

Verslag ◆ Ingxelo ◆ Report

Office of the Director: Financial Services

21 March 2022

5/1/4 WYK: Alle

ITEM 3.1 VAN DIE AGENDA VAN 'N SPESIALE UITVOERENDE BURGEMEESTERSKOMITEE-VERGADERING WAT GEHOU SAL WORD OP 25 MAART 2022

ONDERWERP: BEGROTINGSBEHEERKOMITEE 2021/2022 SPESIALE AANSUIWERINGS-

BEDRYFSBEGROTING TEGNIESE AANBEVELINGS

SUBJECT: BUDGET STEERING COMMITTEE (BSC) 2021/2022 SPECIAL ADJUSTMENTS

OPERATING BUDGET TECHNICAL RECOMMENDATIONS

1. BACKGROUND

The municipality received an additional grant allocation from the provincial government to establish a Law Enforcement Reaction Unit, of which the detail of the funding was not confirmed at the time of the January 2022 Adjustments process. The reason for this special adjustments budget is to allocate the funding of R2 214 000 to the Department of Protection Services as per the promulgated Provincial Gazette Extraordinary (No.8547).

1.2 SECTION 28 MUNICIPAL ADJUSTMENTS BUDGETS

(2) An adjustments budget-

- (a) must adjust the revenue and expenditure estimates downwards if there is material undercollection of revenue during the current year:
- (b) **may appropriate additional revenues that have become available** over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for:
- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.

2. HIGH-LEVEL DISCUSSION / MOTIVATION

The adjustments in respect of the Operating Budget for 2021/2022 will have no effect on the gross budgeted surplus of R55 906 750 including capital grants and development charges. The adjustments will also have no effect on the budgeted net surplus excluding capital grants and development charges of R7 879 504. At this juncture it is appropriate to emphasize that the aforementioned net surplus of R7 879 504 is the more appropriate measurement of budgeted surpluses or deficits from a budgeted cash flow perspective.

The below mentioned adjustments to the Operating Budget is the result of additional grant funding having been promulgated to establish a Law Enforcement Reaction Unit.

The adjustments to the 2021/2022 balance sheet budget are due to the adjustments to the operating budget.

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2.1 OPERATING EXPENDITURE

An increase in expenditure of R2 214 000 due to the following:

- 1. Employee Related Costs Wages, Salaries and Social Contributions increases by R1 661 495 for purposes of the appointment of 12 Law Enforcement Reaction Unit officials;
- 2. Contracted Services increases by R439 936 for purposes of providing for training needed for the Law Enforcement Reaction Unit officials;
- 3. Operational Costs increases by R112 569 mainly due to Protective clothing needed for the Law Enforcement Reaction Unit officials.

Note: The difference between the actual adjustment amounts listed above and the adjustment amounts in the B-schedule are because of virements within departments that now also forms part of the latest proposed adjusted budget.

2.2 OPERATING REVENUE

An increase in revenue of R2 214 000 due to the following:

 Transfers Recognised – Operational increases by R2 214 000 due to the grant received for the establishment of a Law Enforcement Reaction Unit.

(See detail attached in Annexure A)

IMPORTANT NOTE: Council and other stakeholders must take note that the final revenue and expenditure figures as reported in the B- schedules to National and Provincial Treasury which form part of the budget documentation, will differ considerably from the figures mentioned in the table under recommendation (b), due to the fact that departmental charges are accounted for differently. The end result however in respect of the surplus remains unchanged.

RECOMMENDATIONS

(The following recommendations by the Budget Steering Committee held on 24 March 2022, to be considered by the Executive Mayoral Committee on 25 March 2022)

- (a) That it be noted that the Budget Steering Committee urgently convened to consider the explanations and motivations provided by the financial staff and directors as it relates to the adjustments;
- (b) That approval be granted to amend the high-level operating budget for 2021/2022 with no amendments to the outer years as follows:

	Original Budget 2021/22	Mid-Year Adj Budget 2021/22	Special Adj Budget 2021/22	Original Budget 2022/23	Original Budget 2023/24	
	2021/22	ZUZ I/ZZ	2021/22	ZUZZIZU	2023/24	
Capital budget	166 435 729	166 040 448	166 040 448	132 744 732	136 678 848	
Operating Expenditure	911 967 149	951 133 356	953 347 356	983 835 346	1 055 314 274	
Operating Revenue	968 875 613	1 007 040 106	1 009 254 106	1 048 008 388	1 119 714 984	
Budgeted (Surplus)/ Deficit	(56 908 464)	(55 906 750)	(55 906 750)	(64 173 042)	(64 400 709)	
Less: Capital Grants, Donations		,			,	
& Development Charges	47 912 409	48 027 246	48 027 246	45 865 556	50 788 078	
(Surplus)/ Deficit	(8 996 055)	(7 879 504)	(7 879 504)	(18 307 486)	(13 612 631)	

- (c) That it be noted that the changes to the budget will have no impact on tariffs in respect of the 2021/2022 financial year or beyond and the budgeted net surplus of R7 879 504 will remain unchanged;
- (d) That the adjusted budget schedules as required by the Budget and Reporting Regulations be approved as set out in (Annexure B: Budget Report and B-Schedules 2021/22 2023/24);
- (e) 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;
- (f) That the Service Delivery Budget Implementation Plan (SDBIP) where appropriate be amended accordingly.

AANBEVELINGS

(Die volgende aanbevelings deur die Begrotingsbeheerkomitee gehou op 24 Maart 2022, vir oorweging deur die UBK op 25 Maart 2022)

- (a) Dat kennis geneem word dat die Begrotingsbeheerkomitee dringend vergader het om die verduidelikings en motivering van die finansiële personeel en ander direkteure te oorweeg gegewe die veranderinge;
- (b) Dat goedkeuring verleen word om die hoë-vlak bedryfsbegroting vir 2021/2022 as volg te wysig met geen veranderinge aan die buite jare nie;

	Oorspronklike Begroting 2021/22	Half-Jaarlikse Aansuiwerings begroting 2021/22	Spesiale Aansuiwerings begroting 2021/22	Oorspronklike Begroting 2022/23	Oorspronklike Begroting 2023/24
Kapitaalbegroting	166 435 729	166 040 448	166 040 448	132 744 732	136 678 848
Bedryfsuitgawes	911 967 149	951 133 356	953 347 356	983 835 346	1 055 314 274
Bedryfsinkomste	968 875 613	1 007 040 106	1 009 254 106	1 048 008 388	1 119 714 984
Begrote (Surplus)/ Tekort	(56 908 464)	(55 906 750)	(55 906 750)	(64 173 042)	(64 400 709)
Minus: Kapitaal Toekennings,		,			
Donasies & Ontwikkelingsbydraes	47 912 409	48 027 246	48 027 246	45 865 556	50 788 078
(Surplus)/ Tekort	(8 996 055)	(7 879 504)	(7 879 504)	(18 307 486)	(13 612 631)

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- (c) Dat kennis geneem word dat die veranderinge in die begroting geen impak op tariewe het ten opsigte van die 2021/2022 finansiële jaar en dat die begrote netto surplus van R7 879 504 onveranderd bly;
- (d) Dat die aangepaste begrotingskedules soos vereis deur die Begroting en Verslagdoening Regulasies goedgekeur word soos vervat in (Annexure B: Budget Report and B-Schedules 2021/22 2023/24);
- (e) Dat die Direkteur: Finansiële Dienste voldoen aan die vereistes van die Begrotingsomsendbriewe en –formate in die konteks van die verslagdoeningsvereistes aan Provinsiale en Nasionale Tesourie;
- (f) Dat die Dienslewering en Begroting Implementeringsplan (SDBIP) toepaslik dienooreenkomstig gewysig word.

(Get) M BOLTON		

DIREKTEUR: Finansiële Dienste

SPF	ECIAL ADJUS	STMENTS B	SUDGET 202	1/2022	"Annexure A"
	Original Budget 2021/2022	Mid-Year Adjustment 2021/2022	Special Adjustment 2021/2022	Increase / (Decrease)	COMMENTS
EXPENDITURE					
Employee Related Costs - Wages & Salaries					
Allowances: Night Shift	167 683	277 600	329 433	51 833	
Allowances: Cellphone	808 200	903 772	905 272	1 500	
Bonuses: 13th Cheque	11 940 398	11 321 500	11 353 715	32 215	Funded by the Reaction Unit Grant.
Housing Subsidy	1 823 125	972 423	983 997	11 574	Tunded by the Reaction Ont Grant.
Overtime Special Projects	7 100 707	8 559 824	8 778 263	218 439	
Salaries	150 177 115	151 675 358	152 545 166	869 808	
SUB TOTALS	217 536 875	220 656 754	221 842 123	1 185 369	
Employee Related Costs - Social Contributions					
Group Insurance	2 140 794	2 646 224	2 668 039	21 815	
Unemployment Insurance	1 386 111	1 294 170	1 305 767	11 597	Linked to the salary adjustments above.
Medical Aid	12 545 719	12 144 540	12 378 500	233 960	Emilia to the sum y augusticines above.
Pension Fund	26 992 139	26 709 554	26 918 308	208 754	
SUB TOTALS	43 064 763	42 794 487	43 270 613	476 126	
Contracted Services					
Training	40 000	50 000	489 936	439 936	Funded by the Reaction Unit Grant.
SUB TOTALS	87 780 751	88 749 340	89 189 276	439 936	

	Original	Mid-Year	Special		
	Budget	Adjustment	Adjustment	Increase /	
	2021/2022	2021/2022	2021/2022	(Decrease)	COMMENTS
Operational Cost					
Skills Levy	2 183 676	2 152 365	2 164 934	12 569	Linked to the salary adjustments above.
Protective Clothing	2 844 023	2 819 023	2 919 023	100 000	Funded by the Reaction Unit Grant.
SUB TOTALS	48 432 678	48 896 994	49 009 563	112 569	
REVENUE					
Grants: Subsidies Received: Operating					
Transfer from Grants	43 745 874	49 839 499	52 053 499	2 214 000	Law Enforcement Reaction Unit Grant.
SUB TOTALS	43 745 874	49 839 499	52 053 499	2 214 000	
TOTAL EXPENDITURE	911 967 149	951 133 356	953 347 356	2 214 000	
TOTAL REVENUE	968 875 613	1 007 040 106	1 009 254 106	2 214 000	
(-SURPLUS) / DEFICIT	(56 908 464)	(55 906 750)	(55 906 750)	0	
EXCL. CAPITAL GRANTS & CAPITAL CONTRIBUTIONS	47 912 409	48 027 246	48 027 246	-	
(-SURPLUS) / DEFICIT	(8 996 055)	(7 879 504)	(7 879 504)	0	

SPECIAL ADJUSTMENTS BUDGET 2021/22- 2023/24

B-SCHEDULES

(A1 - A10)

Description		Budget Ye	ar 2021/22		Budget Year +1 2022/23	Budget Year +2 2023/24
Description	Original	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	Α	F	G	Н		
Financial Performance						
Property rates	138 386	-	-	140 332	150 854	159 643
Service charges	519 684	-	-	522 269	575 880	638 120
Investment revenue	37 706	-	-	37 769	36 526	33 355
Transfers recognised - operational	152 542	2 214	2 214	160 849	166 080	155 585
Other own revenue	58 853	-	-	86 215	57 691	65 798
Total Revenue (excluding capital transfers and	907 171	2 214	2 214	947 435	987 031	1 052 501
contributions)						
Employ ee costs	260 602	1 461	1 461	264 913	274 302	284 252
Remuneration of councillors	11 232	-	-	11 232	11 487	11 748
Depreciation & asset impairment	95 797	-	-	99 375	102 005	113 549
Finance charges	13 141	-	-	13 141	12 297	11 401
Inventory consumed and bulk purchases	332 223	(88)	(88)	338 362	379 996	435 327
Transfers and grants	3 851	-	-	3 891	3 774	3 952
Other ex penditure	181 331	840	840	208 642	184 863	178 660
Total Expenditure	898 175	2 214	2 214	939 555	968 724	1 038 888
Surplus/(Deficit)	8 996	-	-	7 880	18 307	13 613
Transfers and subsidies - capital (monetary						
allocations) (National / Provincial and District)	46 716	-	-	45 127	44 610	49 471
Transfers and subsidies - capital (monetary						
allocations) (National / Provincial Departmental	1 197	_	_	2 900	1 256	1 317
Surplus/(Deficit) after capital transfers &	56 908	_	_	55 907	64 173	64 401
contributions						
Share of surplus/ (deficit) of associate	_	_			_	_
Surplus/ (Deficit) for the year	56 908	_		55 907	64 173	64 401
Capital expenditure & funds sources	00 000			00 001	00	
Capital expenditure	166 436	_	_	166 040	132 745	136 679
Transfers recognised - capital	46 716	_	_	46 127	44 610	49 471
Borrowing	40710			40 121	44 010	75 771
Internally generated funds	119 720	_	_	- 119 913	- 88 135	87 208
Total sources of capital funds	166 436	_	_	166 040	132 745	136 679
·	100 430		_	100 040	132 /43	130 0/9
Financial position						
Total current assets	703 155	-	-	778 738	742 571	780 187
Total non current assets	2 157 863	-	-	2 148 952	2 179 812	2 193 770
Total current liabilities	146 380	-	-	125 398	147 247	148 114
Total non current liabilities	180 716	-	-	212 567	167 213	153 519
Community wealth/Equity	2 533 922	-	-	2 589 725	2 595 523	2 659 924
Cash flows						
Net cash from (used) operating	144 660	_	-	149 264	148 663	157 466
Net cash from (used) investing	(166 358)	_	_	(138 964)	8	1
Net cash from (used) financing	(10 979)	_	_	(8 463)		1
Cash/cash equivalents at the year end	577 694	_	_	642 041	582 716	592 599

Description		Budget Ye	ar 2021/22		Budget Year +1 2022/23	Budget Year +2 2023/24
2333.,	Original	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	Α	F	G	Н		
Cash backing/surplus reconciliation						
Cash and investments available	577 694	-	_	642 041	582 716	592 599
Application of cash and investments	219 553	-	_	207 922	205 705	186 916
Balance - surplus (shortfall)	358 141	-	-	434 119	377 011	405 683
Asset Management						
Asset register summary (WDV)	2 157 863	-	-	2 148 941	2 179 812	2 193 770
Depreciation	94 807	-	_	94 807	101 006	112 539
Renewal and Upgrading of Existing Assets	96 854	(7)	(7)	97 171	70 049	54 114
Repairs and Maintenance	57 497	87	87	58 995	61 664	83 955
Free services						
Cost of Free Basic Services provided	62 582	-	-	62 582	66 792	71 365
Revenue cost of free services provided	4 644	-	-	4 644	4 800	4 967
Households below minimum service level						
Water:	6	-	-	6	6	6
Sanitation/sewerage:	3	-	_	3	3	3
Energy:	1	-	_	1	1	1
Refuse:	13	-	-	13	13	13

