- **February / March 2020** - 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;
- **26 March 2020** - Tabling in Council of the draft 2020/21 IDP and 2020/21 MTREF Budget for public consultation;
- **April 2020** – Public consultation;
- **30 April 2020 @ 12 midday** - Closing date for written comments;
- **1 - 15 May 2020** – Finalisation of the 2020/21 IDP and 2020/21 MTREF Budget, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **28 May 2020** - Tabling of the 2020/21 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 will take place during the month of April 2020. During this process, members of the community will be given the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs will be reviewed and where appropriate the proposed changes will be 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 2020/21 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.

### **MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

WC015 Swartland - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)					
Strategic Objective	Goal	Goal Code	2020/21 Medium Term Revenue & Expenditure Framework		
			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>					
<b>Improved quality of life for</b>	<b>Manage Development Services</b>		<b>3 288</b>	<b>59</b>	<b>60</b>
	Manage Community Development	2928	3 118	38	38
	Manage Multi-Purpose Centres	2961	170	21	22
	<b>Manage Protection Services</b>		<b>46 100</b>	<b>46 502</b>	<b>47 035</b>
	Manage Licensing and Registration Services	7158	9 759	10 339	10 954
	Manage Traffic and Law Enforcement	4168	35 291	35 845	35 763
	Manage Fire and Emergency Services	4136	762	30	30
	Manage the Harbour Yzerfontein	4744	288	288	288
<b>Inclusive economic growth</b>	<b>Facilitate economic development in the municipal area</b>		–	–	–
<b>Quality and sustainable living environment</b>	<b>Manage Development Services</b>		<b>57 863</b>	<b>54 391</b>	<b>44 792</b>
	Manage Development Services	2906	1	1	1
	Manage Planning and Valuations	1732	956	1 002	1 051
	Manage Building Control	1715	2 839	2 958	3 083
	Manage Human Settlements	3546	50 894	47 135	37 239
	Manage the Caravan Park Yzerfontein	4718	3 172	3 295	3 418
<b>Caring, competent and responsive institutions, organisations and business</b>	<b>Manage Corporate Services</b>		<b>11 667</b>	<b>11 837</b>	<b>12 505</b>
	Manage Corporate Services, Secretariat and Records and Ward Committees	0508	204	216	229
	Manage Human Resource Services	1148	676	302	333
	Manage Properties, Contracts and Legal Administration	2988	330	328	348
	Manage Libraries	2956	10 428	10 959	11 562
	Manage Marketing And Tourism	8986	30	31	33
	<b>Manage Financial Services</b>		<b>224 655</b>	<b>244 150</b>	<b>265 258</b>
	Manage Finance (Credit Control, Income, Expenditure, etc)	1135	82 262	92 076	103 224
	Manage Rates	1172	140 843	150 524	160 484
	Manage Financial Management Grant	1140	1 550	1 550	1 550
	<b>Manage Council Expenses</b>				
	Manage Council Expenses	0530	290	295	299
	<b>Manage Civil Engineering Services</b>		<b>561 650</b>	<b>601 009</b>	<b>673 044</b>
	Manage Cemeteries	2920	703	741	781
<b>Sufficient, affordable and well-run services</b>	Manage Parks and Recreational Areas	4766	523	–	–
	Manage Proclaimed Roads	7170	286	293	20 300
	Manage Sewerage	5976	91 463	92 937	82 676
	Manage Sportsgrounds	4778	417	164	174
	Manage Streets	7182	1 436	6 572	9 120
	Manage Storm water	7183	111	–	–
	Manage Swimming Pools	4784	392	395	428
	Manage Water Provision	7792	79 940	85 547	106 893
	Manage Municipal Property	1162	943	957	1 015
	Manage Refuse Removal	6574	45 923	48 576	51 750
	Manage Electricity Distribution	8334	339 512	364 827	399 907
<b>Total Revenue by Vote</b>			<b>905 515</b>	<b>958 244</b>	<b>1 042 994</b>



**MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	2020/21 Medium Term Revenue & Expenditure Framework		
			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand					
Improved quality of life for ...	<b>Manage Development Services</b>		<b>6 459</b>	<b>6 561</b>	<b>7 332</b>
	Manage Community Development	2928	3 088	3 339	3 511
	Manage Multi-Purpose Centres	2961	1 519	1 474	1 975
	Manage Environmental and Occupational Health	1102	1 852	1 747	1 846
	<b>Manage Protection Services</b>		<b>64 077</b>	<b>68 082</b>	<b>71 125</b>
	Manage Protection Services	4114	2 255	2 439	2 794
	Manage Civil Protection	4122	300	300	300
	Manage Licensing and Registration Services	7158	8 652	9 146	9 716
	Manage Traffic and Law Enforcement	4168	45 268	48 073	49 940
	Manage Fire and Emergency Services	4136	7 218	7 714	7 928
	Manage the Harbour Yzerfontein	4744	385	410	447
	<b>Facilitate economic development in the municipal area</b>	<b>0585</b>	<b>150</b>	<b>150</b>	<b>150</b>
Quality and sustainable living environment	<b>Manage Development Services</b>		<b>22 595</b>	<b>67 425</b>	<b>24 268</b>
	Manage Development Services	2906	2 078	2 206	2 336
	Manage Planning and Valuations	1732	8 994	8 639	9 454
	Manage Building Control	1715	3 063	3 237	3 434
	Manage Human Settlements	3546	6 282	51 053	6 556
	Manage the Caravan Park Yzerfontein	4718	2 178	2 290	2 486
Caring, competent and responsive institutions, organisations and business	<b>Manage Corporate Services</b>		<b>37 985</b>	<b>39 104</b>	<b>41 122</b>
	Manage Corporate Services, Secretariat and Records and Ward Committees	0508	15 222	15 348	15 961
	Manage Human Resource Services	1148	6 019	6 007	6 312
	Manage Properties, Contracts and Legal Administration	2988	5 289	5 628	6 019
	Manage Libraries	2956	9 926	10 506	11 115
	Manage Marketing And Tourism	8986	1 528	1 615	1 715
	<b>Manage Electrical Engineering Services</b>				
	Manage ICT Services	1154	13 457	14 234	14 754
	<b>Manage the Office of the Municipal Manager</b>		<b>8 578</b>	<b>9 093</b>	<b>9 527</b>
	Manage the Office of the Municipal Manager	0512	4 398	4 635	4 868
	Manage Internal Audit	1152	1 989	2 095	2 200
	Manage Strategic Services	0585	2 192	2 362	2 458

Strategic Objective	Goal	Goal Code	2020/21 Medium Term Revenue & Expenditure Framework		
			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand					
Sufficient, affordable and well-run services	<b>Manage Financial Services</b>		<b>55 504</b>	<b>58 527</b>	<b>61 656</b>
	Manage Financial Administration	1110	1 940	2 092	2 179
	Manage Supply Chain Management	1180	6 728	7 134	7 627
	Manage the Budget and Treasury Office	1116	4 957	6 298	6 396
	Manage Finance (Credit Control, Income, Expenditure, etc)	1135	36 331	38 545	40 811
	Manage Assets	1113	2 488	1 304	1 384
	Manage Fleet	1137	1 028	1 084	1 146
	Manage Rates	1172	482	521	563
	Manage Financial Management Grant	1140	1 550	1 550	1 550
	<b>Manage Council Expenses</b>				
	Manage Council Expenses	0530	18 255	19 242	20 273
	<b>Manage Civil Engineering Services</b>		<b>551 782</b>	<b>587 541</b>	<b>656 259</b>
	Manage Civil Engineering Services	1704	3 434	3 666	3 886
	Manage Cemeteries	2920	684	701	718
	Manage Parks and Recreational Areas	4766	15 842	17 032	18 286
	Manage Proclaimed Roads	7170	327	519	25 037
	Manage Sewerage	5976	49 449	49 509	49 862
	Manage Waste Water Treatment Works	5977	2 868	3 031	3 205
	Manage Sportsgrounds	4778	3 756	3 741	3 953
	Manage Streets	7182	38 369	38 882	41 968
	Manage Storm water	7183	17 463	17 742	18 785
	Manage Swimming Pools	4784	3 606	3 717	3 790
	Manage Water Provision	7792	63 487	65 342	68 625
	Manage Municipal Property	1162	14 698	14 749	14 949
	Manage Refuse Removal	6574	27 608	29 008	31 324
	Manage Street Cleaning	6575	5 273	5 585	5 900
	Manage Solid Waste Disposal (Landfill Sites)	6579	7 004	7 982	7 784
	Manage Electrical Engineering Services	8309	1 732	1 832	1 925
	Manage Electricity Distribution	8334	294 377	322 449	353 914
	Manage Street Lighting	8381	1 805	2 054	2 349
<b>Total Expenditure</b>			<b>778 842</b>	<b>869 960</b>	<b>906 464</b>

**MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>				
<b>Improved quality of life for citizens</b>	<b>Manage Development Services</b>			
	Manage Multi-Purpose Centres	5 000	323	–
	<b>Manage Protection Services</b>			
	Manage Protection Services	146	153	100
	Manage Licensing and Registration Services	–	394	616
	Manage Traffic and Law Enforcement	562	–	–
	Manage Fire and Emergency Services	1 320	3 170	1 480
<b>Inclusive economic growth</b>	Facilitate economic development in the municipal area	–	–	–
<b>Quality and sustainable living environment</b>	<b>Manage Development Services</b>			
	Manage Development Services	38	40	42
	Manage Planning and Valuations	3 000	–	–
	Manage Building Control	–	–	–
	Manage Human Settlements	45 454	6 400	36 760
	Manage the Caravan Park Yzerfontein	30	30	30
<b>Caring, competent and responsive institutions, organisations and business</b>	<b>Manage Corporate Services</b>			
	Manage Corporate Services, Secretariat and Records and Ward Committees	21 810	22	24
	Manage Properties, Contracts and Legal Administration	100	37	39
	Manage Libraries	70	–	–
	<b>Manage Electrical Engineering Services</b>			
	Manage ICT Services	1 470	1 157	803
	<b>Manage the Office of the Municipal Manager</b>			
	Manage the Office of the Municipal Manager	10	10	10
	<b>Manage Financial Services</b>			
	Manage Financial Administration	44	26	28
	Manage Finance (Credit Control, Income, Expenditure, etc)	217	223	231
	<b>Manage Council Expenses</b>			
	Manage Council Expenses	10	10	10

Strategic Objective	Goal	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand				
Sufficient, affordable and well-run services	<b>Manage Civil Engineering Services</b>			
	Manage Civil Engineering Services	44	50	52
	Manage Cemeteries	–	300	–
	Manage Parks and Recreational Areas	995	1 323	1 200
	Manage Sewerage	350	363	1 673
	Manage Waste Water Treatment Works	62 846	62 232	7 646
	Manage Sportsgrounds	3 396	2 000	–
	Manage Streets	35 274	35 592	35 935
	Manage Storm water	558	60	62
	Manage Swimming Pools	540	–	–
	Manage Water Provision	2 364	4 188	29 442
	Manage Municipal Property	6 145	4 526	2 027
	Manage Refuse Removal	3 950	2 688	5 495
	Manage Electrical Engineering Services	400	350	350
	Manage Electricity Distribution	20 206	12 916	14 038
	Manage Street Lighting	–	–	–
<b>Total Capital Expenditure</b>		<b>216 349</b>	<b>138 583</b>	<b>138 093</b>

### 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.

### MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year	Budget Year	Budget Year
		2020/21	+1 2021/22	+2 2022/23
Improved quality of life for citizens				
Manage Development Services				
Manage Multi-Purpose Centres	Completion of projects	5 000	323	–
Manage Protection Services				
Manage Protection Services	Completion of projects	146	153	100
Manage Licensing and Registration Services	Completion of projects	–	394	616
Manage Traffic and Law Enforcement	Completion of projects	562	–	–
Manage Fire and Emergency Services	Completion of projects	1 320	3 170	1 480
Inclusive economic growth				
Facilitate economic development in the municipal	Completion of projects	–	–	–
Quality and sustainable living environment				
Manage Development Services				
Manage Development Services	Completion of projects	38	40	42
Manage Planning and Valuations	Completion of projects	3 000	–	–
Manage Human Settlements	Completion of projects	45 454	6 400	36 760
Manage the Caravan Park Yzerfontein	Completion of projects	30	30	30
Caring, competent and responsive institutions, organisations and business				
Manage Corporate Services				
Manage Corporate Services, Secretariat and	Completion of projects	21 810	22	24
Manage Properties, Contracts and Legal	Completion of projects	100	37	39
Manage Libraries	Completion of projects	70	–	–
Manage ICT Services				
	Completion of projects	1 470	1 157	803
Manage the Office of the Municipal Manager				
Manage the Office of the Municipal Manager	Completion of projects	10	10	10
Manage Financial Services				
Manage Financial Administration	Completion of projects	44	26	28
Manage Finance (Credit Control, Income,	Completion of projects	217	223	231
Manage Council Expenses				
	Completion of projects	10	10	10
Sufficient, affordable and well-run services				
Manage Civil Engineering Services				
Manage Cemeteries	Completion of projects	44	50	52
Manage Parks and Recreational Areas	Completion of projects	–	300	–
Manage Sewerage	Completion of projects	995	1 323	1 200
Manage Waste Water Treatment Works	Completion of projects	350	363	1 673
Manage Sportsgrounds	Completion of projects	62 846	62 232	7 646
Manage Streets	Completion of projects	3 396	2 000	–
Manage Storm water	Completion of projects	35 274	35 592	35 935
Manage Swimming Pools	Completion of projects	558	60	62
Manage Water Storage	Completion of projects	540	–	–
Manage Municipal Property	Completion of projects	2 364	4 188	29 442
Manage Refuse Removal	Completion of projects	6 145	4 526	2 027
Manage Electrical Engineering Services	Completion of projects	3 950	2 688	5 495
Manage Electricity Distribution	Completion of projects	400	350	350
	Completion of projects	20 206	12 916	14 038

## 2.3 Overview of budget related-policies

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

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	No
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	Yes
11.	Asset Management Policy	Yes	No
12.	Fleet Management Policy	Yes	Yes
13.	Supply Chain Management Policy	Yes	No
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 2019. 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 policy was reviewed and not amended for the 2020/21 financial year.

The 2020/21 MTREF has been prepared on the basis of achieving an average debtors' collection rate of around 94.5 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 not amended for the 2020/21 financial year.

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

The Supply Chain Management Policy was adopted by Council in January 2006. The policy is reviewed annually and the latest amendments for the 2019/20 financial year were approved with the mid-year adjustments budget on 30 January 2020. The policy was reviewed and not amended for the 2020/21 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 amended for the 2020/21 MTREF.

The Budget Implementation Policy was approved in May 2016. The policy was reviewed and not amended for the 2020/21 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 2020/21 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 between 9 -11 months for the 2020/21 MTREF. (**Note**: this cost coverage does not refer to the annual collection rate 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 2020/21 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 2018/19 year was 92.07% and currently around 94.5 per cent budgeted for 2019/20 and 2020/21 MTREF. Other factors include the following previously mentioned:

- SA Economy and Inflation Targets
- **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 quarterly budget performance and payment rates**
- Conditional Grant Transfers to SM, i.e. Housing Allocation
- Further initiatives will need to be looked at for revenue growth
- The impact of double digit Eskom increases over the MTREF and load shedding
- The impact of “COVID 19” that poses unknown material risks to the economy including macro growth

### 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 is currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings. The 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 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 **6.25%** for 2020/21; **6%** for 2021/2022 and **6%** for the 2022/2023 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase where applicable.
- In respect of the other section 56-appointments (**excluding the Municipal Manager, CFO and Directors Civil Services and Development Services**) a **6.25%** increase with effect from 1 July 2020;
- Provision has been made for a **5%** increase for political office bearers which is within the upper band of the inflation targets set by the South African Reserve Bank (SARB);

#### **2.4.6 Ability of the municipality to spend and deliver on the programmes**

It is estimated, based on prior year's performance and current spending trends, that capital expenditure will be no less than 95 per cent of the budgeted amount.