WC015 Swartland - Table B2 Adjustme	nts Budg	et Financial	Performar	nce (function	al classific		
			Budget Ye	ear 2021/22		Budget Year +1 2022/23	Budget Year +2 2023/24
Standard Description	Ref	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	F	G	H	9	g
Revenue - Functional							
Governance and administration		239 681	_	- 1	259 028	252 432	263 024
Executive and council		295	_	-	295	299	304
Finance and administration		239 386	-	- 1	258 734	252 132	262 720
Internal audit		-	-	-	-	_	-
Community and public safety		84 005	2 214	2 214	97 159	90 578	66 696
Community and social services		11 725	_	-	12 789	11 956	12 363
Sport and recreation		4 438	_	-	4 669	3 297	3 552
Public safety		26 234	2 214	2 214	41 053	27 643	30 537
Housing		41 608	_	_	38 648	47 682	20 244
Health		-	_	_	_	_	_
Economic and environmental services		18 013	_	- 1	20 424	23 774	46 453
Planning and development		3 561	_	_	4 088	3 711	3 874
Road transport		14 453	_	_	16 336	20 063	42 579
Environmental protection		_	_	_	_	_	_
Trading services		613 353	_	_	618 820	666 080	727 081
Energy sources		383 738	_	_	384 780	428 024	481 703
Water management		92 270	_	_	93 033	112 025	111 088
Waste water management		90 720	_	_	92 082	76 628	81 284
Waste management		46 625	_	_	48 925	49 403	53 006
Other		31	_	_	31	33	35
Total Revenue - Functional	2	955 083	2 214	2 214	995 462	1 032 897	1 103 289
Expenditure - Functional							
Governance and administration		151 061	(761)	(761)	141 985	155 007	160 351
Executive and council		21 677	6	6	22 331	22 336	23 002
Finance and administration		127 417	(761)	(761)	117 747	130 603	135 188
Internal audit		1 967	(6)	(6)	1 907	2 068	2 161
Community and public safety		143 313	2 499	2 499	161 174	153 708	128 124
Community and social services		22 657	(46)	(46)	24 036	23 433	24 481
Sport and recreation		27 273	172	172	30 096	28 831	29 972
Public safety		62 940	2 375	2 375	76 480	66 015	68 613
Housing		30 442	(2)	(2)	30 562	35 429	5 058
Health		_	_		_	_	_
Economic and environmental services		64 574	207	207	67 019	66 963	90 352
Planning and development		13 868	_	_	13 164	14 173	14 297
Road transport		50 706	207	207	53 855	52 790	76 055
Environmental protection		_]	_	_	_	_	_
Trading services		537 487	268	268	567 640	591 259	658 242
Energy sources		347 565	(125)	(125)	362 109	396 159	452 333
Water management		69 431	(3)	(3)	80 674	70 141	74 231
Waste water management		67 528	147	147	71 460	69 025	72 814
Waste management		52 963	250	250	53 397	55 934	58 863
Other		1 740	_		1 737	1 786	1 820
Total Expenditure - Functional	3	898 175	2 214	2 214	939 555	968 724	1 038 888
Surplus/ (Deficit) for the year		56 908			55 907	64 173	64 401

WC015 Swartland - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 31 March 2022

Vote Description			Bu	dget Year 2021	/22		Budget Year +1 2022/23	Budget Year +2 2023/24
Vote Description	Ref	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		Α	A1	F	G	Н		
Revenue by Vote	1							
Vote 1 - Corporate Services		11 506	12 463	-	-	12 463	11 443	11 684
Vote 2 - Civil Services		248 218	256 859	-	-	256 859	254 865	289 229
Vote 3 - Council		295	295	-	-	295	299	304
Vote 4 - Electricity Services		383 738	384 780	-	-	384 780	428 024	481 703
Vote 5 - Financial Services		227 643	244 765	-	-	244 765	245 402	250 865
Vote 6 - Development Services		47 074	44 873	-	-	44 873	54 225	27 318
Vote 7 - Municipal Manager		-	-	-	-	-	-	_
Vote 8 - Protection Services		36 609	49 214	2 214	2 214	51 428	38 637	42 186
Total Revenue by Vote	2	955 083	993 248	2 214	2 214	995 462	1 032 897	1 103 289
Expenditure by Vote	1							
Vote 1 - Corporate Services		41 476	38 286	-	-	38 286	42 690	44 423
Vote 2 - Civil Services		278 453	298 855	673	673	299 529	287 310	322 699
Vote 3 - Council		18 220	18 460	6	6	18 466	18 758	19 319
Vote 4 - Electricity Services		364 266	379 285	(196)	(196)	379 089	413 775	470 886
Vote 5 - Financial Services		59 521	53 946	(707)	(707)	53 239	60 939	62 797
Vote 6 - Development Services		53 057	53 534	-	-	53 534	58 633	28 824
Vote 7 - Municipal Manager		8 168	7 991	(6)	(6)	7 985	8 370	8 660
Vote 8 - Protection Services		75 013	86 985	2 443	2 443	89 429	78 248	81 280
Total Expenditure by Vote	2	898 175	937 341	2 214	2 214	939 555	968 724	1 038 888
Surplus/ (Deficit) for the year	2	56 908	55 907	-	-	55 907	64 173	64 401

			Bu	dget Year 2021	/22		Budget Year	Budget Year
Description	Ref	Original	Prior	Other		Adjusted	+1 2022/23 Adjusted	+2 2023/24 Adjusted
R thousands	1	Budget A	A djusted A1	Adjusts. F	Total Adjusts. G	Budget H	Budget	Budget
Revenue By Source								
Property rates	2	138 386	140 332	_	-	140 332	150 854	159 64
Service charges - electricity revenue	2	369 764	370 364	_	-	370 364	416 855	469 92
Service charges - water revenue	2	75 190	75 585	_	-	75 585	78 956	82 90
Service charges - sanitation revenue	2	45 988	46 978	_	_	46 978	49 007	51 72
Service charges - refuse revenue	2	28 742	29 342	_	_	29 342	31 061	33 56
Rental of facilities and equipment		1 529	1 628	_	_	1 628	1 606	1 70
Interest earned - external investments		37 706	37 769	_	_	37 769	36 526	33 35
Interest earned - outstanding debtors		2 601	2 984	_	_	2 984	2 757	2 92
Dividends received		_	_	_	_	_	_	2 02
Fines, penalties and forfeits		23 591	32 671	_	_	32 671	25 003	26 50
Licences and permits		4 445	4 445	_	_	4 445	4 708	4 98
Agency services		5 699	5 699	_	_	5 699	6 040	6 40
Transfers and subsidies		152 542	158 635	2 214	2 214	160 849	166 080	155 58
	0				2 2 14			
Other revenue	2	10 776	11 701	_	-	11 701	12 119	12 80
Gains Total Revenue (excluding capital transfers and		10 214 907 171	27 088 945 221	2 214	- 2 214	27 088 947 435	5 457 987 031	10 48 1 052 50
contributions)		307 171	J-10 ZZ 1	2217	2214	341 400	307 031	1 002 00
Expenditure By Type								
Employee related costs		260 602	263 451	1 461	1 461	264 913	274 302	284 25
Remuneration of councillors		11 232	11 232	_	_	11 232	11 487	11 74
Debt impairment		36 031	35 936	_	_	35 936	31 407	32 79
Depreciation & asset impairment		95 797	99 375	_	_	99 375	102 005	113 54
Finance charges		13 141	13 141	_	_	13 141	12 297	11 40
Bulk purchases - electricity		299 500	299 500	_	_	299 500	345 923	399 54
Inventory consumed		32 723	38 949	(88)	(88)	38 862	34 074	35 78
Contracted services		87 781	89 010	584	584	89 594	95 081	85 58
Transfers and subsidies		3 851	3 891	_	_	3 891	3 774	3 95
Other expenditure		48 433	48 804	256	256	49 060	49 585	50 89
Losses		9 086	34 052	250	230	34 052	8 791	9 39
Total Expenditure		898 175	937 341	2 214	2 214	939 555	968 724	1 038 88
iotai Experiulture	***********	030 173	337 341	2214	2 2 14	303 303	300 124	1 030 00
Surplus/(Deficit)		8 996	7 880	-	-	7 880	18 307	13 6 ⁻
Transfers and subsidies - capital (monetary allocations)		4C 71C	<i>45</i> 107			AE 107	44.610	49 4
(National / Provincial and District) i ransters and subsidies - capital (monetary allocations)		46 716	45 127	-	-	45 127	44 610	49 4
(National / Provincial Departmental Agencies, Households,								
Non-profit Institutions, Private Enterprises, Public		1 107	2.000			2.000	1.050	1.2
Corporations, Higher Educational Institutions)		1 197	2 900	-	-	2 900	1 256	13
Transfers and subsidies - capital (in-kind - all) Surplus/(Deficit) before taxation		56 908	55 907		_ _	55 907	64 173	64 4
Taxation		JU 300	JJ 301		-	33 301	04 173	04 4
		EC 000	55 007		_		64 470	64 4
Surplus/(Deficit) after taxation		56 908	55 907	_	-	55 907	64 173	04 4
Attributable to minorities Surplus/(Deficit) attributable to municipality		56 908	55 907		_ _	55 907	64 173	64 4
		30 300	JJ 301		_	JJ 301	04 173	04 4
Share of surplus/ (deficit) of associate					-	_		

WC015 Swartland - Table B5 Adjustments Ca	oital	Expenditure	Budget by	vote and fu	unding - 31 l	March 2022	<u></u>	\$
Description	Ref		Bu	dget Year 2021	/22		Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure - Vote								
Multi-year expenditure to be adjusted	2							
Vote 1 - Corporate Services		-	-	-	-	-	-	-
Vote 2 - Civil Services		81 096	82 438	-	-	82 438	45 922	33 907
Vote 3 - Council		-	-	-	-	-	-	-
Vote 4 - Electricity Services		14 855	14 855	-	-	14 855	5 000	20 000
Vote 5 - Financial Services		-	-	-	-	-	-	_
Vote 6 - Development Services		13 100	8 293	-	-	8 293	15 800	19 760
Vote 7 - Municipal Manager		-	-	-	-	-	_	-
Vote 8 - Protection Services		-	-	_	-	_	_	-
Capital multi-year expenditure sub-total	3	109 051	105 587	-	-	105 587	66 722	73 667
Single-year expenditure to be adjusted	2							
Vote 1 - Corporate Services		872	592	-	-	592	124	126
Vote 2 - Civil Services		37 373	39 305	-	-	39 305	51 240	44 325
Vote 3 - Council		10	10	-	-	10	10	572
Vote 4 - Electricity Services		10 503	11 039	3	3	11 042	10 190	12 800
Vote 5 - Financial Services		381	324	(3)	(3)	321	260	271
Vote 6 - Development Services		6 238	6 860	-	-	6 860	304	76
Vote 7 - Municipal Manager		10	10	-	-	10	10	12
Vote 8 - Protection Services		1 998	2 313	_	-	2 313	3 885	4 831
Capital single-year expenditure sub-total		57 385	60 454	_	-	60 454	66 023	63 012
Total Capital Expenditure - Vote		166 436	166 040	_	-	166 040	132 745	136 679
Capital Expenditure - Functional								
Governance and administration		14 850	16 471	1	1	16 472	1 134	2 404
Executive and council		20	20	-	-	20	20	584
Finance and administration		14 830	16 451	1	1	16 452	1 114	1 820
Community and public safety		6 469	6 869	-	-	6 869	5 732	6 594
Community and social services		150	170	-	-	170	632	100
Sport and recreation		4 321	4 386	-	-	4 386	1 215	1 663
Public safety		1 998	2 313	-	-	2 313	3 885	4 831
Economic and environmental services		47 068	47 359	(7)	(7)	47 352	59 442	66 237
Planning and development		12 578	9 827	(7)	(7)	9 820	1 927	1 267
Road transport		34 490	37 532	-	-	37 532	57 515	64 970
Trading services		98 049	95 342	6	6	95 347	66 437	61 444
Energy sources		23 321	23 755	-	-	23 755	14 388	32 105
Water management		9 925	9 599	-	-	9 599	29 275	20 437
Waste water management		62 940	60 677	6	6	60 682	16 564	5 286
Waste management		1 862	1 311	_	-	1 311	6 210	3 616
Total Capital Expenditure - Functional	3	166 436	166 040	_	-	166 040	132 745	136 679
Funded by:								
National Government		31 055	30 656	-	-	30 656	28 810	29 711
Provincial Government		15 661	14 471	-	-	14 471	15 800	19 760
Transfers and subsidies - capital (monetary allocations)		_	1 000	_	-	1 000	_	_
Transfers recognised - capital	4	46 716	46 127	-	-	46 127	44 610	49 471
Borrowing		-	-	-	-	-	_	-
Internally generated funds	-	119 720	119 913	-	-	119 913	88 135	87 208
Total Capital Funding		166 436	166 040	-	_	166 040	132 745	136 679

WC015 Swartland - Table B6 Adjustme	nts Bu	dget Financ	ial Position	- 31 March 2	2022		\$	8
Description	Ref		Bud	lget Year 2021	/22		Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	F	G	Н		
ASSETS								
Current assets								
Cash		577 694	642 041	-	-	642 041	582 716	592 599
Call investment deposits	1	-	-	-	-	-	-	-
Consumer debtors	1	104 464	100 604	-	-	100 604	130 077	158 783
Other debtors		11 800	17 079	-	-	17 079	12 160	12 711
Current portion of long-term receivables		80	70	-	-	70	80	80
Inv entory		9 117	18 944	-	-	18 944	17 538	16 014
Total current assets		703 155	778 738	-	-	778 738	742 571	780 187
Non current assets								
Long-term receivables		-	11	-	-	11	-	-
Inv estments		-	-	-	-	_	-	-
Inv estment property		32 979	32 855	75	75	32 930	31 903	30 764
Investment in Associate		-	-	-	-	_	_	-
Property, plant and equipment	1	2 123 350	2 114 513	(74)	(74)	2 114 440	2 146 647	2 162 042
Biological		-	-	-	-	_	-	-
Intangible		414	452	(1)	(1)	451	142	(156)
Other non-current assets		1 120	1 120	_	-	1 120	1 120	1 120
Total non current assets		2 157 863	2 148 952	-	-	2 148 952	2 179 812	2 193 770
TOTAL ASSETS	mone termenens	2 861 018	2 927 690	-	-	2 927 690	2 922 383	2 973 957
LIABILITIES								
Current liabilities								
Bank overdraft		_	_	_	_	_	_	_
Borrowing		10 018	8 761	_	_	8 761	10 018	10 018
Consumer deposits		17 048	17 048		_	17 048	17 915	18 781
Trade and other payables		109 835	88 279	_	_	88 279	109 835	109 835
Provisions		9 479	11 311	_	_	11 311	9 479	
Total current liabilities		146 380	125 398	-	_	125 398	147 247	148 114
Non current liabilities		04.057	00.700			00.700	70.444	60 500
Borrowing	1 1	84 257	90 723	-	-	90 723	72 411	60 566
Provisions Total non current liabilities	1	96 459 180 716	121 844	-	-	121 844	94 801	92 953 453 540
Total LIABULTIES			212 567	-	-	212 567	167 213	153 519
TOTAL LIABILITIES		327 096	337 965	-		337 965	314 460	301 633
NET ASSETS	2	2 533 922	2 589 725	-	-	2 589 725	2 607 923	2 672 324
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)		2 306 584	2 365 545	_	_	2 365 545	2 358 462	2 413 242
Reserves		227 338	224 179	_	_	224 179	237 061	246 682
TOTAL COMMUNITY WEALTH/EQUITY		2 533 922	2 589 725	-	_	2 589 725	2 595 523	2 659 924

							Dudget Veer	Budget Year
Description	Ref		Buc		+1 2022/23	+2 2023/24		
R thousands		Original Budget A	Prior Adjusted A1	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES			, , ,	-				
Receipts								
Property rates		131 466	136 823	-	-	136 823	143 311	151 660
Service charges		496 199	511 520	_	-	511 520	549 735	609 022
Other revenue		38 479	31 969	_	-	31 969	36 213	43 031
Transfers and Subsidies - Operational	1	152 542	159 918	2 214	2 214	162 132		155 585
Transfers and Subsidies - Capital	1	46 716	44 845	_	-	44 845	44 610	49 471
Interest		37 706	37 769	-	-	37 769	36 526	33 355
Dividends		_	_	_	-	-	-	_
Payments								
Suppliers and employ ees		(743 542)	(758 634)	(2 214)	(2 214)	(760 848)	(813 857)	(871 384)
Finance charges		(11 055)	(11 055)	-	-	(11 055)	(10 180)	(9 324)
Transfers and Grants	1	(3 851)	(3 891)	-	-	(3 891)	(3 774)	(3 952)
NET CASH FROM/(USED) OPERATING ACTIVITIES		144 660	149 264	-	-	149 264	148 663	157 466
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE		78	27 088	-	-	27 088	82	75
Decrease (increase) in non-current receivables		-	(11)	-	-	(11)	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-
Payments								
Capital assets		(166 436)	(166 040)	-	-	(166 040)	(132 745)	(136 679)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(166 358)	(138 964)	-	-	(138 964)	(132 662)	(136 604)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans		_	_	_	-	_	-	_
Borrowing long term/refinancing		_	_	_	_	-	_	_
Increase (decrease) in consumer deposits		867	_	_	-	_	867	867
Payments								
Repay ment of borrowing		(11 846)	(8 463)	-	-	(8 463)	(11 846)	(11 846)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(10 979)	(8 463)	-	_	(8 463)	·	
NET INCREASE/ (DECREASE) IN CASH HELD		(32 677)	1 837	-	-	1 837	5 022	9 883
Cash/cash equivalents at the year begin:	2	610 371	640 204	_	_	640 204	577 694	582 716
Cash/cash equivalents at the year end:	2	577 694	642 041	_	_	642 041		592 599

Description	Ref		Bud	Budget Year +1 2022/23	Budget Year +2 2023/24			
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		Α	A1	F	G	Н		
Cash and investments available								
Cash/cash equivalents at the year end	1	577 694	642 041	-	-	642 041	582 716	592 599
Other current investments > 90 days		0	-	-	-	0	0	0
Non current assets - Investments	1	-	-	-	-	-	_	_
Cash and investments available:		577 694	642 041	-	-	642 041	582 716	592 599
Applications of cash and investments								
Unspent conditional transfers		16 850	2 387	-	_	2 387	16 850	16 850
Unspent borrowing		-	-		-	-	-	-
Statutory requirements		-	-		-	-	-	-
Other working capital requirements	2	(24 633)	(18 642)	-	-	(18 642)	(48 202)	(76 612)
Other provisions		-	-		-	-	-	-
Long term investments committed		-	-	-	-	-	-	-
Reserves to be backed by cash/investments		227 336	224 177	-	-	224 177	237 058	246 678
Total Application of cash and investments:		219 553	207 922	-	-	207 922	205 705	186 916
Surplus(shortfall)		358 141	434 119	_	_	434 119	377 011	405 683

	WC015 Swartland - Table B9 Asset Management - 31 March 2022											
Rthousands	Budget Year +2 2023/24											
Total New Assets to be adjusted 1 69 582 68 863 7 7 68 870 62 695	Adjusted Budget											
Roads Infrastructure												
Storm water Infrastructure	82 565											
Electrical Infrastructure	32 265											
Samilation Infrastructure	-											
2 482	20 569											
Total Renewal of Existing Assets to be adjusted Solid Waste Infrastructure Storm water Infrastructure 23 000 2 000 1	4 372											
Infrastructure	2 083											
Community Facilities 2 368 3 212 - - 3 212 1 000	_											
1400 2 854 -	59 288											
Community Assets	700											
Department Dep	_											
Housing Cher Assets G 21 656 18 740 - - 18 740 1833	700											
Other Assets 6 21 656 18 740 - - 18 740 1833 Computer Equipment 1 587 1 759 3 3 1 762 1 233 Furniture and Office Equipment 348 353 (3) (3) 350 272 Machinery and Equipment 2 319 2 339 - - 2 339 5890 Transport Assets 3 574 3 691 - - 3 691 11014 Land 700 400 - - 400 - Zoo's, Marine and Non-biological Animals - - - - 400 - Total Renewal of Existing Assets to be adjusted 2 28 030 29 145 - - 29 145 33 000 Roads Infrastructure 23 000 24 282 - - 24 282 25 000 Infrastructure 4 200 4 150 - - 4 150 8 000 Infrastructure 830 713 - - <t< td=""><td>-</td></t<>	-											
Computer Equipment 1 587 1 759 3 3 1 762 1 233 Furniture and Office Equipment 348 353 (3) (3) 350 272 Machinery and Equipment 2 319 2 339 - - 2 339 5 890 Transport Assets 3 574 3 691 - - 3 691 11 014 Land 700 400 - - 400 - Zoo's, Marine and Non-biological Animals -	1 169											
Furniture and Office Equipment 348 353 (3) (3) 350 272 Machinery and Equipment 2 319 2 339 - - 2 339 5 890 Transport Assets 3 574 3 691 - - 3 691 11 014 Land 700 400 - - 400 - Zoo's, Marine and Non-biological Animals -	1 169											
Machinery and Equipment 2 319 2 339 - - 2 339 5 890 Transport Assets 3 574 3 691 - - 3 691 11 014 Land 700 400 - - 400 - Zoo's, Marine and Non-biological Animals - <td>1 120</td>	1 120											
Transport Assets 3 574 3 691 - - 3 691 11 014 Land 700 400 - - 400 - Zoo's, Marine and Non-biological Animals -	280											
Land 700 400 - - 400 - Zoo's, Marine and Non-biological Animals -	4 877											
Zoo's, Marine and Non-biological Animals	15 131											
Total Renewal of Existing Assets to be adjusted 2 28 030 29 145 - - 29 145 33 000 Roads Infrastructure 23 000 24 282 - - 24 282 25 000 Storm water Infrastructure -	-											
Roads Infrastructure	-											
Roads Infrastructure	36 600											
Electrical Infrastructure 4 200 4 150 - - 4 150 8 000 Infrastructure 27 200 28 432 - - 28 432 33 000 Housing 830 713 - - 713 - Other Assets 6 830 713 - - 713 - Total Upgrading of Existing Assets to be adjusted 2a 68 824 68 032 (7) (7) 68 026 37 049 Roads Infrastructure - <td>28 600</td>	28 600											
Infrastructure	_											
Housing	8 000											
Other Assets 6 830 713 - - 713 - Total Upgrading of Existing Assets to be adjusted 2a 68 824 68 032 (7) (7) 68 026 37 049 Roads Infrastructure -	36 600											
Total Upgrading of Existing Assets to be adjusted 2a 68 824 68 032 (7) (7) 68 026 37 049 Roads Infrastructure - - - - - - - - - - - - - 500 - 500 -	_											
Roads Infrastructure - - - - - - - - - - - 500 Electrical Infrastructure 2 600 2 600 (7) (7) 2 593 -	_											
Roads Infrastructure - - - - - - - - - - - 500 Electrical Infrastructure 2 600 2 600 (7) (7) 2 593 -	17 514											
Storm water Infrastructure - - - - - 500 Electrical Infrastructure 2 600 2 600 (7) (7) 2 593 -	_											
Electrical Infrastructure 2 600 2 600 (7) (7) 2 593 -	500											
	_											
	16 014											
Sanitation Infrastructure 59 741 58 741 - 58 741 11 243	1 000											
Infrastructure 66 441 65 791 (7) (7) 65 784 37 049	17 514											
Community Facilities – – – – – – – – – – – – – – –	_											
Sport and Recreation Facilities 2 383 2 242 2 242 -	_											
Community Assets 2 383 2 242 2 242 -	_											
<u>Total Capital Expenditure</u> to be adjusted 4 166 436 166 040 – – 166 040 132 745	136 679											
Roads Infrastructure 34 081 37 122 – – 37 122 53 206	60 864											
Storm water Infrastructure – – – 500	500											
Electrical Infrastructure 22 371 22 805 – – 22 805 13 438	28 569											
Water Supply Infrastructure 9 878 9 552 - - 9 552 29 545	20 386											
Sanitation Infrastructure 62 222 59 947 - - 59 947 12 816	3 083											
Solid Waste Infrastructure 720 310 - - 310 2 000	-											
Infrastructure 129 272 129 737 129 737 111 504	113 402											
Community Facilities 2 368 3 212 3 212 1 000	700											
Sport and Recreation Facilities 3 783 5 096 5 096 -	-											
Community Assets 6 151 8 308 8 308 1 000	700											
Operational Buildings 10 880 11 560 - - 11 560 -	_											
Housing 11 606 7 893 7 893 1 833	1 169											
Other Assets 22 486 19 453 - - 19 453 1 833 Computer Equipment 1 587 1 759 3 3 1 762 1 233	1 169 1 120											

WC015 Swartland - Table B9 Asset Managen	nent	WC015 Swartland - Table B9 Asset Management - 31 March 2022										
Description	Ref		Budg		Budget Year +1 2022/23	Budget Year +2 2023/24						
R thousands		Original Budget A	Prior A djusted A1	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget				
Furniture and Office Equipment		348	353	(3)	(3)	350	272	280				
Machinery and Equipment		2 319	2 339	-	- 1	2 339	5 890	4 877				
Transport Assets		3 574	3 691	-	-	3 691	11 014	15 131				
Land		700	400	_	-	400	_					
TOTAL CAPITAL EXPENDITURE to be adjusted	4	166 436	166 040	-	-	166 040	132 745	136 679				
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 157 863	2 148 941	-	_	2 148 941	2 179 812	2 193 770				
Roads Infrastructure		448 546	396 660	8	8	396 667	476 243	509 048				
Storm water Infrastructure		116 862	113 135	-	-	113 135	112 422	107 487				
Electrical Infrastructure		333 281	338 362	133	133	338 495	330 716	341 753				
Water Supply Infrastructure		384 893	471 389	1	1	471 390	399 573	403 611				
Sanitation Infrastructure		484 270	504 813	190	190	505 003	479 386	462 199				
Solid Waste Infrastructure		11 684	18 806	-	-	18 806	3 569	(9 128)				
Information and Communication Infrastructure		880	880	-	-	880	-	_				
Infrastructure		1 780 416	1 844 045	331	331	1 844 376	1 801 909	1 814 971				
Community Assets		151 777	52 732	201	201	52 933	146 286	141 060				
Heritage Assets		1 120	1 120	_	_	1 120	1 120	1 120				
Investment properties		32 979	32 855	75	75	32 930	31 903	30 764				
Other Assets		69 022	77 000	-	-	77 000	69 260	67 663				
Biological or Cultivated Assets		-	-	-	-	_	_	_				
Intangible Assets		414	452	(1)	(1)	451	142	(156)				
Computer Equipment		5 862	4 960	2	2	4 962	5 740	5 373				
Furniture and Office Equipment		(1 374)	1 856	(11)	(11)	1 845	(2 750)	(4 098)				
Machinery and Equipment		13 619	14 848	(78)	(78)	14 770	17 551	20 264				
Transport Assets		34 573	38 005	(600)	(600)	37 406	41 180	51 441				
Land		69 456	81 067	80	80	81 147	67 471	65 368				
Zoo's, Marine and Non-biological Animals								_				
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 157 863	2 148 941	-	-	2 148 941	2 179 812	2 193 770				
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		94 807	94 807	-	-	94 807	101 006	112 539				
Repairs and Maintenance by asset class	3	57 497	58 908	87	87	58 995	61 664	83 955				
Roads Infrastructure		5 140	5 111	24	24	5 135	5 196	24 830				
Storm water Infrastructure		17 281	18 343	(8)	(8)	18 335	18 318	19 184				
Electrical Infrastructure		2 729	2 709	-	-	2 709	2 901	3 031				
Water Supply Infrastructure		1 705	1 705	(3)	(3)	1 702	1 478	1 803				
Sanitation Infrastructure		5 334	5 334	(7)	(7)	5 326	5 009	5 190				
Solid Waste Infrastructure		7 966	8 138	-	-	8 138	10 222	11 060				
Infrastructure		40 155	41 339	6	6	41 344	43 124	65 098				
Community Facilities		2 122	2 147	(19)	(19)	2 128	2 207	2 306				
Sport and Recreation Facilities		1 164	1 133	(10)	(10)	1 123	1 441	1 238				
Community Assets		3 286	3 280	(29)	(29)	3 251	3 648	3 544				
Operational Buildings		990	1 009			1 009	1 039	1 092				
Housing		754	864	-	-	864	887	597				
Other Assets		1 744	1 874	-	-	1 874	1 926	1 689				
Licences and Rights		4 226	4 226	-	-	4 226	4 475	4 621				
Intangible Assets		4 226	4 226	-	-	4 226	4 475	4 621				
Computer Equipment		316	316	-	_	316	319	407				
Furniture and Office Equipment		77	78	(3)	(3)	75	69	71				
		1 282	1 327	6	6	1 333	1 304	1 280				
Machinery and Equipment		6 412	6 469	108	108	6 577	6 799	7 245				
Machinery and Equipment Transport Assets						***************************************	1					
	***************************************	152 304	153 715	87	87	153 802	162 670	196 494				
Transport Assets TOTAL EXPENDITURE OTHER ITEMS to be adjusted	ans:-	152 304		87	87							
Transport Assets TOTAL EXPENDITURE OTHER ITEMS to be adjusted Renewal and upgrading of Existing Assets as % of total c	-	152 304 58.2%	58.5%	87	87	58.5%	52.8%	39.6%				
Transport Assets TOTAL EXPENDITURE OTHER ITEMS to be adjusted	-	152 304		87	87							

			Budç		Budget Year +1 2022/23	Budget Year +2 2023/24		
Description	Ref	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		Α	A1	F	G	Н		
Household service targets	1			*******************************				•
Water:								
Piped water inside dwelling		65 744	65 744	-	-	66	65 744	65 744
Piped water inside yard (but not in dwelling)		6 464	6 464	-	-	6	6 464	6 464
Using public tap (at least min.service level)	2	110	110	-	-	0	110	110
Other water supply (at least min.service level)		316	316		-	0	316	316
Minimum Service Level and Above sub-total		72 634	72 634	-	-	73	73	73
Using public tap (< min.service level)	3			-	-	-	0	C
Other water supply (< min.service level)	3,4	5 644	5 644	-	-	6	5 644	5 644
No water supply				-	_	_	0	C
Below Minimum Servic Level sub-total		5 644	5 644	_	-	6	6	6
Total number of households	5	78 278	78 278	-	-	78	78	78
Sanitation/sewerage:								
Flush toilet (connected to sewerage)		67 488	67 488	_	_	67 488	67 488	67 488
Flush toilet (with septic tank)		7 774	7 774	_	_	7 774	7 774	7 774
Chemical toilet		58	58	-	_	58	58	58
Pit toilet (ventilated)		74	74	_	_	74	74	74
Other toilet provisions (> min.service level)		_	_	_	_	_	_	_
Minimum Service Level and Above sub-total		75 394	75 394	_	_	75 394	75 394	75 394
Bucket toilet		1 982	1 982	-	_	1 982	1 982	1 982
Other toilet provisions (< min.service level)		282	282	-	_	282	282	282
No toilet provisions		620	620	-	_	620	620	620
Below Minimum Servic Level sub-total		2 884	2 884	_	_	2 884	2 884	2 884
Total number of households	5	78 278	78 278	_	_	78 278	78 278	78 278
Enamer:								
Electricity (at least min. carving level)		77 262	77 262		_	77 262	77 262	77 262
Electricity (at least min. service level) Electricity - prepaid (> min.service level)		11 202	11 202	-	_	11 202	11 202	11 202
Minimum Service Level and Above sub-total		77 262	77 262			- 77 262	77 262	77 262
Electricity (< min.service level)		11 202	11 202	_	_	11 202	11 202	11 202
Electricity - prepaid (< min. service level)		_				_	0	
Other energy sources		1 016	1 016	_	_	1 016	1 016	1 016
Below Minimum Servic Level sub-total		1 016	1 016		_	1 016	1 016	1 016
Total number of households	5	78 278	78 278			78 278	78 278	78 278
		10210	10210			10210	10210	10210
Refuse:								
Removed at least once a week (min.service)		65 350	65 350	-	_	65 350	65 350	65 350
Minimum Service Level and Above sub-total		65 350	65 350	-	-	65 350	65 350	65 350
Removed less frequently than once a week		960	960	-	-	960	960	960
Using communal refuse dump		1 794	1 794	-	-	1 794	1 794	1 794
Using own refuse dump		9 726	9 726	-	-	9 726	9 726	9 726
Other rubbish disposal		410	410	-	-	410	410	410
No rubbish disposal		38	38	-	-	38	38	38
Below Minimum Servic Level sub-total		12 928	12 928	_	-	12 928	12 928	12 928
Total number of households	5	78 278	78 278	-	-	78 278	78 278	78 278