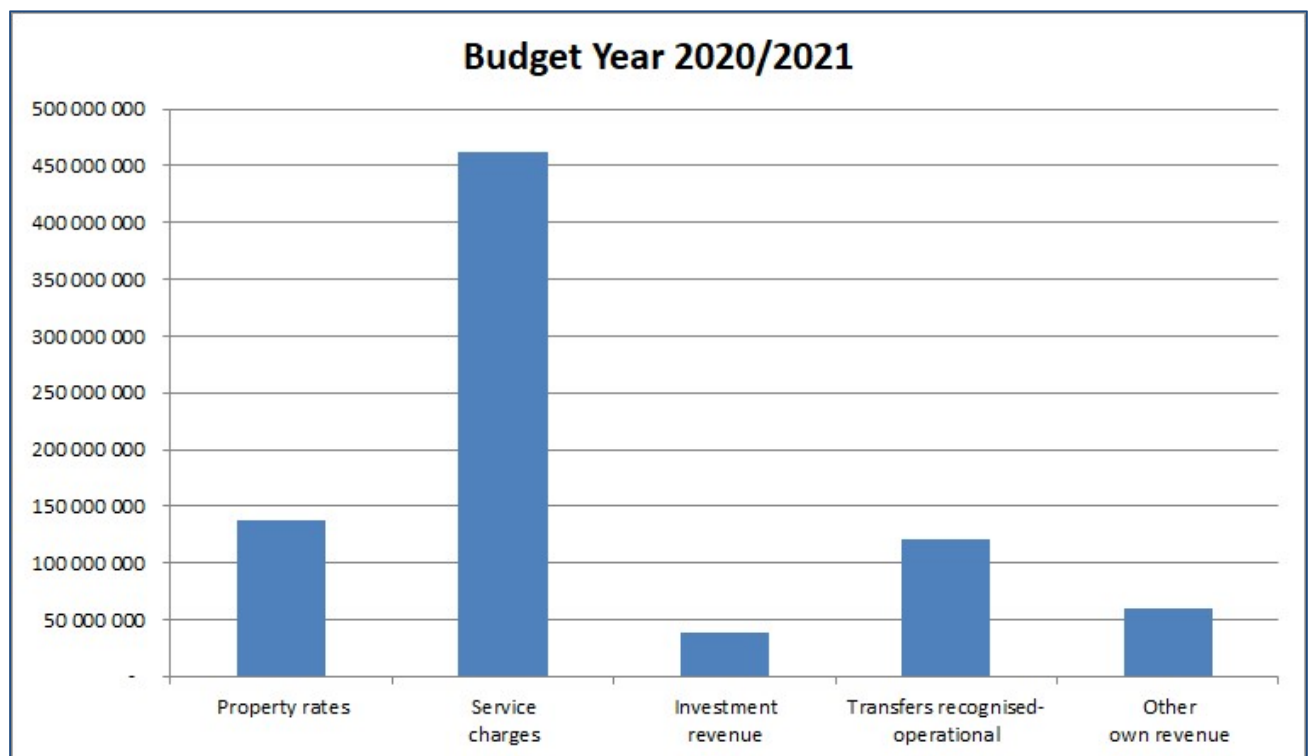
## 2.5 Overview of budget funding

### 2.5.1 Medium-term outlook: operating revenue

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

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>			
<b>Financial Performance</b>			
Property rates	137 765	147 200	156 893
Service charges	461 850	504 106	550 258
Investment revenue	38 639	40 051	43 054
Transfers recognised - operational	120 495	176 350	162 620
Other own revenue	59 901	61 639	63 455
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>818 651</b>	<b>929 347</b>	<b>976 280</b>

The following graph is a breakdown of the operational revenue per main category for the 2020/21 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.

### **MBRR SA15 & SA16 – 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.

#### **2.5.2 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).

### MBRR Table A7 - Budget cash flow statement

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property rates	130 673	139 616	147 237
Service charges	435 485	475 588	513 920
Other revenue	34 378	35 622	36 498
Transfers and Subsidies - Operational	120 495	176 350	162 620
Transfers and Subsidies - Capital	85 723	27 755	65 570
Interest	41 596	43 190	46 385
Dividends	–	–	–
<b>Payments</b>			
Suppliers and employees	(635 988)	(725 145)	(753 343)
Finance charges	(17 355)	(16 143)	(14 898)
Transfers and Grants	(3 345)	(3 108)	(3 283)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>191 663</b>	<b>153 725</b>	<b>200 707</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of PPE	200	200	200
Decrease (increase) in non-current receivables	–	(24)	–
Decrease (increase) in non-current investments	–	–	–
<b>Payments</b>			
Capital assets	(216 349)	(138 583)	(138 093)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(216 149)</b>	<b>(138 407)</b>	<b>(137 893)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Short term loans	–	–	–
Borrowing long term/refinancing	50 000	–	–
Increase (decrease) in consumer deposits	(989)	911	658
<b>Payments</b>			
Repayment of borrowing	(11 846)	(12 793)	(13 817)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>37 166</b>	<b>(11 882)</b>	<b>(13 159)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>12 680</b>	<b>3 435</b>	<b>49 655</b>
Cash/cash equivalents at the year begin:	<b>564 986</b>	<b>577 666</b>	<b>581 102</b>
Cash/cash equivalents at the year end:	<b>577 666</b>	<b>581 102</b>	<b>630 756</b>

### 2.5.3 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).

**MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Cash and investments available</b>			
Cash/cash equivalents at the year end	577 666	581 102	630 756
Other current investments > 90 days	(17 494)	59 350	(17 588)
Non current assets - Investments	-	-	-
<b>Cash and investments available:</b>	<b>560 172</b>	<b>640 451</b>	<b>613 169</b>
<b>Application of cash and investments</b>			
Unspent conditional transfers	611	636	661
Unspent borrowing	-	-	-
Statutory requirements	-	-	-
Other working capital requirements	(19 831)	(27 774)	(49 749)
Other provisions	-	-	-
Long term investments committed	-	-	-
Reserves to be backed by cash/investments	-	-	-
<b>Total Application of cash and investments:</b>	<b>(19 219)</b>	<b>(27 138)</b>	<b>(49 088)</b>
<b>Surplus(shortfall)</b>	<b>579 392</b>	<b>667 590</b>	<b>662 257</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.



## 2.5.4 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.

### MBRR SA10 – Funding compliance measurement

Description	MFMA section	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year	Budget Year +1	Budget Year +2
		2020/21	2021/22	2022/23
<b>Funding measures</b>				
Cash/cash equivalents at the year end - R'000	18(1)b	577 666	581 102	630 756
Cash + investments at the yr end less applications - R'000	18(1)b	579 392	667 590	662 257
Cash year end/monthly employee/supplier payments	18(1)b	10.9	9.6	10.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	126 673	88 284	136 529
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5.1%	2.6%	2.6%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.1%	91.3%	90.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	3.3%	3.3%	3.2%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	38.3%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	100.1%	98.2%	98.8%
Current consumer debtors % change - incr(decr)	18(1)a	4.4%	13.3%	18.2%
R&M % of Property Plant & Equipment	20(1)(vi)	2.6%	2.7%	4.0%
Asset renewal % of capital budget	20(1)(vi)	10.7%	22.4%	23.9%

#### 2.5.4.1 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.

#### 2.5.4.2 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.

#### *2.5.4.3 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 between 9 - 11 months for the 2020/21 MTREF.

#### *2.5.4.4 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.

#### *2.5.4.5 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.

#### *2.5.4.6 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 2018/19 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.

#### *2.5.4.7 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.

#### *2.5.4.8 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.

#### *2.5.4.9 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.

#### *2.5.4.10 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.

#### *2.5.4.11 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.

#### *2.5.4.12 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

### MBRR SA19 - Expenditure on transfers and grant programmes

Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>			
<b>EXPENDITURE:</b>			
<b>Operating expenditure of Transfers and Grants</b>			
<b>National Government:</b>	<b>105 612</b>	<b>115 843</b>	<b>128 527</b>
Local Government Equitable Share	102 195	114 293	126 977
Finance Management	1 550	1 550	1 550
EPWP Incentive	1 867	–	–
<b>Provincial Government:</b>	<b>14 608</b>	<b>60 205</b>	<b>33 760</b>
Community Development: Workers	38	38	38
Human Settlements	1 950	46 680	–
Municipal Accreditation and Capacity Building	238	252	264
Libraries	10 068	10 695	11 283
Proclaimed Roads Subsidy	175	175	20 175
Financial Management Support Grant: Student	401	–	–
Thusong Grant	150	–	–
Establishment of a K9 Unit	1 588	2 365	2 000
<b>Total operating expenditure of Transfers and Grants</b>	<b>120 495</b>	<b>176 350</b>	<b>162 620</b>
<b>Capital expenditure of Transfers and Grants</b>			
<b>National Government:</b>	<b>32 835</b>	<b>27 700</b>	<b>28 810</b>
Municipal Infrastructure Grant (MIG)	21 183	22 700	23 810
Energy Efficiency and Demand Side	4 000	–	–
Integrated National Electrification Programme	7 652	5 000	5 000
<b>Provincial Government:</b>	<b>52 888</b>	<b>55</b>	<b>36 760</b>
Human Settlements	48 474	–	36 760
RSEP/VPUU Municipal Projects	3 000	–	–
Libraries	70	–	–
Fire Service Capacity Building Grant	732	–	–
Establishment of a K9 Unit	612	55	–
<b>Total capital expenditure of Transfers and Grants</b>	<b>85 723</b>	<b>27 755</b>	<b>65 570</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>206 218</b>	<b>204 105</b>	<b>228 190</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	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Cash Transfers to Organisations</b>			
<i>Old age homes</i>	1 049	1 111	1 175
<i>SPCA</i>	296	311	327
<i>NSRI</i>	87	91	96
<i>Museums</i>	221	232	244
<i>Bergriver Canoe Marathon</i>	54	54	54
<i>Tourism associations</i>	816	870	926
<b>Total Cash Transfers To Organisations</b>	<b>2 523</b>	<b>2 668</b>	<b>2 823</b>
<b>Cash Transfers to Groups of Individuals</b>			
<i>Bursaries:non-employees</i>	401	–	–
<i>Welfare organisations</i>	421	440	460
<b>Total Cash Transfers To Groups Of Individuals:</b>	<b>822</b>	<b>440</b>	<b>460</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>3 345</b>	<b>3 108</b>	<b>3 283</b>