			Budç		Budget Year +1 2022/23	Budget Year +2 2023/24		
Description	Ref	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	F	G	Н		
Households receiving Free Basic Service	15							
Water (6 kilolitres per household per month)		9 788	9 788	_	-	9 788	10 082	10 384
Sanitation (free minimum level service)		9 007	9 007	-	-	9 007	9 277	9 556
Electricity/other energy (50kwh per household per month)		8 442	8 442	-	-	8 442	8 695	8 956
Refuse (removed at least once a week)		9 351	9 351	_	-	9 351	9 631	9 920
Cost of Free Basic Services provided (R'000)	16							
Water (6 kilolitres per indigent household per month)		14 659	14 659	_	-	14 659	15 510	16 481
Sanitation (free sanitation service to indigent households)		26 750	26 750	_	_	26 750	28 623	30 626
Electricity/other energy (50kwh per indigent household per month)		5 415	5 415	-	-	5 415	5 957	6 552
Refuse (removed once a week for indigent households)		15 757	15 757	_	_	15 757	16 703	17 705
Cost of Free Basic Services provided - Informal Formal		-	-	-	-	-	_	_
Total cost of FBS provided		62 582	62 582	-	-	62 582	66 792	71 365
Highest level of free service provided								
Property rates (R'000 value threshold)		105 000	105 000	-	-	105 000	105 000	105 000
Water (kilolitres per household per month)		6	6	-	-	6	6	6
Sanitation (Rand per household per month)		248.18	248.18	-	-	248.18	263.07	278.86
Electricity (kw per household per month)		50	50	-	-	50	50	50
Refuse (average litres per week)		139.28	139.28	-	-	139.28	149.73	160.96
Revenue cost of free services provided (R'000)	17						***************************************	
Property rates exemptions, reductions and rebates and							-	
impermissable values in excess of section 17 of MPRA)		4 644	4 644	_	_	4 644	4 800	4 967
Total revenue cost of subsidised services provided		4 644	4 644	_	_	4 644	4 800	4 96

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



Verslag ◆ Ingxelo ◆ Report

Office of the Director: Financial Services 21 March 2022

> 5/1/1/1 - 2022/23 5/1/1/2 - 2022/23 5/1/4

ITEM 3.2 VAN DIE AGENDA VAN 'N SPESIALE UITVOERENDE BURGEMEESTERSKOMITEE-VERGADERING WAT GEHOU SAL WORD OP 25 MAART 2022

ONDERWERP: A: BEGROTINGSBEHEERKOMITEE TEGNIESE AANBEVELINGS VIR DIE

MEERJARIGE KAPITAAL EN BEDRYFSBEGROTINGS, GEWYSIGDE BEGROTINGS EN VERWANTE BELEIDE, EIENDOMSBELASTING, TARIEWE EN ANDER HEFFINGS VIR 2022/2023; 2023/2024 EN 2024/2025 VIR DOELEINDES VAN DIE PUBLIEKE

DEELNAME PROSES

SUBJECT: A: BUDGET STEERING COMMITTEE TECHNICAL RECOMMENDATIONS FOR THE

MULTI YEAR CAPITAL AND OPERATING BUDGETS, AMENDED BUDGET AND RELATED POLICIES, PROPERTY RATES, TARIFFS AND OTHER CHARGES FOR 2022/2023: 2023/2024 AND 2024/2025 FOR SPECIFIC PURPOSES OF

GIVING EFFECT TO PUBLIC PARTICIPATION

1. BACKGROUND

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

The budget steering committee had an engagement on 15 March 2022 to consolidate and consider all the input and to provide an opportunity for the Chief Financial Officer to workshop the Draft 2022-2023 MTREF. The Budget Steering Committee recommended this draft 2022-2023 MTREF budget to the Executive Mayor for consideration at the mayoral committee meeting to be held on 25 March 2022.

The following were highlighted in National Treasury Budget Circulars 112 and 115 (dated 6 December 2021 and 4 March 2022) to inform the Draft 2022-2023 MTREF

The South African economy and inflation targets

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024. South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF. The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery. The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

The Macro-economic forecasts as illustrated below:

Table 1: Macroeconomic perfo	rmance and pr	rojections, 20	20 - 2025		
Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Key focus areas for the 2022/23 budget process

- Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period. Over the 2022 MTEF period, direct transfers to municipalities will grow above inflation, at an annual average rate of 7.9 per cent. Direct conditional grants grow at an annual average rate of 5.3 per cent over the MTEF, while the Local Government Equitable Share (LGES) grows faster, at an annual average rate of 10.3 per cent over the same period.
- Municipalities are advised to refer to the guidance (refer to the email sent by CoGTA to all municipalities on 20 October 2021) provided through the joint National Treasury/ Department of Cooperative Governance/ South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 on the transitional measures in relation to the IDP consultation process.
- Similar to the rest of government, municipalities face a difficult fiscal environment. The
 weak economic growth has put pressure on consumers' ability to pay for services,
 while transfers from national government are growing more slowly than in the past. Some
 municipalities have managed these challenges well, but others have fallen into financial
 distress and face liquidity problems. These include municipalities that are unable to meet
 their payment obligations to Eskom, Water Boards and other creditors. There is a need for
 municipalities to focus on collecting revenues owed to them and eliminate wasteful and noncore spending.
- National Treasury encourages municipalities to maintain tariff increases at levels that reflect
 an appropriate balance between the affordability to poorer households and other customers
 while ensuring the financial sustainability of the municipality. The Consumer Price Index
 (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band;
 therefore, municipalities are required to justify all increases in excess of the projected
 inflation target for 2022/23 MREF in their budget narratives and pay careful attention to

tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

- The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates. It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes.
- The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23. The draft increase for bulk purchases is 8.61% and an increase of 7.75% for electricity sales.
- The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.
- 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. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors 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 councilor(s) concerned.

Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on niceto-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery;

- The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control and fix water infrastructure to enable the sustainable provision of water;
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation;
- Unsustainable growth of the salary bill resulting in a potential multi-plier effect on future tariff increases.

2. LEGISLATIVE RESPONSIBILITIES

Section 16(2): MFMA 2.1

"... the Mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the financial year."

Artikel 16(2): MFMA

... die Burgemeester van die munisipaliteit moet die jaarlikse begroting ten minste 90 dae voor die aanvang van die begrotingsjaar by 'n raadsvergadering ter tafel lê.

2.2 Section 24(1): MFMA

"The municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget."

Artikel 24(1): MFMA

"Die raad van 'n munisipaliteit moet ten minste 30 dae voor die aanvang van die begrotingsjaar goedkeuring van die jaarlikse begroting oorweeg."

2.3 Section 160(2)(b) (c): Constitution

"The following functions may not be delegated by a Municipal Council:

... the approval of budgets and tariffs."

Artikel 160(2)(b)(c): Grondwet

"Die volgende funksies mag nie deur die Munisipale Raad gedelegeer word nie:

... die goedkeuring van begrotings en tariewe."

2.4 Section 160(3)(a) Constitution

"A majority of the members of a Municipal Council must be present before a vote may be taken on any matter."

Artikel 160(3)(a) Grondwet

"Dat die meerderheid Munisipale Raadslede teenwoordig moet wees voordat stemming geneem word oor enige saak."

2.5

<u>Section 19: MFMA</u> "A municipality may spend money on a capital project only if the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality has been appropriated in the capital budget; section 33 has been complied with and the sources of funding are available and have not been committed"

<u>Artikel 19: MFMA</u> "'n Munisipaliteit kan geld aan 'n kapitaalprojek bestee, slegs indien die geld vir die projek, uitgesonderd die koste van uitvoerbaarheidstudies deur of namens die munisipaliteit gedoen in die kapitaalbegroting is; artikel 33 aan voldoen is en die befondsingsbronne beskikbaar is en nie vir ander doeleindes geoormerk is nie"

Section 33: MFMA 2.6

"A municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if....."

Artikel 33: MFMA

"'n Munisipaliteit kan 'n kontrak sluit wat die finansiële verpligtinge op die munisipaliteit sal lê na die einde van 'n finansiële jaar, maar indien die kontrak finansiële verpligtinge op die munisipaliteit sal lê na die einde van die drie jaar wat die jaarlikse begroting vir daardie finansiële jaar gedek word, kan die munisipaliteit so kontrak sluit deur die slegs indien......"

3. DOCUMENTATION

- 3.1 Attached hereto (Annexure A: 2022/23 2024/25 Draft Budget and Tariff File) find the Draft Capital and Operating budget for 2022/2023 as prepared by the Chief Financial Officer, and the multi-year operating and capital budgets for 2023/2024 and 2024/2025.
- 3.2 Attached hereto (Annexure B: 2022/23–2024/25 Capital Projects i.t.o Sec 19) find the Draft individual capital projects over the threshold envisaged i.t.o Sec 19 having cognisance of Sec 33 of the MFMA.

3.3 <u>BUDGETS AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK</u> 2022/2023 REFORMS

Attached hereto (Annexure C: Budget Report and A-Schedules 2022/23–2024/25), find the prescribed budget reforms as per MFMA Circulars No.107 and No.108 in accordance with the regulations.

3.4 **OUTSTANDING DEBTORS**

(Annexure A: 2022/23 – 2024/25 Draft Budget and Tariff File) contains the outstanding debtors as at 31 January 2022.

3.5 **INVESTMENTS & EXTERNAL LOAN REGISTER**

(Annexure A: 2022/23–2024/25 Draft Budget and Tariff File) contains the Investments and External loan register as at 28 February 2022.

3.6 **BUDGET RELATED POLICIES**

Also attached hereto (Annexure D: Draft Amendments to Budget & Related Policies 2022/2023) find the draft amended budget and related policies for 2022/23.

Below is a list of the budget and related policies and by-laws, indicating whether amendments by way of track changes were effected, for draft approval by Council:

No.	Policy/Plan 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 Policy Schedule and By-Law	Yes	No
5.	Indigent Policy	Yes	No
6.	Cash Management and Investment Policy	Yes	Yes
7.	Asset Management Policy	Yes	Yes
8.	Fleet Management Policy	Yes	Yes
9.	Supply Chain Management Policy	Yes	Yes
10.	Budget Implementation Policy	Yes	No

No.	Policy/Plan Name	Reviewed (Yes / No)	Amended (Yes / No)
11.	Funding and Reserves Policy	Yes	No
12.	Debt and Borrowing Policy	Yes	No
13.	Virement Policy	Yes	No
14.	Travel and Subsistence Policy	Yes	Yes
15.	Cost Containment Policy	Yes	No

4. AREAS COVERED DURING THE BUDGET STEERING COMMITTEE MEETINGS:

- Struggling South African Economy
- Conservative budgeting w.r.t the revenue budget and therefore the amounts in years 2 and 3 of the MTREF are indicative only and not fixed, mainly to mitigate the risks given the global and local poor economic conditions. In this regard expenditure will have to be curbed with careful monitoring of budget performance and payment rates
- Key focus risk areas for the 2022/23 Budget process
- Extensive revenue modelling informing tariff increases to ensure services are delivered sustainably and cost reflective over the longer term with emphasis on the impact of increases on disposable income levels given the dire state of the economy
- Expenditure and Revenue Consolidation and audited basis informing growth from 2021-2022 to 2022-2023
- Revenue streams from trading and economic services insufficient, given the impact of Capital budget programs and Indigents on the Operating account
- Future operational cost of 2 800 housing opportunities, Landfill sites cost of compliance and Rehabilitation, ± R52.6mil capital & R26.9mil operating
- Further initiatives will need to be considered for revenue growth, revenue protection and preventing revenue leakage going forward.

To ensure compliance with the Budget and Reporting Regulations, the Budget Steering Committee gave effect to their technical advisory role in strengthening local government finances at a meeting that was held on the 15th of March 2022.

5. HIGH-LEVEL DISCUSSION / MOTIVATION

That the Executive Mayoral Committee recommends the approval of the draft capital, operating and balance sheet budgets, amendments to the budget and related policies, property tax rates, tariffs and other charges for the 2022/2023; 2023/2024 and 2024/2025 financial years to council for draft approval.

5.1 **CAPITAL BUDGET**

The total draft Capital budget for 2022/2023 amounts to **R 203 752** million with around **R 116 643** 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 555 767** million. An increase of **R 120 303** million from the previous approved adjusted MTREF of **R 435 464** million. The ongoing investment in revenue generating and other bulk infrastructure is important as an economic stimulant given the multiplier effect that infrastructure investment has on the local economy and more-over now than ever before. The leveraging of these investments in creating jobs remains a key consideration bearing in mind the impact the capital budget have on the operating account.

HOUSING PROJECTS

<u>Note:</u> The allocations in the provincial gazette for housing projects in year 2 and 3 are indicative at this stage because of <u>provincial commitments not yet guaranteed</u>.

CAPITAL PROJECTS ABOVE THE THRESHOLD AS ENVISAGED BY SECTION 19 OF THE MFMA

SECTION 19 (1) requires that council consider the operational costs over the MTREF and beyond prior to approving these capital projects:

- (1) "A municipality may spend money on a capital project only if-
- (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17 (2);
- (b) the project, including the total cost, has been approved by the council;
- (c) section 33 has been complied with, to the extent that this section may be applicable to the project; and
- (d) the sources of funding have been considered, are available and have not been committed for other purposes."

FINANCING SOURCES		Draft Budget 2022/2023		Draft Budget 2023/2024	Draft Budget 2024/2025		
Capital Replacement Reserve (CRR)	R	116 643 433	R	122 483 903	R	130 244 472	
Municipal Infrastructure Grant (MIG)	R	33 810 000	R	24 711 000	R	25 670 000	
Dept. Human Settlements	R	20 059 000	R	33 600 000	R	5 000 000	
Integrated National Electrification Programme (INEP)	R	17 600 000	R	5 000 000	R	5 225 000	
RSEP	R	1 200 000					
Contributions / Donations	R	14 360 000					
Dept. Cultural Affairs and Sport	R	50 000					
Community Safety Grant	R	30 000	R	40 000	R	40 000	
GRAND TOTAL	R	203 752 433	R	185 834 903	R	166 179 472	

SECTION 19 (2) requires the following:

- (2) "Before approving a capital project in terms of subsection (1) (b), the council of a municipality must consider-
- (a) the projected cost covering all financial years until the project is operational; and
- (d) the future operational costs and revenue on the project, including municipal tax and tariff implications."

SECTION 19 (3) requires the following:

(3) "A municipal council may in terms of subsection (1) (b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme."

5.2 OPERATING BUDGET

The operating expenditure budget will increase from R 951 133 million to R 1 026 602 million resulting in approximate growth of 7.9%. The operating revenue budget will increase from R 1 007 040 million to R 1 104 984 million (including operating and capital grant allocations) resulting in year on year growth of 9.7%. The relationship between the growth in realistically generated revenue compared to the growth in expenditure is however becoming problematic over the medium to longer term and much will have to be done to curb expenditure and grow other revenue sources to ensure longer term financial sustainability.

The total salary budget is envisaged to increase from **R 274 683** million to **R 302 236** million (10.03% increase) to make provision for nationally determined annual adjustments in salaries, other benefits such as medical aid and pension contributions. Provision also had to be made for critical posts.

TRAINING BUDGET

The Skills Development Act, Act 97 of 1998, determines that a public service employer in **the national** and **provincial spheres of government** must budget for at least one per cent of its payroll for the training and education of its employees. This provision does not refer to the local sphere of government, but has nevertheless been applied by the Municipality for many years now. The Department of Labour however after an enquiry in this regard indicated verbally that less may be budgeted, provided that the payment of the 1% levy payable to SARS in terms of said act is not to be deviated from.

A concerted effort was again made to limit this expenditure in an attempt to keep tariffs within the limits of the reduced realistically anticipated revenue streams, with an amount of R 2 036 894 budgeted for training in the 2022/23 operating budget, which constitutes 0.70% of the Municipality's salary budget (excluding councillor remuneration) and will be limited to around 0.70% for the outer MTREF financial years. This budget is considered more than sufficient to provide for training needs within the Municipality given the historic and current training programmes already covered, but more-over the necessitated curbing of expenditure given the worsening disposable income levels of the paying public during this severe economic downturn.

SALARY BUDGET

That Council takes note of the increases of the Directors 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 4.9% for 2022/2023; 4.4% for 2023/2024 and 4% for the 2024/2025 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase where applicable;
- All salary adjustments are adequately budgeted for;
- Provision has been made for a 3% increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).

It further be noted that due to a lack of sufficiently generated internal funds, no provision could be made for the redemption shortage in respect of the overlapping of the redemption of loans to external banks and the life span of assets.

PROPERTY TAXES AND TARIFFS OF TRADINGS ERVICES

The average draft increases in property taxes and tariffs for the 2022/2023 financial year are as follows:

Property Rates - **4.9%** (detail of main property categories per recommendation (g) for the property tax rate:- cent in the Rand)

6.5% All other properties (excluding agricultural properties used

for bona fide agricultural activities and vacant land)

7.75% (NERSA in the process of considering same- please refer

to the detailed electricity tariffs found in the Tariff listing)

Refuse Removal - 7.5% due to the service being rendered at a loss

Sewerage - **5.9%**

Electricity

Water - **4.5%** for the first 15kls thereafter – **5.9%** for residential

consumers.

4.8% increase for all businesses, sport clubs and **5.9%** for government institutions, please consult the tariff listing for the

detail.

Normal Water Tariff Increases	2021/22	2022/23	Increases %	Increases (R)
Residential:				
Network charge	R67.14	R70.16	4.5%	R3.02
• 0 – 6kl	R5.21	R5.44	4.5%	R0.23
• 7 – 10kl	R8.94	R9.34	4.5%	R0.40
• 11 – 15kl	R17.12	R17.89	4.5%	R0.77
• 16 – 20kl	R21.70	R22.98	5.9%	R1.28
• 21 - 25kl	R32.49	R34.08	5.9%	R1.90
• 26 - 35kl	R47.94	R50.77	5.9%	R2.83
36kl and above	R89.40	R94.67	5.9%	R5.27
Business/ Commercial/ Industrial/ etc.				
Network charge	R113.85	R119.31	4.8%	R5.46
From 1kl and above – R/Tariff per kl	R22.36	R23.43	4.8%	R1.07
Sport Clubs	R23.70	R24.84	4.8%	R1.14
 Schools and Government Institutions 	R24.86	R26.33	5.9%	R1.47

5.3 PROPERTY RATES AND SERVICE CHARGES ASSUMPTIONS

The objective with the exercise of tariff determination was to ensure that trade and economic services show surpluses over the next three to five years in order to sustain quality service delivery to which our consumers in the Swartland area have become accustomed to, but more importantly to finance some other community services and the refurbishment/ renewal of council's bulk infrastructure. This was however not possible with refuse removal which is rendered at a loss.

Every effort was made during the extensive income modelling exercise to apply the principles of zero based budgeting where appropriate. Items such as fuel, tyres, and bulk purchases inclusive of post-retirement benefits were repeatedly verified against past performance and the implementation of improved practices in a bid to realise potential further reductions and savings.

Property Rates

The draft proposed property rates increases for the 2022/23 financial year is **4.9%** for residential properties and **6.5%** for business and state owned properties. Increases over the remaining MTREF period, is limited to **5.9%** for residential properties and **6.9%** for business and state owned properties. Over the MTREF additional streams were factored in as a result of the implementation of the new general valuation envisaged for the 2024/25 financial year. Limited growth is forecasted for the years beyond the MTREF.

Electricity Tariffs

On 14 March 2022 NERSA issued a media statement confirming the electricity tariff increase of 9.61% for Eskom customers effective 1 April 2022 and determined the tariff increase for the purchase of electricity by municipalities at **8.61%** as from 1 July 2022. It was indicated in the media statement that the tariff increase guideline applicable for municipal customers will be issued in due course. At this stage the preliminary estimation of the nominal increase for selling of electricity based on a projected inflation rate of 5.7%, is **7.75%**. In line with the approach adopted in previous financial years, the lower consumption block of the residential prepaid tariff is increased by a lower percentage of 7.3%. The shortfall is recovered from the proposed higher increase of 8% of the energy components of the bulk industrial tariffs which are expected to remain lower than the NERSA benchmark. The proposed tariff increases of the municipal tariffs are preliminary and subject to revision upon receipt of the tariff benchmark guidelines from NERSA. **Please consult the detailed tariff listing for the proposed draft increases**.

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

Water Tariffs

The draft water tariff increases are :- 4.5% for the first 15kls thereafter a 5.9% increase for residential consumers, a 4.8% increase for all businesses and sport clubs and 5.9% for schools and government institutions. The draft tariff increases, which are above the estimated headline inflation rate, are needed given the extent of water infrastructure investment required over the MTREF compounded by illegal connections and an increase in consumption to the south towards Cape Town.

Refuse Removal

The draft tariff increase of **7.5%**, which is above the headline inflation rate, is needed to deliver the service effectively and to eventually phase out the deficit over the longer term due to the current economic conditions. The additional percentage of 2.7% above headline inflation is equal to R3.76 per month and needed to ensure that the cost of providing the service is fully funded over the longer term as the service is currently rendered at a loss. Over the remaining MTREF period, the increase remain 7.5% to phase out the deficit over the longer term.

Sanitation

The draft tariff increase of **5.9%** 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 2022/23 MTREF. This will further support critical upgrades of the wastewater treatment works in Moorreesburg and Darling due for completion in 2022/23 without the need to take-up a capital loan.

Council will also revert to the single part tariff for sanitation as was the case in 2020-2021 and the prior years.

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

- Pressure on supply and demand as a result of the Ukraine and Russia conflict, compounding local inflation in the form of Food and Fuel increases which could potential see the SARB increasing the REPO rate;
- Weaker exchange rates already resulted in an increase in the fuel account;
- Slower recovery of the economy;
- The upward pressure and multiplier effect of increases in staff salaries.

RECOMMENDATIONS

- 1. The following recommendations by the Executive Mayoral Committee held on 25 March 2022, for consideration by Council on 31 March 2022 for purposes of public participation. Final approval shall only take place on 26 May 2022.
 - (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: 2022/23 2024/2025 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: 2022/23 2024/25 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 2022/2023		Draft Budget 2023/2024		Draft Budget 2024/2025
Capital Replacement Reserve (CRR)	R	116 643 433	R	122 483 903	R	130 244 472
Municipal Infrastructure Grant (MIG)	R	33 810 000	R	24 711 000	R	25 670 000
Dept. Human Settlements	R	20 059 000	R	33 600 000	R	5 000 000
Integrated National Electrification Programme (INEP)	R	17 600 000	R	5 000 000	R	5 225 000
RSEP	R	1 200 000				
Contributions / Donations	R	14 360 000				
Dept. Cultural Affairs and Sport	R	50 000				
Community Safety Grant	R	30 000	R	40 000	R	40 000
GRAND TOTAL	R	203 752 433	R	185 834 903	R	166 179 472

(d) That council deemed it appropriate to consider the entire capital program excluding the 3 contractually combined projects above R 50 million as the aforementioned capital program's operational cost, inclusive of future costs will be covered by the rates regime and the normal cost centres found in the operational budget;

- (e) That council approves the capital projects as part of its consolidated capital program as per (Annexure A: 2022/23 2024/25 Draft Budget and Tariff File);
- (f) That the draft high-level multi-year Capital and Operating budgets in respect of the 2022/23 2024/25 financial years, be approved as draft, in accordance with sections 16, 17 and 19 of the MFMA to allow for public participation;

	Original Budget 2021/22	Adjustments Budget 2021/22	Draft Budget 2022/23	Draft Budget 2023/24	Draft Budget 2024/25
Capital budget	166 435 729	166 040 448	203 752 433	185 834 903	166 179 472
Operating Expenditure	911 967 149	951 133 356	1 026 601 605	1 055 394 402	1 135 542 535
Operating Revenue	968 875 613	1 007 040 106	1 104 983 965	1 113 176 083	1 174 467 869
Budgeted (Surplus)/ Deficit	(56 908 464)	(55 906 750)	(78 382 360)	(57 781 681)	(38 925 335)
Less: Capital Grants & Contributions	47 912 409	48 027 246	87 109 000	63 351 000	35 935 000
(Surplus)/ Deficit	(8 996 055)	(7 879 504)	8 726 640	5 569 319	(2 990 335)

(g) That council approves the notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy the draft property tax rates, exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2022/2023 financial year with effect from 1 July 2022, for purposes of allowing for public participation;

Category of property	Rate ratio	(c/R) rate determined for the relevant property category
Residential properties	1: 1	0,5624
Business and Commercial properties	1: 1,4586	0,8203
Industrial properties	1: 1,4586	0,8203
Agricultural properties	1: 0,25	0,1406
Mining properties	1: 1,4586	0,8203
Public Service Infrastructure	1: 0,25	0,1406
Properties owned by an organ of state and used for public service purposes	1: 1,4586	0,8203
Public Benefit Organisations	1: 0	0,0000
Vacant properties	1: 1,3470	0,7575
Municipal properties	1: 0	0,0000
Conservation Areas	1: 0	0,0000
Protected Areas	1: 0	0,0000
National Monuments	1: 0	0,0000
Informal Settlements	1: 0	0,0000

Exemptions and Reductions

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

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

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

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

- (h) That council approve the draft tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in (Annexure A: 2022/23 2024/25 Draft Budget and Tariff File) for purposes of allowing for public participation;
- (i) That council approve the electricity tariffs as draft for the 2022/2023 financial year, bearing in mind that it is still subject to NERSA's final approval;
- (j) 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 2022/23 – 2024/25);
- (k) That the amendments to the budget and related policies as set out in (Annexure D: Draft Amendments to Budget & Related Policies 2022/23) hereto, be approved for purposes of soliciting the views and comment from the public;
- (I) That the training budget limited to **0,70%** of the salary budget in the amount of **R2 036 894** for the 2022/2023 financial year be approved as draft;
- (m) That Council takes note of the increases of the Directors 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 **4.9%** for 2022/2023; **4.4%** for 2023/2024 and **4%** for the 2024/2025 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase where applicable;
 - All salary adjustments are adequately budgeted for;
 - Provision has been made for a 3% increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).
- (n) That Council takes note of the budgeted operating surpluses and that the budget is "cashfunded" as a result of cash reserves in table A8, the total expenditure growth of **7.9%** from the current to the new financial year and the revenue streams with growth in revenue of **9.7%** (only **5.9%** excluding capital grant income) for the MTREF period as well as the cash flow statement as per (A-schedule A7) for the next three financial years;
 - the budgeted risk factor for cash coverage for operating expenses are **8.3 months** for 2022/23, **8.3 months** for 2023/24 and **7.6 months** for the 2024/25 financial year (this can materially be impacted but not possible to determine scientifically at this stage):
 - over the next three financial years the planning is such that operating net deficits are envisaged for 2022/23 to an amount of R 8 726 640, for 2023/24 an amount of R 5 569 319 and for 2024/25 an surplus of R 2 990 335 (excluding capital grant income), which is manageable within the risk appetite of the municipality supported by the improved payment rates.
- (o) 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:

- (p) That Council take note that the budget was prepared in the new mSCOA Version 6.6 as required by National Treasury;
- (q) That the process of soliciting public input, views or comments into the draft budget, 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 29 April 2022.

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

AANBEVELINGS

- 1. Die volgende aanbevelings deur die Uitvoerende Burgemeesterskomitee gehou op 25 Maart 2022, vir oorweging deur die Raad op 31 Maart 2022 vir doeleindes van publieke deelname. Finale goedkeuring sal eers plaasvind op 26 Mei 2022.
 - (a) Dat die Raad kennis neem dat die koste soos beoog deur Artikel 19 (2)(a)(b) verkry is na konsultasie met die onderskeie direkteur(e) wie die koste bevestig het soos per (Annexure A: 2022/23 2024/25 Draft Budget and Tariff File) en oorweeg dieselfde;
 - (b) Dat die Raad voor die goedkeuring van die kapitaal projekte bo R50 miljoen soos gelys in (Annexure B: 2022/23 2024/25 Capital Projects ito Sec 19), eers die geprojekteerde koste wat alle finansiële jare dek totdat die projek in werking is; en die toekomstige bedryfskoste en inkomste op die projek, met inbegrip van belasting- en tarief-implikasies oorweeg;
 - (c) Dat die Raad die befondsingsbronne oorweeg wat verband hou met die raad se kapitaalprogram en daarop let dat die befondsingsbronne beskikbaar is en nie vir ander doeleindes geoormerk is nie;

FINANCING SOURCES		Draft Budget 2022/2023		Draft Budget 2023/2024		Draft Budget 2024/2025	
Capital Replacement Reserve (CRR)	R	116 643 433	R	122 483 903	R	130 244 472	
Municipal Infrastructure Grant (MIG)	R	33 810 000	R	24 711 000	R	25 670 000	
Dept. Human Settlements	R	20 059 000	R	33 600 000	R	5 000 000	
Integrated National Electrification Programme (INEP)	R	17 600 000	R	5 000 000	R	5 225 000	
RSEP	R	1 200 000					
Contributions / Donations	R	14 360 000					
Dept. Cultural Affairs and Sport	R	50 000					
Community Safety Grant	R	30 000	R	40 000	R	40 000	
GRAND TOTAL	R	203 752 433	R	185 834 903	R	166 179 472	

(d) Dat die Raad dit toepaslik geag het om die totale kapitaalprogram te oorweeg, uitgesluit die 3 individuele projekte bo R50 miljoen aangesien die voorgenoemde kapitaalprogram se operasionele koste, insluitend die toekomstige koste wat gedek sal word deur belasting en die normale kostesentrums soos in die bedryfsbegroting;

- (e) Dat die Raad die kapitaalprojekte as deel van die gekonsolideerde kapitaalprogram goedkeur soos per (Annexure A: 2022/23 2024/25 Draft Budget and Tariff File);
- (f) Dat die konsep hoë-vlak meerjarige Kapitaal- en Bedryfsbegrotings ten opsigte van die 2022/23 tot 2024/25 finansiële jare goedgekeur word as finaal, in ooreenstemming met artikel 16, 17 en 19 van die MFMA om publieke deelname toe te laat;

	Oorspronklike Begroting 2021/22	Aansuiwerings begroting 2021/22	Konsep Begroting 2022/23	Konsep Begroting 2023/24	Konsep Begroting 2024/25
Kapitaalbegroting	166 435 729	166 040 448	203 752 433	185 834 903	166 179 472
Bedryfsuitgawes	911 967 149	951 133 356	1 026 601 605	1 055 394 402	1 135 542 535
Bedryfsinkomste	968 875 613	1 007 040 106	1 104 983 965	1 113 176 083	1 174 467 869
Begrote (Surplus)/ Tekort	(56 908 464)	(55 906 750)	(78 382 360)	(57 781 681)	(38 925 335)
Minus: Kapitaal Toekennings	(**************************************	(**************************************	((2 2 2 7	(11111111111111111111111111111111111111
en Bydraes	47 912 409	48 027 246	87 109 000	63 351 000	35 935 000
(Surplus)/ Tekort	(8 996 055)	(7 879 504)	8 726 640	5 569 319	(2 990 335)

(g) Dat daar inbeginsel goedkeuring verleen word vir die kennisgewing ingevolge artikel 14(1) en (2) van die Plaaslike Regering: Wet op Munisipale Eiendomsbelasting, 2004 ten opsigte van die heffing van konsep eiendomsbelastingkoerse, vrystellings en afslag op eiendomme soos gespesifiseer in die onderstaande skedule en in die eiendomsbelastingbeleid vir die 2022/2023 finansiële jaar, vir doeleindes van die publieke deelnameproses;