## 2.8 Councillor and employee benefits

### MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>			
Basic Salaries and Wages	9 103	9 558	10 036
Pension and UIF Contributions	1 005	1 065	1 129
Medical Aid Contributions	283	297	312
Cellphone Allowance	1 081	1 135	1 183
Other benefits and allowances	—	—	—
<b>Sub Total - Councillors</b>	<b>11 471</b>	<b>12 055</b>	<b>12 659</b>
<b>% increase</b>	<b>—</b>	<b>5.1%</b>	<b>5.0%</b>
<b>Senior Managers of the Municipality</b>			
Basic Salaries and Wages	8 355	8 842	9 354
Pension and UIF Contributions	1 503	1 590	1 686
Medical Aid Contributions	373	394	416
Performance Bonus	598	634	672
Motor Vehicle Allowance	1 038	1 109	1 109
Cellphone Allowance	303	318	334
Other benefits and allowances	191	199	212
Payments in lieu of leave	29	31	33
Long service awards	34	45	67
Post-retirement benefit obligations	484	522	564
<b>Sub Total - Senior Managers of Municipality</b>	<b>12 907</b>	<b>13 685</b>	<b>14 447</b>
<b>% increase</b>	<b>—</b>	<b>6.0%</b>	<b>5.6%</b>
<b>Other Municipal Staff</b>			
Basic Salaries and Wages	141 745	150 647	159 764
Pension and UIF Contributions	25 922	27 343	28 964
Medical Aid Contributions	11 356	11 998	12 634
Overtime	9 352	9 900	10 319
Motor Vehicle Allowance	5 137	5 623	5 623
Cellphone Allowance	552	585	620
Housing Allowances	1 858	2 025	2 150
Other benefits and allowances	23 237	24 574	25 998
Payments in lieu of leave	2 515	2 691	2 880
Long service awards	2 562	3 460	5 073
Post-retirement benefit obligations	4 199	4 535	4 898
<b>Sub Total - Other Municipal Staff</b>	<b>228 436</b>	<b>243 380</b>	<b>258 923</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>241 343</b>	<b>257 065</b>	<b>273 370</b>

**MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		480 991	99 305	220 166			800 462
Chief Whip								-
Executive Mayor			635 333	91 713	263 554			990 599
Deputy Executive Mayor			618 910	89 342	92 925			801 177
Executive Committee			1 884 101	406 812	722 681			3 013 594
Total for all other councillors			3 933 911	600 264	1 331 472			5 865 646
<b>Total Councillors</b>	8	-	<b>7 553 246</b>	<b>1 287 435</b>	<b>2 630 798</b>			<b>11 471 478</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 505 259	349 975	228 289	254 147		2 337 670
Chief Finance Officer			1 161 897	274 088	115 289	176 123		1 727 397
<i>List of each official with packages &gt;= senior manager</i>								
Senior Manager: Protection			1 019 448	274 519	350 645			1 644 612
Senior Manager: Electric			1 096 329	267 733	275 810			1 639 872
Senior Manager: Corporate			1 226 674	289 443	103 466			1 619 583
Senior Manager: Development			1 103 151	265 344	182 690			1 551 185
Senior Manager: Civil			1 120 880	262 135	139 289	167 734		1 690 038
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>8 233 638</b>	<b>1 983 237</b>	<b>1 395 478</b>	<b>598 004</b>		<b>12 210 357</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>15 786 884</b>	<b>3 270 672</b>	<b>4 026 276</b>	<b>598 004</b>		<b>23 681 836</b>



## MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	Budget Year 2020/21		
	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>			
Councillors (Political Office Bearers plus Other Councillors)	23	7	16
Board Members of municipal entities	–	–	–
<b>Municipal employees</b>			
Municipal Manager and Senior Managers	7	7	–
Other Managers			
Professionals	27	26	–
<i>Finance</i>	6	5	–
<i>Spatial/town planning</i>	5	5	–
<i>Information Technology</i>	2	2	–
<i>Roads</i>	–	–	–
<i>Electricity</i>	2	2	–
<i>Water</i>	1	1	–
<i>Sanitation</i>	–	–	–
<i>Refuse</i>	1	1	–
<i>Other</i>	10	10	–
Technicians	34	34	–
<i>Finance</i>	–	–	–
<i>Spatial/town planning</i>	4	4	–
<i>Information Technology</i>	2	2	–
<i>Roads</i>	3	3	–
<i>Electricity</i>	5	5	–
<i>Water</i>	3	3	–
<i>Sanitation</i>	2	2	–
<i>Refuse</i>	3	3	–
<i>Other</i>	12	12	–
Clerks (Clerical and administrative)	132	129	–
Service and sales workers	88	88	–
Skilled agricultural and fishery workers	1	1	–
Craft and related trades	31	29	–
Plant and Machine Operators	48	47	–
Elementary Occupations	248	239	–
<b>TOTAL PERSONNEL NUMBERS</b>	<b>639</b>	<b>607</b>	<b>16</b>

## 2.9 Monthly targets for revenue, expenditure and cash flow

### MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>															
<b>Revenue By Source</b>															
Property rates	11 108	12 954	11 666	11 523	11 811	11 522	11 608	11 406	11 641	11 541	11 652	9 332	137 765	147 200	156 893
Service charges - electricity revenue	23 446	27 176	27 078	26 628	25 589	25 696	25 172	27 095	25 816	29 919	29 811	29 315	322 741	354 314	388 969
Service charges - water revenue	4 542	4 370	4 827	4 828	5 182	5 846	6 195	6 555	5 103	4 914	5 416	5 417	63 196	68 583	73 910
Service charges - sanitation revenue	3 146	3 547	3 484	3 669	3 734	3 821	3 867	4 558	3 997	3 950	3 965	4 953	46 691	50 124	54 312
Service charges - refuse revenue	2 310	2 380	2 264	2 188	2 198	2 218	3 506	1 956	2 548	2 675	2 522	2 458	29 222	31 086	33 067
Rental of facilities and equipment	220	134	136	130	109	124	169	158	123	123	136	140	1 702	1 804	1 912
Interest earned - external investments	807	777	522	461	519	621	503	454	491	613	635	32 234	38 639	40 051	43 054
Interest earned - outstanding debtors	210	217	229	232	234	237	246	342	232	242	266	270	2 957	3 139	3 331
Fines, penalties and forfeits	48	55	48	57	53	54	47	45	38	49	44	32 591	33 130	33 464	33 803
Licences and permits	455	414	417	507	440	324	447	418	174	363	456	180	4 595	4 865	5 151
Agency services	446	440	378	515	396	350	446	377	139	566	436	385	4 876	5 169	5 479
Transfers and subsidies	42 583	—	—	—	—	34 063	—	—	25 549	—	—	18 300	120 495	176 350	162 620
Other revenue	656	982	1 211	1 595	1 414	998	967	1 126	660	991	1 029	811	12 441	12 998	13 580
Gains	—	—	—	—	—	200	—	—	—	—	—	—	200	200	200
<b>Total Revenue (excluding capital transfers and capital grants)</b>	<b>89 976</b>	<b>53 446</b>	<b>52 260</b>	<b>52 334</b>	<b>51 680</b>	<b>86 073</b>	<b>53 175</b>	<b>54 492</b>	<b>76 513</b>	<b>55 947</b>	<b>56 368</b>	<b>136 387</b>	<b>818 651</b>	<b>929 347</b>	<b>976 280</b>
<b>Expenditure By Type</b>															
Employee related costs	17 605	18 274	18 386	18 412	29 844	18 457	18 475	18 427	17 909	18 332	18 332	28 889	241 343	257 065	273 370
Remuneration of councillors	956	956	956	956	956	956	956	956	956	956	956	956	11 471	12 055	12 659
Debt impairment	—	—	—	—	—	—	—	—	—	—	—	19 954	19 954	21 285	22 722
Depreciation & asset impairment	7 646	7 646	7 646	7 646	7 646	7 646	7 646	7 646	7 646	7 646	7 646	8 646	92 755	94 522	102 138
Finance charges	—	—	—	—	—	8 823	—	—	—	—	—	8 532	17 355	16 143	14 898
Bulk purchases	10 140	21 548	21 801	19 773	18 525	18 252	17 999	22 815	23 576	23 829	24 083	31 161	253 500	279 500	308 200
Other materials	2 470	2 666	2 484	2 905	2 906	2 573	2 837	2 479	2 477	2 568	2 643	2 502	31 510	33 252	35 112
Contracted services	3 121	5 375	5 531	5 593	6 443	6 967	4 714	4 480	4 659	5 287	5 158	4 414	61 744	104 860	84 392
Transfers and subsidies	114	322	641	204	414	132	182	277	132	415	226	284	3 345	3 108	3 283
Other expenditure	1 602	2 661	4 027	5 487	3 459	4 346	2 233	1 856	2 064	2 603	2 663	3 419	36 420	38 414	39 610
Losses	—	—	—	—	—	—	—	—	—	—	—	9 446	9 446	9 755	10 080
<b>Total Expenditure</b>	<b>43 654</b>	<b>59 448</b>	<b>61 472</b>	<b>60 977</b>	<b>70 193</b>	<b>68 153</b>	<b>55 042</b>	<b>58 935</b>	<b>59 418</b>	<b>61 638</b>	<b>61 709</b>	<b>118 204</b>	<b>778 842</b>	<b>869 960</b>	<b>906 464</b>
<b>Surplus/(Deficit)</b>	<b>46 322</b>	<b>(6 002)</b>	<b>(9 212)</b>	<b>(8 643)</b>	<b>(18 513)</b>	<b>17 920</b>	<b>(1 867)</b>	<b>(4 443)</b>	<b>17 094</b>	<b>(5 691)</b>	<b>(5 340)</b>	<b>18 183</b>	<b>39 809</b>	<b>59 387</b>	<b>69 816</b>
Transfers and subsidies - capital (monetary)	—	—	—	—	—	—	—	—	—	—	—	85 723	85 723	27 755	65 570
Transfers and subsidies - capital (monetary)	83	94	94	94	94	94	94	115	94	94	94	93	1 141	1 142	1 143
Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	<b>46 406</b>	<b>(5 908)</b>	<b>(9 117)</b>	<b>(8 549)</b>	<b>(18 419)</b>	<b>18 015</b>	<b>(1 773)</b>	<b>(4 328)</b>	<b>17 189</b>	<b>(5 597)</b>	<b>(5 246)</b>	<b>103 999</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>

**MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote 1 - Corporate Services	63	68	69	65	72	48	111	60	49	59	66	10 937	11 667	11 837	12 505
Vote 2 - Civil Services	33 161	10 695	10 986	11 129	11 549	30 662	14 064	13 563	25 734	11 972	12 331	36 291	222 138	236 182	273 137
Vote 3 - Council	32	20	18	20	42	17	20	33	19	32	20	18	290	295	299
Vote 4 - Electricity Services	25 514	27 192	27 094	26 644	25 605	27 353	25 188	27 111	27 063	29 936	29 827	40 985	339 512	364 827	399 907
Vote 5 - Financial Services	29 933	14 029	12 509	12 317	12 650	26 822	12 468	12 289	23 057	12 490	12 633	43 457	224 655	244 150	265 258
Vote 6 - Development Services	372	581	792	1 060	912	495	455	656	304	536	590	54 399	61 151	54 451	44 852
Vote 7 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Protection Services	984	955	887	1 194	943	771	963	895	380	1 016	995	36 116	46 100	46 502	47 035
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>90 060</b>	<b>53 540</b>	<b>52 355</b>	<b>52 428</b>	<b>51 774</b>	<b>86 167</b>	<b>53 269</b>	<b>54 607</b>	<b>76 607</b>	<b>56 041</b>	<b>56 463</b>	<b>222 203</b>	<b>905 515</b>	<b>958 244</b>	<b>1 042 994</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Corporate Services	2 652	2 756	2 874	2 900	4 116	4 274	2 699	2 645	3 189	2 686	3 109	4 085	37 985	39 104	41 122
Vote 2 - Civil Services	15 946	18 269	17 989	19 589	23 223	27 674	17 737	17 215	16 750	18 134	17 515	43 827	253 868	261 207	298 071
Vote 3 - Council	1 117	1 337	3 447	1 195	1 403	1 697	1 160	1 272	1 108	1 405	1 826	1 287	18 255	19 242	20 273
Vote 4 - Electricity Services	14 057	26 316	26 019	24 762	24 525	23 064	22 205	26 892	27 713	28 039	28 349	39 431	311 371	340 568	372 942
Vote 5 - Financial Services	3 506	3 986	4 270	5 219	5 971	4 072	4 258	4 045	3 940	3 924	4 047	8 266	55 504	58 527	61 656
Vote 6 - Development Services	2 178	2 182	2 241	2 620	3 662	2 447	2 279	2 221	2 152	2 316	2 189	2 566	29 054	73 986	31 600
Vote 7 - Municipal Manager	653	659	661	665	919	653	678	654	674	656	698	1 159	8 728	9 243	9 677
Vote 8 - Protection Services	3 545	3 943	3 970	4 028	6 373	4 272	4 026	3 990	3 892	4 478	3 976	17 584	64 077	68 082	71 125
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>43 654</b>	<b>59 448</b>	<b>61 472</b>	<b>60 977</b>	<b>70 193</b>	<b>68 153</b>	<b>55 042</b>	<b>58 935</b>	<b>59 418</b>	<b>61 638</b>	<b>61 709</b>	<b>118 204</b>	<b>778 842</b>	<b>869 960</b>	<b>906 464</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>46 406</b>	<b>(5 908)</b>	<b>(9 117)</b>	<b>(8 549)</b>	<b>(18 419)</b>	<b>18 015</b>	<b>(1 773)</b>	<b>(4 328)</b>	<b>17 189</b>	<b>(5 597)</b>	<b>(5 246)</b>	<b>103 999</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>46 406</b>	<b>(5 908)</b>	<b>(9 117)</b>	<b>(8 549)</b>	<b>(18 419)</b>	<b>18 015</b>	<b>(1 773)</b>	<b>(4 328)</b>	<b>17 189</b>	<b>(5 597)</b>	<b>(5 246)</b>	<b>103 999</b>	<b>126 673</b>	<b>88 284</b>	<b>136 529</b>

**MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue - Functional</b>															
<b>Governance and administration</b>	30 040	14 117	12 615	12 433	12 864	26 922	12 604	12 396	23 161	12 609	12 743	44 266	226 770	245 921	267 134
Executive and council	32	20	18	20	42	17	20	33	19	32	20	18	290	295	299
Finance and administration	30 008	14 097	12 597	12 413	12 822	26 904	12 584	12 364	23 142	12 577	12 724	44 248	226 480	245 627	266 835
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	347	352	488	1 062	557	486	539	560	337	360	630	100 771	106 489	99 241	90 093
Community and social services	121	129	106	90	105	96	133	107	61	104	108	13 589	14 750	12 088	12 752
Sport and recreation	173	146	303	816	337	306	318	369	196	178	435	927	4 504	3 854	4 020
Public safety	38	61	62	141	100	68	72	68	64	62	70	35 536	36 341	36 164	36 082
Housing	16	16	16	16	16	16	16	16	16	16	16	50 718	50 894	47 135	37 239
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	1 233	1 334	1 327	1 365	1 380	1 020	1 117	1 195	466	1 335	1 094	2 220	15 086	20 974	44 317
Planning and development	269	422	484	293	518	298	208	348	132	362	151	309	3 795	3 961	4 133
Road transport	964	912	843	1 072	862	721	909	846	335	973	943	1 911	11 291	17 013	40 183
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	58 438	37 735	37 923	37 565	36 970	57 738	39 007	40 453	52 640	41 735	41 992	74 944	557 140	592 076	641 417
Energy sources	25 514	27 192	27 094	26 644	25 605	27 353	25 188	27 111	27 063	29 936	29 827	40 985	339 512	364 827	399 907
Water management	10 672	4 561	5 018	5 019	5 373	10 788	6 385	6 746	8 857	5 105	5 607	5 809	79 940	85 547	106 893
Waste water management	13 748	3 478	3 405	3 590	3 654	12 292	3 789	4 475	10 332	3 874	3 898	25 227	91 764	93 127	82 866
Waste management	8 504	2 503	2 405	2 313	2 337	7 305	3 644	2 121	6 387	2 821	2 660	2 923	45 923	48 576	51 750
<b>Other</b>	2	2	2	2	2	2	2	2	2	2	2	2	30	31	33
<b>Total Revenue - Functional</b>	90 060	53 540	52 355	52 428	51 774	86 167	53 269	54 607	76 607	56 041	56 463	222 203	905 515	958 244	1 042 994

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Expenditure - Functional</b>															
<b>Governance and administration</b>	9 000	10 573	12 804	11 504	14 462	13 030	10 109	9 653	10 155	9 955	10 939	18 709	140 894	146 727	153 761
Executive and council	1 445	1 671	3 778	1 523	1 812	2 025	1 488	1 601	1 436	1 733	2 155	1 985	22 653	23 877	25 141
Finance and administration	7 404	8 751	8 870	9 819	12 411	10 854	8 469	7 900	8 568	8 071	8 633	16 618	116 367	120 870	126 534
Internal audit	151	151	156	162	239	151	151	151	151	151	151	105	1 874	1 980	2 085
<b>Community and public safety</b>	6 645	7 213	7 224	7 795	11 086	7 719	7 314	7 323	7 070	7 849	7 185	20 918	105 342	155 978	117 024
Community and social services	1 531	1 554	1 526	1 647	2 468	1 693	1 580	1 577	1 612	1 624	1 582	2 413	20 806	21 948	23 637
Sport and recreation	1 803	1 957	1 961	2 270	2 959	2 050	1 963	1 928	1 847	1 987	1 874	2 785	25 383	26 780	28 515
Public safety	2 824	3 210	3 251	3 314	5 084	3 494	3 283	3 266	3 124	3 748	3 245	15 026	52 870	56 197	58 315
Housing	486	492	486	564	576	481	488	552	488	489	484	695	6 282	51 053	6 556
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	4 466	4 781	5 006	5 385	6 936	5 210	4 710	4 531	4 482	5 243	4 854	5 830	61 433	62 524	91 628
Planning and development	1 032	997	1 084	1 305	2 127	1 242	1 128	976	994	1 089	1 041	1 383	14 398	14 389	15 497
Road transport	3 433	3 784	3 922	4 080	4 809	3 968	3 583	3 555	3 488	4 154	3 812	4 447	47 035	48 136	76 131
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	23 422	36 760	36 316	36 173	37 559	42 071	32 787	37 307	37 590	38 471	38 610	72 580	469 646	503 114	542 337
Energy sources	13 052	24 598	24 874	23 693	22 459	21 807	21 089	25 885	26 555	26 894	27 147	38 128	296 182	324 503	356 263
Water management	4 131	4 308	4 353	4 632	5 088	4 733	4 379	4 338	4 204	4 326	4 326	14 669	63 487	65 342	68 625
Waste water management	3 847	4 450	4 186	4 680	5 851	12 338	4 253	4 169	3 845	4 254	4 100	14 118	70 092	70 694	72 442
Waste management	2 391	3 404	2 903	3 168	4 161	3 192	3 066	2 916	2 986	2 997	3 037	5 665	39 885	42 575	45 007
<b>Other</b>	121	121	121	121	151	123	121	121	121	121	121	166	1 528	1 615	1 715
<b>Total Expenditure - Functional</b>	43 654	59 448	61 472	60 977	70 193	68 153	55 042	58 935	59 418	61 638	61 709	118 204	778 842	869 960	906 464
<b>Surplus/(Deficit) before assoc.</b>	46 406	(5 908)	(9 117)	(8 549)	(18 419)	18 015	(1 773)	(4 328)	17 189	(5 597)	(5 246)	103 999	126 673	88 284	136 529
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	46 406	(5 908)	(9 117)	(8 549)	(18 419)	18 015	(1 773)	(4 328)	17 189	(5 597)	(5 246)	103 999	126 673	88 284	136 529

**MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

WC015 Swartland - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Civil Services		3 000	3 200	6 851	8 750	9 750	7 767	7 350	8 779	9 500	8 004	8 900	6 741	88 592	80 452	44 956
Vote 3 - Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity Services		-	-	100	100	100	1 100	1 100	1 100	1 100	100	-	-	4 800	5 500	5 500
Vote 5 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Development Services		5 325	5 550	6 041	5 720	7 109	6 434	4 433	2 588	2 304	250	250	250	46 254	6 500	36 760
Vote 7 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Protection Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	8 325	8 750	12 992	14 570	16 959	15 301	12 883	12 466	12 904	8 354	9 150	6 991	139 646	92 452	87 216
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Corporate Services		12 670	8 033	-	10	52	-	10	20	23	412	20	730	21 980	59	63
Vote 2 - Civil Services		88	93	2 329	4 353	5 558	3 564	1 428	3 000	3 515	2 858	695	388	27 870	32 870	38 576
Vote 3 - Council		2	-	-	-	2	-	2	-	2	-	2	-	10	10	10
Vote 4 - Electricity Services		114	227	607	797	4 412	642	857	1 897	2 107	2 372	1 927	1 317	17 276	8 923	9 690
Vote 5 - Financial Services		-	2	3	241	3	2	5	3	2	-	-	-	261	249	259
Vote 6 - Development Services		6	885	785	884	1 042	580	528	735	606	606	606	6	7 268	293	72
Vote 7 - Municipal Manager		-	2	-	-	2	-	2	-	2	-	2	-	10	10	10
Vote 8 - Protection Services		-	-	35	32	597	10	20	45	20	10	1 259	-	2 028	3 717	2 196
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	12 880	9 243	3 759	6 317	11 668	4 798	2 852	5 700	6 276	6 258	4 511	2 441	76 703	46 131	50 876
<b>Total Capital Expenditure</b>	2	21 205	17 993	16 751	20 887	28 627	20 099	15 735	18 167	19 180	14 612	13 661	9 432	216 349	138 583	138 093

## MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

WC015 Swartland - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		12 672	8 214	595	1 048	1 061	757	271	510	516	1 424	811	1 827	29 706	5 973	3 132
Executive and council		2	2	-	-	4	-	4	-	4	-	4	-	20	20	20
Finance and administration		12 670	8 212	595	1 048	1 057	757	267	510	512	1 424	807	1 827	29 686	5 953	3 112
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		61	491	506	1 513	2 315	1 248	801	1 292	701	821	2 140	271	12 159	7 731	3 465
Community and social services		-	430	400	410	640	400	410	620	620	610	620	10	5 170	660	39
Sport and recreation		61	61	71	1 071	1 079	838	371	627	61	201	261	261	4 962	3 353	1 230
Public safety		-	-	35	32	597	10	20	45	20	10	1 259	-	2 028	3 717	2 196
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		2 988	3 448	6 416	9 646	11 298	8 155	5 571	6 666	6 889	2 253	2 253	253	65 836	42 082	62 271
Planning and development		352	707	527	712	461	561	352	552	873	253	253	253	5 859	90	4 689
Road transport		2 636	2 741	5 889	8 933	10 836	7 594	5 218	6 114	6 016	2 000	2 000	0	59 977	41 992	57 582
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		5 484	5 840	9 233	8 681	13 953	9 938	9 093	9 699	11 075	10 114	8 457	7 081	108 648	82 797	69 224
Energy sources		114	220	620	850	4 240	1 742	1 950	2 990	3 200	2 150	1 920	610	20 606	13 266	14 388
Water management		924	1 007	1 503	1 187	1 547	1 062	937	254	725	350	437	130	10 063	4 188	35 746
Waste water management		4 446	4 613	7 100	6 635	8 116	7 124	6 195	6 155	6 150	5 304	6 000	6 191	74 029	62 655	13 595
Waste management		-	-	10	10	50	10	10	300	1 000	2 310	100	150	3 950	2 688	5 495
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	21 205	17 993	16 751	20 887	28 627	20 099	15 735	18 167	19 180	14 612	13 661	9 432	216 349	138 583	138 093
<b>Funded by:</b>																
National Government		1 000	1 000	2 000	2 000	3 027	3 352	3 400	4 500	4 700	3 004	2 600	2 253	32 835	27 700	28 810
Provincial Government		5 325	6 330	6 375	6 122	8 228	6 573	4 562	3 327	2 924	1 260	1 602	260	52 888	55	36 760
Transfers recognised - capital		6 325	7 330	8 375	8 122	11 255	9 925	7 962	7 827	7 624	4 264	4 202	2 513	85 723	27 755	65 570
Borrowing		2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	3 000	2 000	25 000	25 000	-
Internally generated funds		12 880	8 663	6 376	10 766	15 372	8 174	5 773	8 340	9 556	8 348	6 459	4 919	105 626	85 828	72 523
<b>Total Capital Funding</b>		21 205	17 993	16 751	20 887	28 627	20 099	15 735	18 167	19 180	14 612	13 661	9 432	216 349	138 583	138 093



**MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	10 536	12 287	11 066	10 930	11 203	10 929	11 010	10 819	11 042	10 947	11 052	8 852	130 672 853	139 616 158	147 237 388
Service charges - electricity revenue	22 194	25 725	25 632	25 206	24 222	24 323	23 828	25 648	24 438	28 321	28 219	27 750	305 504 733	335 484 680	364 513 259
Service charges - water revenue	4 238	4 077	4 504	4 504	4 835	5 454	5 779	6 116	4 761	4 584	5 053	5 054	58 958 915	64 064 688	68 385 115
Service charges - sanitation revenue	2 952	3 328	3 269	3 443	3 504	3 585	3 628	4 277	3 751	3 706	3 720	4 647	43 808 530	47 062 554	50 495 955
Service charges - refuse revenue	2 151	2 216	2 108	2 038	2 047	2 065	3 265	1 822	2 373	2 491	2 348	2 289	27 212 986	28 976 015	30 526 148
Rental of facilities and equipment	220	134	136	130	109	124	169	158	123	123	136	140	1 702 106	1 803 866	1 911 732
Interest earned - external investments	807	777	522	461	519	621	503	454	491	613	635	32 234	38 638 697	40 050 950	43 054 012
Interest earned - outstanding debtors	210	217	229	232	234	237	246	342	232	242	266	270	2 957 489	3 138 695	3 331 073
Fines, penalties and forfeits	19	22	19	23	21	21	19	18	15	20	17	13 037	13 251 951	13 385 750	13 521 056
Licences and permits	455	414	417	507	440	324	447	418	174	363	456	180	4 595 004	4 865 267	4 996 933
Agency services	446	440	378	515	396	350	446	377	139	566	436	385	4 876 000	5 168 560	5 204 740
Transfers and Subsidies - Operational	42 583	-	-	-	-	34 063	-	-	25 549	-	-	18 300	120 495 285	176 350 374	162 619 611
Other revenue	524	786	969	1 276	1 131	798	774	901	528	792	823	649	9 952 637	10 398 632	10 863 831
<b>Cash Receipts by Source</b>	<b>87 335</b>	<b>50 422</b>	<b>49 248</b>	<b>49 264</b>	<b>48 662</b>	<b>82 895</b>	<b>50 116</b>	<b>51 350</b>	<b>73 615</b>	<b>52 770</b>	<b>53 163</b>	<b>113 786</b>	<b>762 627 186</b>	<b>870 366 190</b>	<b>906 660 853</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	85 723	85 722 600	27 755 000	65 570 000
Transfers and subsidies - capital (monetary allocations) (Municipal)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-	-	200	200 000	200 000	200 000
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	50 000	50 000 000	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	(989)	-988 692	911 099	657 847
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-23 811	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>87 335</b>	<b>50 422</b>	<b>49 248</b>	<b>49 264</b>	<b>48 662</b>	<b>82 895</b>	<b>50 116</b>	<b>51 350</b>	<b>73 615</b>	<b>52 770</b>	<b>53 163</b>	<b>248 720</b>	<b>897 561 093</b>	<b>899 208 478</b>	<b>973 088 700</b>