Category of property	Rate ratio	(c/R) rate determined for the relevant property category
Residential properties	1: 1	0,5624
Business and Commercial properties	1: 1,4586	0,8203
Industrial properties	1: 1,4586	0,8203
Agricultural properties	1: 0,25	0,1406
Mining properties	1: 1,4586	0,8203
Public Service Infrastructure Properties owned by an organ of state and used for public service purposes	1: 0,25 1: 1,4586	0,1406 0,8203
Public Benefit Organisations	1: 0	0,0000
Vacant properties	1: 1,3470	0,7575
Municipal properties	1: 0	0,0000
Conservation Areas	1: 0	0,0000
Protected Areas	1: 0	0,0000
National Monuments	1: 0	0,0000
Informal Settlements	1: 0	0,0000

Exemptions and Reductions

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

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

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

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

- (h) Dat die Raad die konsep tariefstrukture en heffings vir water, vullisverwydering, riool en ander diverse heffings soos uiteengesit in (Annexure A: 2022/23 2024/25 Draft Budget and Tariff File) goedkeur met die doel om publieke deelname toe te laat;
- (i) Dat die Raad die voorgestelde elektrisiteitstariewe as konsep goedkeur vir die 2022/23 finansiële jaar, met inagneming dat dit onderhewig is aan finale goedkeuring deur NERSA;
- (j) Dat die jaarlikse begrotingstabelle soos vereis deur die Begrotings- en Rapporteringsregulasies en uiteengesit is in (Annexure C: Budget Report and A-Schedules 2022/23 – 2023/24) goedgekeur word;
- (k) Dat die wysigings aan die begrotings- en verwante beleide soos vervat in (Annexure D: Draft Amendments to Budget & Related Policies 2022/23), goedgekeur word met die doel vir die publiek se menings en kommentaar;
- (I) Dat die opleidingsbegroting beperk is tot **0,70%** van die salarisbegroting ten bedrae van **R 2 036 894** vir die 2022/23 finansiële jaar as konsep goedgekeur word;
- (m) Dat die Raad kennis neem dat die verhogings vir die Direkteure kontraktueel gekoppel is aan die ander personeel wat op nasionale vlak onderhandel en bepaal word:
 - Ten opsigte van alle personeel, 'n verhoging van 4.9% vir 2022/2023; 4.4% vir die 2023/2024 en 4% vir 2024/2025 finansiële jare, uitgesluit die toename in ander voordele wat van toepassing is en die jaarlikse 2,5% kerfverhoging waar van toepassing;
 - Daar is voldoende begroot vir alle salarisaanpassings;
 - Voorsiening is gemaak vir 'n **3%** verhoging vir politieke ampsbekleërs wat val binne die middelband van die inflasieteikens soos bepaal deur die Suid-Afrikaanse Reserwebank (SARB).
- (n) Dat die Raad kennis neem van die begrote bedryfssurplusse en dat die begroting "kontant gefinansier" word as gevolg van die kontantreserwes in tabel A8, die totale groei in uitgawes van 7.9% vanaf die huidige na die nuwe finansiële jaar en die inkomstebronne met 'n groei in inkomste van 9.7% (slegs 5.9% kapitale toekennings uitgesluit) vir die MTREF periode, sowel as die kontantvloei-staat soos per (A-schedule: A7) vir die volgende drie finansiële jare;
 - die risikofaktor vir kontantdekking vir bedryfsuitgawes is 8.3 maande vir 2022/23,
 8.3 maande vir 2023/24 en 7.6 maande vir die 2024/25 finansiële jaar (dit kan wesenlik beïnvloed word, maar op hierdie stadium is dit nie moontlik om wetenskaplik te bepaal nie);
 - oor die volgende drie finansiële jare is die beplanning van so 'n aard dat netto bedryfstekorte verwag word vir 2022/23, 'n bedrag van R 8 726 640, vir 2023/24 'n bedrag van R 5 569 319 en 'n bedryfssurplus vir 2024/25, 'n bedrag van R 2 990 335 (kapitale toekennings uitgesluit), wat bestuurbaar is binne die risiko-aptyt van die munisipaliteit en gerugsteen word deur die verbeterde betaalkoerse.

17

(o) Dat die Direkteur: Finansiële Dienste voldoen aan die vereistes van die Begrotingsomsendbriewe en –formate in die konteks van die verslagdoeningsvereistes aan Provinsiale en Nasionale Tesourie;

(p) Dat die Raad kennis neem dat die begroting opgestel is in die nuwe mSCOA Weergawe 6.6 soos vereis deur Nasionale Tesourie;

(q) Dat die proses van publieke insette, of kommentaar op die konsep begroting, **hersiende** begroting en verwante beleide (beperk tot die hersienings van die vorige jaar) en begrotingsdokumente, belasting koerse op eiendomme en tariewe op **29 April 2022** sluit.

vir die volledigheid en implementering sal op die Engelse weergawe van die aanbevelings staat gemaak word.

(get) M Bolton

DIREKTEUR: FINANSIËLE DIENSTE



Verslag ◆ Ingxelo ◆ Report

Kantoor van die Munisipale Bestuurder 2022-03-25

2/4/4 WYK: Nvt

ITEM 3.3 OF THE AGENDA OF A SPECIAL EXECUTIVE MAYORAL COMMITTEE MEETING TO BE HELD ON 25 MARCH 2022

ONDERWERP: KONSEP 2022/2023 DIENSLEWERING- EN BEGROTINGIMPLEMENTERINGS-

PLAN (SDBIP)

SUBJECT: DRAFT 2022/2023 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

(SDBIP)

1. BACKGROUND / DISCUSSION

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) defines service delivery and budget implementation plan (SDBIP) as a detailed plan for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate -

- (a) projections for each month of -
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter.

The purpose of the SDBIP is to support the Municipality's management to achieve service delivery targets as well as the spending of the capital budget within given timeframes.

2 I FGISI ATION

The following regulations of the Municipal Budget and Reporting Regulations (GN 393 of 17 April 2009) apply-

Regulation 14

- (2) When complying with section 68 of the MFMA, the municipal manager must submit the draft municipal service delivery and budget implementation plan to the mayor together with the annual budget to be considered by the mayor for tabling in terms of section 16(2) of the MFMA.
- (3) For effective planning and implementation of the annual budget, the draft municipal **service delivery and budget implementation plan** may form part of the budget documentation and be **tabled** in the municipal council if so recommended by the Budget Steering Committee.

Regulation 15

(3) When submitting the annual budget to the National Treasury and the relevant provincial treasury in terms of section 22(b)(i) of the MFMA, the municipal manager must also submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form (b) the *draft service delivery and budget implementation plan*.

<u>MFMA Section16(2):</u> In order for a municipality to comply with subsection (1), the mayor of the municipality must *table* the annual budget at a council meeting at least 90 days before the start of the budget year.

3. ALIGNMENT TO THE IDP

The IDP and the SDBIP are linked through Chapter 7 of the IDP which is also included in the SDBIP as well as the annual budget which is included in both documents. The budget is informed by the strategy and objectives of the IDP.

4. FINANCIAL IMPLICATION

None

5. AANBEVELING / RECOMMENDATION

- (a) Dat die Uitvoerende Burgemeesterskomitee kennis neem van die aangehegte konsep 2022/2023 Dienslewering- en Begrotingimplementeringsplan (SDBIP) ten einde dit by die Raadsvergadering ter tafel te lê in terme van regulasie 14 van die Munisipale Begroting en Rapportering Regulasies; en
- (b) dat die SDBIP in terme van regulasie 15 van die Munisipale Begroting en Rapportering Regulasies aan Nasionale Tesourie en Provinsiale Tesourie voorgelê word.
- (a) That the Executive Mayoral Committee take cognisance of the attached draft 2022/2023 Service Delivery and Budget Implementation Plan (SDBIP) in order to table it at the Council meeting in terms of regulation 14 of the Municipal Budget and Reporting Regulations; and
- (b) that the SDBIP be submitted to National Treasury and Provincial Treasury in terms of regulation 15 of the Municipal Budget and Reporting Regulations.

(get) J J Scholtz

MUNISIPALE BESTUURDER / MUNICIPAL MANAGER



Swartland Municipality

2022-2023 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Draft March 2022

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1. INTRODUCTION

The SDBIP provides the vital link between the executive mayor, council and the administration and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that ensures that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council.

The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used. The SDBIP indicates the responsibilities and outputs for each of the managers in the top management team, the inputs to be used, and the time deadlines for each output. The SDBIP therefore determines the performance agreements of the municipal manager and directors, including the outputs and deadlines for which they will be held responsible. The SDBIP further provides all expenditure information (for capital projects and services) per municipal ward, so that each output can be broken down per ward, where this is possible, to support ward councillors in service delivery information.

The SDBIP is also a vital monitoring tool for the executive mayor and council to monitor the in-year performance of the municipal manager and for the municipal manager to monitor the performance of directors and division heads in the municipality within the financial year. This enables the executive mayor and municipal manager to be pro-active and take remedial steps in the event of poor performance.

2. LEGAL REFERENCE

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) defines service delivery and budget implementation plan (SDBIP) as a detailed plan for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate -

- (a) projections for each month of -
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter.

The purpose of the SDBIP is to support the Municipality's management to achieve service delivery targets as well as the spending of the capital budget within given timeframes.

Regulation 14 of the Municipal Budget and Reporting Regulations (April 2009) determines that -

- (2) when complying with section 68 of the MFMA, the municipal manager must submit the draft SDBIP to the executive mayor together with the annual budget to be considered by the executive mayor for tabling at a council meeting in terms of section 16(2) of the MFMA (i.e. at least 90 days before the start of the budget year); and
- (3) for effective planning and implementation of the annual budget, the draft SDBIP may form part of the budget documentation and be tabled at the council meeting if so recommended by the Budget Steering Committee.

Regulation 15(3) of the Municipal Budget and Reporting Regulations determines that, when submitting the annual budget to the National Treasury and the relevant provincial treasury in terms of section 22(b) (i) of the MFMA, the municipal manager must also submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form, the draft SDBIP.

In terms of Section 69 of the MFMA the draft SDBIP must be submitted to the executive mayor within 14 days after the approval of an annual budget (in May annually) and in terms of Section 53 the final SDBIP must be approved by the executive mayor within 28 days after the approval of the annual budget.

3. THREE YEAR CAPITAL BUDGET PER DEPARTMENT

Department	Division / Service	2022/2023	2023/2024	2024/2025
Office of the Municipal Manager	Equipment MM	10 000	12 000	12 000
	Equipment Council	10 000	12 000	12 000
	Council: CK15265 Combi 2.5		649 000	
	Council: CK1 M/Benz E200			488 750
Subtotal		20 000	673 000	512 750
Civil Engineering Services	Equipment	52 000	54 000	56 000
	Parks and Amenities	1 708 000	2 258 500	1 819 000
	Sewerage	4 856 000	2 660 000	6 924 000
	Sports Fields	10 600 000	0	54 700
	Roads	59 457 500	48 715 500	30 527 500
	Storm water	312 000	314 000	316 000
	Water Provision	27 229 027	17 562 278	18 885 243
	Buildings and Maintenance	2 026 800	963 500	1 080 000
	Cleaning Services	4 785 756	6 732 125	33 650 227
	Waste water treatment plants	12 243 350	0	1 000 000
	Swimming Pools	700 000	12 000 000	0
	Cemeteries	0	200 000	0
Subtotal		123 970 433	91 459 903	94 312 670
Corporate Services	General, Secretariat and Records as well as Ward Committees	9 404 000	26 000	28 000
·	Administration: Properties and Contracts	100 000	100 000	100 000
	Communication and Public Relations	50 000	0	0
Subtotal		9 554 000	126 000	128 000
Development Services	Equipment	42 000	44 000	46 000
·	Community Development	262 500	0	0
	Built Environment	2 060 000	0	0
	Human Settlements	20 859 000	33 600 000	15 400 000
	Caravan Park Yzerfontein	30 000	32 000	430 750
Subtotal		23 253 500	33 676 000	15 876 750
Electrical Engineering Services	General and equipment	350 000	360 000	380 000
	ICT Services	3 004 000	880 000	799 000
	Operations, Maintenance and Construction	42 650 000	58 050 000	51 605 000
Subtotal		46 004 000	59 290 000	52 784 000
Financial Services	Financial Services General	710 500	385 000	319 500
Subtotal		710 500	385 000	319 500
Protection Services	Traffic and Law Enforcement	80 000	90 000	2 100 802
	Fire and Emergency Services	160 000	135 000	145 000
Subtotal		240 000	225 000	2 245 802
TOTAL		203 752 433	185 834 903	166 179 472

4. THREE YEAR CAPITAL BUDGET PER IDP STRATEGIC GOAL

Strategic Goal	2022/2023	%	2023/2024	%	2024/2025	%
1: Improved quality of life for citizens	502 500	0.2%	225 000	0.1%	2 245 802	1.4%
2: Inclusive economic growth	0	0.0%	0	0.0%	0	0.0%
3: Quality and sustainable living environment	22 991 000	11.3%	33 676 000	18.1%	15 876 750	9.6%
4: Caring, competent and responsive institutions, organisations and business	13 288 500	6.5%	2 064 000	1.1%	1 759 250	1.1%
5: Sufficient, affordable and well-run services	166 970 433	81.9%	149 869 903	80.6%	146 297 670	88.0%
TOTAL	203 752 433	100.0%	185 834 903	100.0%	166 179 472	100.0%

5. TEN LARGEST CAPITAL PROJECTS - 2022/2023

PROJECT	BUDGET	SOURCE(S) OF FINANCE
Resealing of roads - Swartland	25 000 000	CRR
De Hoop project 389 plot Housing development(Electricity)	18 600 000	CRR (R1 000 000), MIG (R17 6000 000)
Construction: Side walks and Recreational nodes (Ilinge Lethu & Wesbank)	14 000 000	CRR
Sewerage Moorreesburg	11 437 000	CRR
Upgrading of Sports Fields: Darling and Chatsworth	10 000 000	CRR
132/11kV Eskom Schoonspruit substation, 132kV transmission line and servitudes	10 000 000	CRR
Malmesbury De Hoop Serviced Sites (Streets and stormwater)	9 637 560	DHS
New roads - Swartland	9 310 000	CRR (R500 000), MIG (R8 810 000)
Purchase of Building: Erf 2738 Malmesbury	9 200 000	CRR
Swartland Water System S3.3 & S3.4 Panorama to Wesbank I1/4 - CRR	8 650 000	CRR (R3 650 000), MIG (R5 000 000)

The ten largest capital projects represent a total budget of R125 834 560 which is 61.8% of the total capital budget.