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>															
<b>Cash Payments by Type</b>															
Employee related costs	17 605	18 274	18 386	18 412	29 844	18 457	18 475	18 427	17 909	18 332	18 332	28 889	241 343	257 065	273 370
Remuneration of councillors	956	956	956	956	956	956	956	956	956	956	956	956	11 471	12 055	12 659
Finance charges	-	-	-	-	-	8 823	-	-	-	-	-	8 532	17 355	16 143	14 898
Bulk purchases - Electricity	10 140	21 548	21 801	19 773	18 525	18 252	17 999	22 815	23 576	23 829	24 083	31 161	253 500	279 500	308 200
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	2 470	2 666	2 484	2 905	2 906	2 573	2 837	2 479	2 477	2 568	2 643	2 502	31 510	33 252	35 112
Contracted services	3 121	5 375	5 531	5 593	6 443	6 967	4 714	4 480	4 659	5 287	5 158	4 414	61 744	104 860	84 392
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	3 345	3 345	3 108	3 283
Other expenditure	1 602	2 661	4 027	5 487	3 459	4 346	2 233	1 856	2 064	2 603	2 663	3 419	36 420	38 414	39 610
<b>Cash Payments by Type</b>	<b>35 894</b>	<b>51 480</b>	<b>53 185</b>	<b>53 127</b>	<b>62 132</b>	<b>60 374</b>	<b>47 213</b>	<b>51 012</b>	<b>51 640</b>	<b>53 576</b>	<b>53 836</b>	<b>83 217</b>	<b>656 687</b>	<b>744 397</b>	<b>771 524</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	21 205	17 213	16 071	20 109	27 691	19 525	15 213	17 437	18 580	14 012	13 061	16 232	216 349	138 583	138 093
Repayment of borrowing	-	-	-	-	-	5 923	-	-	-	-	-	5 923	11 846	12 793	13 817
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>57 099</b>	<b>68 693</b>	<b>69 256</b>	<b>73 236</b>	<b>89 823</b>	<b>85 822</b>	<b>62 426</b>	<b>68 450</b>	<b>70 220</b>	<b>67 588</b>	<b>66 897</b>	<b>105 372</b>	<b>884 881</b>	<b>895 773</b>	<b>923 434</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>30 236</b>	<b>(18 271)</b>	<b>(20 008)</b>	<b>(23 971)</b>	<b>(41 162)</b>	<b>(2 926)</b>	<b>(12 310)</b>	<b>(17 100)</b>	<b>3 395</b>	<b>(14 818)</b>	<b>(13 734)</b>	<b>143 348</b>	<b>12 680</b>	<b>3 435</b>	<b>49 655</b>
Cash/cash equivalents at the month/year begin:	564 987	595 223	576 952	556 944	532 973	491 811	488 885	476 574	459 475	462 870	448 052	434 318	564 987	577 666	581 102

## 2.10 Contracts having future budgetary implications

### MBRR SA33 - 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.

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework			Total Contract Value
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate
<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.

**MBRR SA34a - Capital expenditure on new assets by asset class**

Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>			
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>				
<b>Infrastructure</b>		<b>68 092</b>	<b>24 211</b>	<b>50 913</b>
Roads Infrastructure		40 403	17 100	31 657
<i>Roads</i>		40 403	17 100	31 657
Electrical Infrastructure		8 506	5 316	5 438
<i>MV Switching Stations</i>		200	–	–
<i>MV Networks</i>		7 152	5 000	5 000
<i>LV Networks</i>		1 154	316	438
Water Supply Infrastructure		8 626	1 041	7 568
<i>Distribution</i>		8 626	1 041	7 568
Sanitation Infrastructure		10 306	34	4 250
<i>Reticulation</i>		10 306	34	4 250
Solid Waste Infrastructure		250	720	2 000
<i>Landfill Sites</i>		250	720	2 000
<b>Community Assets</b>		<b>13 090</b>	<b>1 100</b>	<b>700</b>
Community Facilities		8 700	1 100	700
<i>Centres</i>		5 000	100	–
<i>Cemeteries/Crematoria</i>		–	300	–
<i>Parks</i>		700	700	700
<i>Public Open Space</i>		3 000	–	–
Sport and Recreation Facilities		4 390	–	–
<i>Indoor Facilities</i>		3 850	–	–
<i>Outdoor Facilities</i>		540	–	–
<b>Other assets</b>		<b>3 777</b>	<b>4 500</b>	<b>6 595</b>
Operational Buildings		1 000	4 500	2 000
<i>Municipal Offices</i>		500	3 500	2 000
<i>Yards</i>		500	1 000	–
Housing		2 777	–	4 595
<i>Social Housing</i>		2 777	–	4 595
<b>Computer Equipment</b>		<b>1 400</b>	<b>1 087</b>	<b>733</b>
Computer Equipment		1 400	1 087	733
<b>Furniture and Office Equipment</b>		<b>354</b>	<b>205</b>	<b>211</b>
Furniture and Office Equipment		354	205	211
<b>Machinery and Equipment</b>		<b>3 758</b>	<b>2 681</b>	<b>2 116</b>
Machinery and Equipment		3 758	2 681	2 116
<b>Transport Assets</b>		<b>5 548</b>	<b>6 467</b>	<b>8 459</b>
Transport Assets		5 548	6 467	8 459
<b>Land</b>		<b>21 790</b>	<b>–</b>	<b>–</b>
Land		21 790	–	–
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>117 809</b>	<b>40 251</b>	<b>69 726</b>

**MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1			
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>				
<b>Infrastructure</b>		<b>22 198</b>	<b>31 000</b>	<b>33 000</b>
Roads Infrastructure		18 898	24 000	25 000
<i>Roads</i>		18 898	24 000	25 000
Electrical Infrastructure		3 300	7 000	8 000
<i>MV Networks</i>		3 100	-	-
<i>LV Networks</i>		200	7 000	8 000
<b>Community Assets</b>		<b>1 000</b>	<b>-</b>	<b>-</b>
Community Facilities		1 000	-	-
<i>Public Ablution Facilities</i>		1 000	-	-
<b>Computer Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-
<b>Furniture and Office Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment		-	-	-
<b>Machinery and Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment		-	-	-
<b>Transport Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>
Transport Assets		-	-	-
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>
Land		-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>
Zoo's, Marine and Non-biological Animals		-	-	-
<b>Total Capital Expenditure on renewal of existing asse</b>	<b>1</b>	<b>23 198</b>	<b>31 000</b>	<b>33 000</b>

**MBRR SA34c - Repairs and maintenance expenditure by asset class**

Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>			
<b>Infrastructure</b>	<b>37 171</b>	<b>38 881</b>	<b>65 774</b>
Roads Infrastructure	4 771	5 035	29 813
<i>Roads</i>	4 707	4 968	29 743
<i>Road Furniture</i>	64	67	70
Storm water Infrastructure	17 569	17 933	19 138
<i>Storm water Conveyance</i>	17 569	17 933	19 138
Electrical Infrastructure	2 685	2 992	3 315
<i>MV Substations</i>	153	162	165
<i>LV Networks</i>	2 533	2 830	3 150
Water Supply Infrastructure	1 384	1 513	1 525
<i>Reservoirs</i>	1 069	1 124	1 181
<i>Pump Stations</i>	132	139	146
<i>Distribution</i>	183	250	198
Sanitation Infrastructure	3 920	4 140	4 373
<i>Pump Station</i>	1 056	1 114	1 174
<i>Waste Water Treatment Works</i>	2 863	3 026	3 200
Solid Waste Infrastructure	6 842	7 269	7 610
<i>Landfill Sites</i>	6 842	7 269	7 610
<b>Community Assets</b>	<b>2 772</b>	<b>3 328</b>	<b>3 637</b>
Community Facilities	2 037	2 136	2 240
<i>Halls</i>	386	405	425
<i>Centres</i>	1 400	1 470	1 544
<i>Libraries</i>	50	50	50
<i>Cemeteries/Crematoria</i>	101	106	111
<i>Parks</i>	100	105	110
Sport and Recreation Facilities	735	1 192	1 397
<i>Indoor Facilities</i>	100	100	100
<i>Outdoor Facilities</i>	635	1 092	1 297
<b>Other assets</b>	<b>2 214</b>	<b>1 641</b>	<b>1 330</b>
Operational Buildings	1 343	990	1 039
<i>Municipal Offices</i>	1 343	990	1 039
Housing	871	651	291
<i>Staff Housing</i>	191	201	211
<i>Social Housing</i>	680	450	80
<b>Intangible Assets</b>	<b>3 305</b>	<b>3 448</b>	<b>3 600</b>
<i>Computer Software and Applications</i>	3 305	3 448	3 600
<b>Computer Equipment</b>	<b>540</b>	<b>563</b>	<b>489</b>
Computer Equipment	540	563	489
<b>Furniture and Office Equipment</b>	<b>64</b>	<b>67</b>	<b>71</b>
Furniture and Office Equipment	64	67	71
<b>Machinery and Equipment</b>	<b>1 236</b>	<b>1 128</b>	<b>1 162</b>
Machinery and Equipment	1 236	1 128	1 162
<b>Transport Assets</b>	<b>5 329</b>	<b>5 708</b>	<b>6 072</b>
Transport Assets	5 329	5 708	6 072
<b>Total Repairs and Maintenance Expenditure</b>	<b>52 631</b>	<b>54 765</b>	<b>82 136</b>