Monthly projections of revenue and expenditure to be collected for each source

Note: to be provided for council

Monthly projections of expenditure (operating and capital) and revenue for each vote

Note: to be provided for council

Quarterly projections of service delivery targets and performance indicators for each vote

The pages that follow contain the following reports:

Annexure 3A: Performance indicators and benchmarks (operating budget)

Annexure 3B: 2018/2019 KPIs and targets from the IDP

Annexure 3C: Generic KPIs and targets for Municipal Manager and Directors

Annexure 3D: Targets and projected expenditure for each capital budget item

ANNEXURE 3A Performance indicators and benchmarks

Note: to be provided for council

ANNEXURE 3B KPIs and targets from the 2017-2023 IDP

Strategic Goal 1: Improved quality of life for citizens

Strategic Objectives	Strategic Initiatives	Key Performance Indicators	Targets
1.1 Facilitate access to the economy	Support local economic development	Number of SMME training sessions	1 per quarter
	through skills and enterprise development		
	Engagement with formal business on SMME	Annual engagement held	Yes (annually by
	support		June)
J	Promote the coordination of social		
and externally with partners.	development through partnerships:		
	Internally: Internal Social Development	Agreement reached on additional	Yes (annually by
	Committee to identify additional action	action plans in each department	June)
	plans in each department that contributes		
	to social development		
1.8 Increase the effectiveness of the	Effective traffic and law enforcement	Number of reports on progress	10 per annum
municipal traffic & law enforcement	execution by using our own Automated	submitted to the portfolio committee	
service	Number Plate Recognition (ANPR) Bus		\/
1.9 Integrated Crime Prevention / Safety	Effective safety partnerships in terms of the	Report on progress submitted to the	Yes (annually by
stakeholder collaboration	Integrated Safety Strategy through an MOU	Mayoral Committee	June)
1.10 Provent and manage land investor	with all role-players, especially SAPS	Ni. yanin ay af yaya ayta ay yaya ay	10
1.10 Prevent and manage land invasion. Monitor informal settlements.	Effective operation and monitoring by Traffic and Law Enforcement Division	Number of reports on progress submitted to the Portfolio Committee	10 per annum
			Voc (oppubly by
1.11 Ensure that infrastructure development, resources and equipment are available	An effective operational Protection Service	Lobby budget to expand the current	Yes (annually by November)
to deliver an effective Protection Service		Firefighting and Emergency resources Lobby budget to expand the current	Yes (annually by
to all communities in the Swartland		Law Enforcement resources	November)
1.12 Extension of service delivery of Protection	Extension of learners licence centres for	Learners licence centres operational in	,
Services	Darling and Riebeek Valley	Darling and Riebeek Valley subject to	Riebeek Valley: July
SCIVICCS	Daning and Niebeck Valley	a budget allocation and approval	2022
		from the National Department of	2022
		Transport	
1.13 Swartland Safety Initiative	An effective Swartland Community Safety	Reports submitted to the Mayoral	Yes (annually by
z zaa. aa.a.,aaa	Forum	Committee	June)
	Support the four Community Police Forums	Attend CPF meetings and activities	Yes (Quarterly)

Strategic Goal 2: Inclusive economic growth

	Strategic Objectives	Strategic Initiatives	Key Performance Indicators	Targets
2.1	Relevant stakeholders systematically improve local competitive advantages	collaborate systematically to strengthen local	Number of key stakeholder groups actively contributing to improved competitive advantage	15 by end of Dec 2022
2.2	Well located, serviced sites and premises available for commercial and industrial investors	1 113	Number of well located, serviced industrial sites available.	20 by end of Dec 2022
2.4	Local markets work better to increase opportunity for local small businesses		Number of opportunities advertised / shared with Swartland businesses.	100 by end of Dec 2022
2.5	Easier for farmers to add and grow new / promising business models	, , , , , , , , , , , , , , , , , , , ,	Number of key constraints to growth removed.	3 by end of Dec 2022
2.6	Easier for local citizens to access economic opportunity	Establish an information portal pointing to best information sources including local support services		400 by end of Dec 2022
2.7	Increase tourism visitors and brand the Swartland as a good place to live, work and play	Finalise (and implement) a more effective tourism destination marketing and development business model	Model implemented	Yes (by June 2024

Strategic Goal 3: Quality and sustainable living environment

	Strategic Objectives	Strategic Initiatives	Key Performance Indicators	Targets
3.9	Maintain a balance between non-	Obtain land use rights and secure funding for	Funding application to DHS submitted	By June 2023
	paying and paying households through	FLISP housing, affordable housing and social		
	the increased provision of affordable	housing		
	housing, Finance Linked Individual			
	Subsidy Programme (FLISP) housing, Gap			
	housing and social housing.			

Strategic Goal 4: Caring, competent and responsive institutions, organisations and business

	Strategic Objectives	Strategic Initiatives	Key Performance Indicators	Targets
4.6	Identify risks and implement preventative and corrective controls	Risk Management responsibilities assigned to Internal Audit as part of their consulting service to management	Updated Internal Audit Charter which include risk management facilitation role	By June 2023
		Assign Disciplinary Committee responsibilities to four newly appointed members	Appointment of new members for the Disciplinary Committee over a period of six months for continuity	By December 2022
		Maintain an effective independent Performance and Risk Audit Committee as per legislation (Appoint for three years, but can extend for six years)	Appointment of new members for the PRA Committee over a period of three years for continuity	
4.7	Sound long-term financial planning including making the right investment decisions	Review budget related policies for purposes of insuring relevance and alignment to Budget Circular	Review completed	Annually by March
4.10	Accomplish effective and efficient HR management	Implement data analysis procedure for future municipal needs to identify corrective and preventative actions and to improve HR management function's effectiveness and efficiency as well as external benchmarking to identify continuous improvement opportunities	Data analysis implemented subject to funding	Yes (by June 2023)
4.12	Maximising administrative and operational efficiency i.t.o. legislative prescripts	Automation of System of Delegation linked to organogram	Automated system implemented	By June 2023

Strategic Goal 5: Sufficient, affordable and well-run services

	Strategic Objectives	Strategic Initiatives	Key Performance Indicators	Targets
5.2	and improve the current condition of	Investigate and report to council annually on the status quo condition of surfaced roads	Report submitted to the Portfolio Committee	Yes (annually by end of Sep)
	surfaced roads	Inform budgetary processes of funding requirement for maintenance and upgrading of surfaced roads.	Budget requirements calculated and budget informed	Yes (annually by end of Nov)
5.3	Ensure sufficient civil services capacity for planned developments	Review and maintain master plans in accordance with the most recent growth model information	Master plans reviewed and maintained	Yes (annually by end of March)
5.4	Maintenance, upgrading and extension that sustain the current condition of civil infrastructure	Inform budgetary processes of funding requirement for maintenance, renewal, upgrading, extension and refurbishment of civil infrastructure	Budget requirements calculated and budget informed	Yes (annually by end of November)
5.5	Ensure that a budget is submitted to provide sufficient electricity capacity for planned developments (built environment) that are feasible	Review and maintain master plans and facilitate budget approval	Master plans reviewed and maintained	Yes (annually by end of June)
5.6	Maintenance and upgrading that sustain and improve the current condition of electrical infrastructure	Inform budgetary processes of funding requirement for maintenance, renewal, upgrading, extension and refurbishment of electrical infrastructure	Budget and motivation submitted to budget office (minimum 6% of annual electricity revenue allocation is a Nersa license condition)	Yes (annually by end of November)
5.7	Provide electricity cost effectively	Provide competitive tariffs for industrial consumers in support of economic growth	Approval of tariffs by Nersa	Annually before end of June
		Maintain energy losses at an acceptable level	% total energy losses (technical + non-technical)	Maintain the annual average below 8%

ANNEXURE 3C Generic KPIs and targets for Municipal Manager and Directors

MUNICIPAL MANAGER

The performance objectives, KPI's, annual targets and risks in the following table are applicable to the Municipal Manager:

Perf Objectives	Key Performance Indicators	Targets	
09-0001: Liaison with business role-players	Annual event with local business held	Yes (before end of June)	
09-0003: Sound management	Number of monthly management meetings held	At least 10 p.a.	
09-0004: Legally compliant procurement	Number of appeals against the municipality regarding the awarding of tenders that were upheld	0 maximum	
09-0005: Performance and financial monitoring	Number of monthly performance and financial assessments	Otr 1: 3 per quarter	
	done	Otr 2: 2 per quarter	
		Otr 3: 3 per quarter	
		Otr 4: 3 per quarter	
09-0006: Annual report compilation and approval	Annual Report as required by MFMA (121) tabled	Yes (annually by end of January)	
	Annual Report as required by MFMA (121) approved	Yes (annually by end of March)	
09-0007: Council decision implementation	% of due council decisions initiated	100%	
09-0008: Monitoring the IDP / Budget process	Number of months that the IDP / Budget process schedule were At least 10 p.a.		
	checked	·	
09-0009: Functional macro-structure maintained	Annual review of the macro-structure completed	Yes (before end of June)	
09-0012: LED fund management	% of the LED funds actually spent	90% for the year	
10-0040: MFMA Section 131(1): Ensure that any issues	% of issues raised by the Auditor-General in an audit report	100%	
raised by the Auditor-General in an audit report are	addressed		
addressed			
19-0015: Training needs of staff	Training needs of staff identified and provided to HR at	Yes (annually by Nov)	
_	meetings held with all departments during November annually		
NEW: Hand-over report for new council	A hand-over report that can be tabled at the first meeting of the newly elected council completed	By end of September 2021	
	the newly elected council completed		

GENERAL INDICATORS IN TERMS OF THE MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS, 2001

Perf Objectives	Key Performance Indicators	Targets
14-0029: General KPI: % of capital budget spent on	% of capital budget spent	Between 90% and 105%
capital projects identified for a particular financial		
year in terms of the municipality's IDP		
14-0026: General KPI: Jobs created through	Number of jobs created through Municipality's capital projects	100 for the year
municipality's LED initiatives including capital projects	(contracts > R200 000)	

ALL DIRECTORS

The performance objectives, KPI's and targets in the following table are on a management level and are applicable to all the directors:

Perf Objective	KPI	Target
Capital expenditure in line with budget and time frames	% of capital budget spent	Between 95% and 105%
Capital project implementation	Average % completion of capital projects	90%for the year
Operating expenditure in line with budget and time frames	% of operating budget spent	Between 90% and 100%
Workforce training roll-out	% of planned training sessions according to the Workplace Skills Plan realised	100%
Council decision implementation	% of due council decisions initiated	100%
Performance and financial monitoring	Number of monthly performance assessments and reconciliation of departmental records of expenditure with finance records done	Qtr 1: 3 per quarter Qtr 2: 2 per quarter Qtr 3: 3 per quarter Qtr 4: 3 per quarter
Annual report inputs provided by departments	Departmental input to the annual report submitted by due date	Yes
Budget inputs provided by departments	Budget requests provided to financial department in accordance with the budget time schedule	Yes
Assignments from the municipal manager completed	Number of written warnings received from municipal manager	0 maximum
Correspondence addressed in a timely manner	% of all correspondence recorded by Collaborator less than 60 days old	100.0%
Equal employment opportunity management	% of employment opportunities applied for appropriate equity appointments	100% cumulative by end of June annually
Procurement in line with legal process	% compliance with SCM policy with the exception of approved deviations	100%
Audit issues resolved	% internal audit queries for which an action plan was submitted within 10 working days	100%
	% internal actions implemented within agreed time frame	100%
	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days	100%
	% of Auditor General's findings implemented within agreed time frame	100%
Risk identification and control implementation	Confirmations of risk assessment done	Yes (bi-annually by Nov and May)
	% of Risk Action Plans implemented in accordance with the agreed time frame	100% (bi-annually by Nov and May)
	Chief Risk Officer / Internal Audit informed of any newly identified risks	Yes
	Chief Risk Officer / Internal Audit informed of any changes in work procedures	Yes

Perf Objective	KPI	Target
	Chief Risk Officer / Internal Audit informed of any incidents	Yes
	where controls have failed (loss control register update)	
Invocoms held	Number of invocoms held	Otr 1: 3 per quarter
		Otr 2: 2 per quarter
		Otr 3: 3 per quarter
		Otr 4: 3 per quarter
Average duration of vacancies reduced	Average duration of vacancies after decision was taken by	3 months maximum
	management to fill the post	
Productive workforce	% of person days lost per month due to sick leave	4% pm maximum
EPWP monitoring (not applicable to Financial	Number of Full Time Equivalents (FTE's) for the financial year	103 for the whole organisation
Services)	Number of work opportunities created during the financial year	296 for the whole organisation
Assets safeguarding	A condition assessment and a review of the remaining useful	Yes (by June annually)
	life of all assets in the department done and a certification in	
	this regard provided to the Head Asset Management.	
	All moveable assets that became unusable or that were lost or	Yes
	stolen reported immediately in the prescribed manner to the	
	Head: Asset Management	
Communication Strategy implementation	All planned communication activities for the next financial year	Yes (annually by end of June)
	in terms of the Communication Strategy submitted to the	
	Director Corporate Services	
	Number of reports on all communication activities undertaken	1 per quarter
	by the department submitted to the Director Corporate	
	Services	
Issuing of safety clothing	All safety clothing issued	Yes (by end of March)
Spending of grants	% spending of grants	100% by end of June
Ensure that accurate revenue estimates are	Projected tariff increases determined for the budget of the new	Yes (annually by February)
prepared in relation to operating requirements	financial year	
Ensure timeous submission of capital payment	Due date for last capital payment invoices and payment	Annually by 9 July
invoices and payment certificates to the Finance	certificates to be submitted to the Finance Department	
Department		
Training needs of staff	Training needs for staff identified and provided to HR at	Yes (annually by November)
	meetings held with all departments during November annually	

SPECIFIC DIRECTORS

Over and above the performance objectives, KPI's and targets in the preceding table, the under mentioned are only applicable to the specific directors as indicated:

Director Financial Services

Perf Objective	KPI	Target	
General indicators in terms of the municipal planning and performance management regulations, 2001			
09-0096: Ensure general financial viability	% outstanding service debtors to revenue	Norm = 20%	
	Cost coverage	Norm = 1-3 months	
	% debt coverage	Norm = 45%	
14-0025: Indigent households (qualifying households	% of indigent households with access to free basic services	100.0%	
earning equal or less than R4515 per month or as per			
the CFO's discretionary powers) with access to free			
basic services			

Director Civil Engineering Services

Perf Objective	KPI	Target
12-0086: Improved water sustainability	% total water losses	Maintain the annual average
		below 17%
General indicators in terms of the municipal planning		
14-0023: Improved access to water, sanitation and	% of urban households with access to basic level of water (at	100.0%
refuse removal	least piped (tap) water within 200 meters from dwelling)	
	% of urban households with access to basic level of sanitation	100.0%
	(at least a flush toilet, chemical toilet or pit toilet with ventilation	
	(VIP))	
	% of households with access to basic level of solid waste	100.0%
	removal (households registered for refuse removal service	
	which receive a service once a week)	

Director Electrical Engineering Services

Perf Objective	KPI	Target	
General indicators in terms of the municipal planning and performance management regulations, 2001			
14-0024: Improved access to electricity	% of urban households with access to electricity	100.0%	

Director Protection Services

Perf Objective	KPI	Target
16-0004: Effective monitoring of informal settlements	Report to Portfolio Committee on any new informal dwellings /	Yes - monthly
	structures erected	

Director Corporate Services

Perf Objective	KPI	Target
16-0009: Promote employment equity through	Review of employment equity plan as a result of any major	Yes (by end of June)
continuous planning	event or restructuring that occurred during the financial year	
General indicators in terms of the municipal planning	and performance management regulations, 2001	
14-0027: People from employment equity target	% of people from employment equity target groups appointed	100.0%
groups employed	for the month in terms of the Municipality's approved	
	Employment Equity plan	
14-0028: Budget spent on implementing the	% of the municipality's training budget actually spent on	At least 90%
workplace skills plan	implementing its workplace skills plan (cumulative)	

ANNEXURE 3D Targets and projected expenditure for each capital budget item

NOTE: SCHEDULES AND PROJECTED EXPENDITURES PER PROJECT WILL BE INSERTED WITH THE FINAL SDBIP IN JUNE 2021

ANNEXURE 4
Ward information for expenditure and service delivery

Project Ref	Project Description	Budget 2021/2022
WARDS 1 & 2		
13-0008	Waste water treatment works (WWTW) Moorreesburg	11 437 000
22-0046	Purchase of land parcels: Koringberg	180 000
WARDS 3 & 12		
21-0015	Riebeek Kasteel water supply S2.4	1 000 000
WARD 4		
17-0075	Upgrading of sports grounds: Darling and Chatsworth	10 000 000
21-0023	Chatsworth Serviced sites (Professional fees)	300 000
WARDS 5 & 6		
16-0044	Equipment: YZF caravan park	30 000
17-0075	Upgrading of sports grounds: Darling and Chatsworth	10 000 000
18-0004	Sewerage Darling	806 350
22-0051	Darling GAP housing	1 000 000
22-0048	Skate Park: Darling	1 200 000
22-0049	Tenstile Netting over seating area of Amphitheatre: Darling	260 000
22-0050	Irrigation: Darling Amphitheatre	260 000
22-0034	Darling GAP 36 serviced erven development. Electrical bulk supply, infrastructure and connections	2 000 000
WARD 7		
22-0053	Kalbaskraal: Purchasing of Transnet Land	2 400 000
WARDS 8, 9, 10	& 11	
17-0044	Saamstaan/De Hoop project - 395 plot housing development: Electrical Bulk supply, Infrastructure and connections	18 600 000
22-0036	Malmesbury llinge Lethu. Formalisation of 220 erven for Blocks A & B Informal areas. Electrical bulk supply, infrastructure and connections	3 000 000
22-0054	Phola Park (A,B & C) Basic Services	800 000
21-0040	Construction: Sidewalks and Recreational nodes (Ilinge Lethu & Wesbank)	14 000 000
19-0012	Wesbank I1/4 to Wesbank water reservoir supply SMW.B6	7 368 226
VARIOUS WARE		
18-0018	Malmesbury De Hoop Project (Professional fees)	2 335 000
19-0023	Malmesbury security operational centre	700 000
21-0005	Upgrading of N7/Voortrekker Northern Interchange	8 000 000
21-0013	Swartland Water System S3.3 & S3.4 Panorama to Wesbank	8 650 000
21-0019	Malmesbury De Hoop Serviced Sites (Professional Fees)	841 440
21-0020	Malmesbury De Hoop Serviced Sites (Sewerage)	1 402 400
21-0021	Malmesbury De Hoop Serviced Sites (Water)	2 103 600
21-0022	Malmesbury De Hoop Serviced Sites (Streets and storm water)	9 637 560