**MBRR SA34d - Depreciation by asset class**

Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>			
<b><u>Depreciation by Asset Class/Sub-class</u></b>				
<b><u>Infrastructure</u></b>		<b>72 602</b>	<b>73 894</b>	<b>77 937</b>
Roads Infrastructure		23 672	24 235	26 464
<i>Roads</i>		23 035	23 598	25 881
<i>Road Structures</i>		182	182	152
<i>Road Furniture</i>		455	455	431
Storm water Infrastructure		4 539	4 564	4 801
<i>Drainage Collection</i>		814	814	808
<i>Storm water Conveyance</i>		3 725	3 750	3 993
Electrical Infrastructure		13 420	14 286	15 581
<i>Power Plants</i>		3	3	3
<i>HV Transmission Conductors</i>		36	36	35
<i>MV Substations</i>		1 967	1 953	1 953
<i>MV Switching Stations</i>		1 150	1 150	1 148
<i>MV Networks</i>		7 110	7 697	8 593
<i>LV Networks</i>		2 942	3 236	3 637
<i>Capital Spares</i>		212	212	212
Water Supply Infrastructure		14 107	14 044	14 333
<i>Dams and Weirs</i>		266	266	266
<i>Boreholes</i>		14	14	14
<i>Reservoirs</i>		2 301	2 263	2 313
<i>Pump Stations</i>		610	528	526
<i>Water Treatment Works</i>		87	77	77
<i>Bulk Mains</i>		1 196	1 156	1 156
<i>Distribution</i>		9 633	9 739	9 980
Sanitation Infrastructure		16 519	16 422	16 380
<i>Pump Station</i>		15 800	15 703	15 622
<i>Reticulation</i>		719	719	758
Solid Waste Infrastructure		345	343	378
<i>Landfill Sites</i>		265	264	299
<i>Waste Drop-off Points</i>		80	79	79



Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>			
<b>Community Assets</b>		<b>5 695</b>	<b>5 853</b>	<b>8 357</b>
Community Facilities		3 302	3 473	6 048
Halls		661	655	654
Centres		–	23	373
Clinics/Care Centres		404	517	517
Museums		15	15	15
Libraries		503	449	449
Cemeteries/Crematoria		216	323	507
Public Open Space		674	666	666
Public Ablution Facilities		824	820	2 862
Taxi Ranks/Bus Terminals		5	5	5
Sport and Recreation Facilities		2 393	2 380	2 309
Indoor Facilities		1 444	1 441	1 428
Outdoor Facilities		949	939	881
<b>Investment properties</b>		<b>12</b>	<b>12</b>	<b>12</b>
Revenue Generating		12	12	12
Improved Property		12	12	12
<b>Other assets</b>		<b>3 091</b>	<b>2 998</b>	<b>2 998</b>
Operational Buildings		2 856	2 763	2 763
Municipal Offices		2 305	2 249	2 249
Workshops		33	0	0
Stores		517	514	514
Housing		235	235	235
Staff Housing		204	204	204
Social Housing		31	31	31
<b>Intangible Assets</b>		<b>225</b>	<b>214</b>	<b>191</b>
Licences and Rights		225	214	191
Computer Software and Applications		225	214	191
<b>Computer Equipment</b>		<b>1 200</b>	<b>1 357</b>	<b>1 208</b>
Computer Equipment		1 200	1 357	1 208
<b>Furniture and Office Equipment</b>		<b>1 127</b>	<b>1 092</b>	<b>1 235</b>
Furniture and Office Equipment		1 127	1 092	1 235
<b>Machinery and Equipment</b>		<b>1 918</b>	<b>1 740</b>	<b>1 682</b>
Machinery and Equipment		1 918	1 740	1 682
<b>Transport Assets</b>		<b>5 884</b>	<b>6 362</b>	<b>7 518</b>
Transport Assets		5 884	6 362	7 518
<b>Total Depreciation</b>	<b>1</b>	<b>91 755</b>	<b>93 522</b>	<b>101 138</b>

**MBRR SA34e - Capital expenditure on the upgrading of existing assets by asset class**

Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>			
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>				
<b>Infrastructure</b>		<b>71 946</b>	<b>65 332</b>	<b>35 366</b>
Roads Infrastructure		-	-	-
Storm water Infrastructure		500	-	-
<i>Storm water Conveyance</i>		500	-	-
Electrical Infrastructure		7 500	-	-
<i>MV Switching Stations</i>		300	-	-
<i>MV Networks</i>		1 500	-	-
<i>LV Networks</i>		5 700	-	-
Water Supply Infrastructure		1 100	3 100	27 720
<i>Distribution</i>		1 100	3 100	27 720
Sanitation Infrastructure		62 846	62 232	7 646
<i>Waste Water Treatment Works</i>		62 846	62 232	7 646
<b>Community Assets</b>		<b>3 396</b>	<b>2 000</b>	<b>-</b>
Community Facilities		-	-	-
Sport and Recreation Facilities		3 396	2 000	-
<i>Indoor Facilities</i>		-	-	-
<i>Outdoor Facilities</i>		3 396	2 000	-
<b>Computer Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-
<b>Furniture and Office Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment		-	-	-
<b>Machinery and Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment		-	-	-
<b>Transport Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>
Transport Assets		-	-	-
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>
Land		-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>
Zoo's, Marine and Non-biological Animals		-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>1</b>	<b>75 342</b>	<b>67 332</b>	<b>35 366</b>

### MBRR SA35 - Future financial implications of the capital budget

Vote Description R thousand	Ref	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
<b>Capital expenditure</b>	1					
Vote 1 - Corporate Services		21 980	59	63	67	71
Vote 2 - Civil Services		116 463	113 322	83 532	66 682	58 873
Vote 3 - Council		10	10	10	661	512
Vote 4 - Electricity Services		22 076	14 423	15 190	40 643	56 270
Vote 5 - Financial Services		261	249	259	274	548
Vote 6 - Development Services		53 522	6 793	36 832	76	80
Vote 7 - Municipal Manager		10	10	10	12	12
Vote 8 - Protection Services		2 028	3 717	2 196	4 259	5 136
Vote 9 - [NAME OF VOTE 9]		-	-	-		
<b>Total Capital Expenditure</b>		<b>216 349</b>	<b>138 583</b>	<b>138 093</b>	<b>112 673</b>	<b>121 503</b>
<b>Future operational costs by vote</b>	2					
Vote 2 - Civil Services		-	-	2 147	2 302	2 460
<b>Total future operational costs</b>		-	-	2 147	2 302	2 460
<b>Net Financial Implications</b>		<b>216 349</b>	<b>138 583</b>	<b>140 239</b>	<b>114 975</b>	<b>123 963</b>

See annexures accompanying this report for more detailed information.

### MBRR SA36 - Detailed capital budget per municipal vote

Full detail with regards to the capital budget is available in Table SA 36 of the A-Schedule accompanying this report.

## **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 2020/2021 MTREF budget. The SDBIP was aligned and informed by the 2020/2021 MTREF.

### **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: 25 · 03 · 2020

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

Project Description	Preceding Years	Current Budget	Nature	Location	Budget Year	Budget Year	Budget Year	Forecast	Forecast	Sum of Future Years	Total Project Value	Funding Sources	Operating Expenditure	Operating Impact absorbed by:	Sec 33 Triggered Y / N
	Costs / Budget	2019/20			2020/21	2021/22	2022/23	2023/24	2024/25	Estimate	Estimate		MTREF		
Sewerage Works: Moorreesburg	R 724 786	R 6 488 845	Upgrading Waste Water Treatment Works in Moorreesburg	Moorreesburg	R 6 338 522	R 19 768 430	R 7 646 177	R -	R -	R -	R 40 966 760	CRR	No expenses over the MTREF but a total of R6 908 582 starting from 2022/23 to 2024/25	Sewerage Tariff	Y
Sewerage Works: Moorreesburg	R 3 039 327	R 6 117 200		Moorreesburg	R 9 303 685	R 16 432 570	R -	R -	R -	R -	R 34 892 782	MIG		Sewerage Tariff	Y
Sewerage Works: Moorreesburg	R -	R -		Moorreesburg	R 25 000 000	R 25 000 000	R -	R -	R -			External Loan		Sewerage Tariff	Y
Roads Swartland: Resealing of Roads	R -	R -	Resealing of roads in the Swartland area	Swartland Area	R 17 871 251	R 21 732 570	R 25 000 000	R 25 000 000	R -	R 25 000 000	R 89 603 821	CRR	N/a	MTREF CRR and beyond	N
Roads Swartland: Resealing of Roads	R 13 977 703	R 11 104 430		Swartland Area	R 1 026 749	R 2 267 430	R -	R -	R -	R -	R 3 294 179	MIG	N/a	MTREF CRR and beyond	N

**Note:** Details pertaining to the roads to be resealed will be included in the 30 Day Budget .