Project Ref	Project Description	Budget 2021/2022
21-0033	Electricity: 132/11kV Eskom Schoonspruit substation, 132kV transmission line and servitudes	10 000 000
21-0034	Water: De Hoop Supply SMW1.1	4 500 000
21-0042	Malmesbury De Hoop (395 Water Meters)	39 000
22-0013	Security lighting: Wesbank Sport Grounds	600 000
22-0012	Swimming Pool: Wesbank	700 000
22-0005	Sewerage Malmesbury: Security Fencing – Irrigation Pump Station	800 000
22-0021	Water: Generator for Wesbank Water Tower and Boosters	1 000 000
22-0033	Wesbank Sports Fields: Repair of vandalised flood lighting	200 000
ALL WARDS		
Electricity Distr	ibution	
19-0030	Electricity: Swartland LV upgrading	750 000
20-0020	Electricity: MV upgrading Swartland	1 000 000
19-0031	Electricity: substation fencing	200 000
19-0044	Electricity: Connections: Electricity Meters (New/Replacements)	800 000
20-0021	Electricity: Replace obsolete air conditioners	100 000
21-0009	Electricity: Protection Relay Upgrade: Swartland	4 500 000
22-0030	Electricity: Streetlight, kiosk and polebox replacement: Swartland	500 000
22-0021	Electricity: Protection and Scada Upgrading: Swartland	300 000
Cleansing		
21-0035	Refuse: Boreholes for Landfill sites	740 000
ICT Services		
11-0105	IT: Scanner replacements	80 000
11-0106	IT: equipment	70 000
13-0053	IT: server SM virtual environment	1 100 000
14-0028	IT: printers	60 000
14-0029	IT: desktops	225 000
14-0030	IT: notebooks	484 000
20-0022	IT: Backup solution	660 000
20-0023	IT: Monitor replacements	45 000
22-0038	IT: Recording of telephone calls	180 000
22-0039	IT: Projector: Town hall	70 000
22-0040	IT: UPS Replacement	30 000

Project Ref	Project Description	Budget 2021/2022
Parks and recre	eation	
17-0079		
Roads and stor	m water	
09-0004	Resealing/upgrading of roads and sidewalks (Swartland)	25 000 000
09-0009	Storm water network (Swartland)	250 000
16-0015	New roads	9 310 000
17-0080	Roads: ward committee projects	1 100 000
Sewerage		
09-0003	Sewerage: telemetry	36 000
21-0032	Sewerage: New Vacuum Tanker extend capacity	1 995 000
Municipal Prop	erty	
20-0032	Buildings: Fitting of Council Chambers (Std Bank Building)	2 000 000
Water Distributi	on	
12-0013	Water: upgrading/replacement water reticulation network	3 337 712
17-0082	Water: upgrading of water reticulation network: PRV's, flow control, zone metering	100 000
18-0072	Water: new connections: water meters	664 089
19-0011	Bulk water infrastructure	500 000
22-0018	Water: Electrofusion Welding machine (replacement)	60 000
Properties, Cor	ntracts and Legal Administration	
22-0047	Purchase of Building: Erf 2738 Malmesbury	9 200 000
Financial Servi	ces	
22-0041	Finance: Indigent Screening Solution	420 000
Equipment		
09-0021ac	Equipment Civil Services	52 000
16-0006	Equipment Buildings & Maintenance	26 800
11-0058	Equipment Parks	62 000
19-0016	Equipment: refuse bins, traps, skips (Swartland)	150 000
11-0059	Equipment Refuse Removal	24 000
10-0114	Equipment Sewerage	30 000
11-0060	Equipment Streets and Storm Water	62 000
11-0062	Equipment Water	49 000
09-0021ad	Equipment Corporate	24 000
17-0069	Equipment Libraries	50 000
09-0024	Equipment Corporate: Halls and buildings	100 000
09-0021aa	Equipment Council	10 000
09-0021ab	Equipment Municipal Manager	10 000
11-0097	Equipment Development Services	42 000
11-0096	Equipment Electricity	350 000

Project Ref	Project Description	Budget 2021/2022
09-0021af	Equipment Finance	28 000
10-0138	Equipment Traffic and Law Enforcement	50 000
10-0139	Equipment Fire and Emergency Services	160 000
18-0068	Equipment: K9 Unit	30 000
Vehicles		
-	Vehicles Roads	2 047 500
-	Vehicles Thusong Centre	262 500
-	Vehicles Refuse	3 871 756
-	Vehicles Sewerage	1 995 000
-	Vehicles Finance	262 500
TOTAL		203 752 433

DCoG MFMA Circular No 88 indicators applicable to local municipalities for 2021/22 (pilot)

The following indicators are applicable to local municipalities. Each indicator is introduced on a readiness scale of Tier 1 - Tier 4 per municipal category. Only Tier 1 and Tier 2 indicators apply for the 2021/22 pilot on the grounds of their readiness as prescribed indicators given methodological and data availability considerations. The greyed-out outcome indicators are not Tier 1 or Tier 2 but are shown for reference purposes.

MFMA Circular No. 88 of 30 November 2017 provides the following clarity in respect of outcome and output indicators:

"In line with the original intention of the SDBIPs, this circular seeks to clarify that the SDBIP should only be concerned with performance information that speaks to "products or services" directly produced or delivered within the control of the municipality, otherwise known as outputs. The targets set for these indicators should therefore be informed by the resourcing allocation derived from the prioritisation and strategic direction set out in the IDP. Similarly, the IDP should be concerned primarily with the outcomes and set targets in relation to these over the medium term."

Indicator readiness tier classification system

Tier 1	Indicator conceptually clear, established methodology and standards available and data regularly produced.
Tier 2	Indicator conceptually clear, established methodologies and some standards but there is variability in interpretation and systems available to
	support. Data are not yet regularly produced across all stakeholders.
Tier 3	Indicator for which there is agreed conceptual value, but not yet a common established methodology and standards for data to be produced.
Tier 4	Indicator for which there is an identified need, but not yet conceptual agreement between stakeholders and this is a placeholder for a future
	indicator.

Energy and Electricity

Outcome	Outcome Indicators	Output Indicators
EE1. Improved access to	EE1.1 Percentage of households with access to electricity	EE1.11 Number of dwellings provided with connections to
<u>electricity</u>		mains electricity supply by the municipality
EE3. Improved reliability of	EE3.1 System Average Interruption Duration Index	EE3.11 Percentage of unplanned outages that are restored
electricity service		to supply within industry standard timeframes
	EE3.2 Customer Average Interruption Duration Index	EE3.21 Percentage of planned maintenance performed
EE4. Improved energy	EE4.4 Percentage total electricity losses	NO OUTPUT INDICATOR PROPOSED
sustainability		

Environment and waste

Outcome	Outcome Indicators	Output Indicators				
ENV3. Increased access to	ENV3.1 Percentage of households with basic refuse removal	ENV3.11 Percentage of known informal settlements receiving				
<mark>refuse removal</mark>	<mark>services or better</mark>	basic refuse removal services				
ENV4. Biodiversity is	ENV4.2 Ecosystem/vegetation type protection level	ENV4.11 Percentage of biodiversity priority area within the				
conserved and enhanced		municipality and the second se				
ENV5. Coastal and inland	ENV5.1 Recreational water quality (coastal)	INDICATOR NOT APPLICABLE				
water resources maintained	ENV5.2 Recreational water quality (inland)	INDICATOR NOT APPLICABLE				

Sound financial management

MFMA Circular No. 71 has previously identified 32 indicators suitable for municipalities and municipal entities issued in terms of Section 216(1)(c) of the Constitution and Section 2 of the MFMA. The circular gives guidance on financial norms and standards to ensure sound and sustainable management of fiscal and financial affairs in municipalities and municipal entities. In order to ensure consistency and complementarity between reform processes with the pre-existing directive, and with acknowledgement of the benefit of inter-departmental co-ordination on this matter, the application of 32 financial management indicators in MFMA Circular No. 71 in local municipalities continues. However, National Treasury has indicated it will be revisiting these indicators in the near future in line with the broader reform agenda.

Fire and disaster services

Outcome	Outcome Indicators	Output Indicators
FD1. Mitigated effects of fires	FD 1.1 Number of fire related deaths per 100 000 population	FD 1.11 Percentage compliance with the required
and disasters		attendance time for structural firefighting incidents

Governance

Outcome	Outcome Indicators	Output Indicators
GG1. Improved municipal	GG1.1 Percentage of municipal skills development levy	NO OUTPUT INDICATOR PROPOSED
<u>capability</u>	recovered recovered	
	GG1.2 Top management stability	GG1.21 Staff vacancy rate
		GG1.22 Percentage of vacant posts filled within 3 months
GG2. Improved municipal	GG2.1 Percentage of ward committees that are functional	GG2.11 Percentage of ward committees with 6 or more
<u>responsiveness</u>	(meet four times a year, are quorate, and have an action	ward committee members (excluding the ward councillor)
	<mark>plan)</mark>	GG2.12 Percentage of wards that have held at least one
		councillor-convened community meeting
	GG2.2 Attendance rate of municipal council meetings by	NO OUTPUT INDICATOR PROPOSED
	recognised traditional and Khoi-San leaders	
	GG2.3 Protest incidents reported per 10 000 population	GG2.31 Percentage of official complaints responded to
		through the municipal complaint management system
GG3. Improved municipal	GG3.1 Audit Outcome	GG3.11 Number of repeat audit findings
<u>administration</u>		GG3.12 Percentage of councillors who have declared their
		financial interests
GG4. Improved council	GG4.1 Percentage of councillors attending council meetings	GG4.11 Number of agenda items deferred to the next
<u>functionality</u>		council meeting
GG5. Zero tolerance of fraud		GG5.11 Number of active suspensions longer than three
and corruption	reported per 100 000 population	months end of the second secon
		GG5.12 Quarterly salary bill of suspended officials

Housing and community facilities

Outcome	Outcome Indicators	Output Indicators			
HS3. Increased access to	HS3.5 Percentage utilisation rate of community halls	NO OUTPUT INDICATOR PROPOSED			
and utilisation of social and	HS3.6 Average number of library visits per library	NO OUTPUT INDICATOR PROPOSED			
community facilities	HS3.7 Percentage of municipal cemetery plots available	NO OUTPUT INDICATOR PROPOSED			

Local economic development

Outcome	Outcome Indicators	Output Indicators			
LED1. Growing inclusive local	LED1.1 Gross Value Added (GVA) by the municipality per	LED1.11 Percentage of total municipal operating			
<u>economies</u>	<mark>capita</mark>	expenditure spent on contracted services physically residing			
		within the municipal area			
	LED1.2 Employment rate in the municipal area	LED1.21 Number of work opportunities created through			
		Public Employment Programmes (incl. EPWP, CWP and other			
		related employment programmes)			
LED2. Improved levels of	LED 2.1 Rates revenue as a percentage of the total revenue	LED 2.12 Percentage of the municipality's operating budget			
economic activity in	of the municipality	spent on indigent relief for free basic services			
municipal economic spaces					
LED3. Improved ease of	LED3.1 Average cost to a business to apply for a construction	LED3.11 Average time taken to finalise business license			
doing business within the	permit with a municipality	<u>applications</u>			
municipal area	LED 3.3 R-value of investment inflows	LED3.31 Average number of days from the point of			
		advertising to the letter of award per 80/20 procurement			
		process			
		LED3.32 Percentage of municipal payments made to service			
		providers who submitted complete forms within 30-days of			
		invoice submission			

Transport and roads

Outcome	Outcome Indicators	Output Indicators		
TR6. Improved quality of	TR6.1 Percentage of fatal crashes attributed to road and	TR6.11 Percentage of unsurfaced road graded		
municipal road network environmental factors		TR6.12 Percentage of surfaced municipal road lanes which		
		has been resurfaced and resealed		
		TR6.13 KMs of new municipal road lanes built		
	TR6.2 Number of potholes reported per 10kms of municipal	TR6.21 Percentage of reported pothole complaints resolved		
	<mark>road network</mark>	within standard municipal response time		

Water and sanitation

Outcome	Outcome Indicators	Output Indicators
WS1. Improved access to	WS1.1 Percentage of households with access to basic	WS1.11 Number of new sewer connections meeting minimum
<u>sanitation</u>	<mark>sanitation</mark>	<u>standards</u>
WS2. Improved access to	WS2.1 Percentage of households with access to basic water	WS2.11 Number of new water connections meeting minimum
water	<u>supply</u>	<u>standards</u>
	WS3.1 Frequency of sewer blockages per 100 KMs of pipeline	WS3.11 Percentage of callouts responded to within 24 hours
water and sanitation services		(sanitation/wastewater)
	WS3.2 Frequency of water mains failures per 100 KMs of	WS3.21 Percentage of callouts responded to within 24 hours
	<mark>pipeline</mark>	(water)
	WS3.3 Frequency of unplanned water service interruptions	NO OUTPUT INDICATOR PROPOSED
WS4. Improved quality of	WS4.1 Percentage of drinking water samples complying to	
water (incl. wastewater)	SANS241	
	WS4.2 Percentage of wastewater samples compliant to	
	water use license conditions	
WS5. Improved water	WS5.1 Percentage of non-revenue water	NO OUTPUT INDICATOR PROPOSED
<mark>sustainability</mark>	WS5.2 Total water losses	
	WS5.3 Total per capita consumption of water	WS5.31 Percentage of total water connections metered
	WS5.4 Percentage of water reused	NO OUTPUT INDICATOR PROPOSED

Compliance indicators

The following indicators are for planning and reporting for compliance purposes. No target setting is required for these indicators or questions.

Ref.	Indicator
C1 (GG)	Number of signed performance agreements by the MM and section 56 managers:
C2 (GG)	Number of Mayoral Committee meetings held:
C3 (GG)	Number of Council portfolio committee meetings held:
C4 (GG)	Number of MPAC meetings held:
C5 (GG)	Number of recognised traditional leaders within your municipal boundary
C6 (GG)	Number of formal (minuted) meetings between the Mayor, Speaker and MM were held to deal with municipal matters:
C7 (GG)	Number of formal (minuted) meetings - to which all senior managers were invited- held:
C8 (GG)	Number of councillors completed training:
C9 (GG)	Number of municipal officials completed training:
C10 (GG)	Number of work stoppages occurring:
C11 (GG)	Number of litigation cases instituted by the municipality:
C12 (GG)	Number of litigation cases instituted against the municipality:
C13 (GG)	Number of forensic investigations instituted:

Ref.	Indicator Control of the Control of
C14 (GG)	Number of forensic investigations conducted:
C15 (GG)	Number of days of sick leave taken by employees:
C16 (GG)	Number of permanent employees employed
C17 (GG)	Number of temporary employees employed:
C18 (GG)	Number of approved demonstrations in the municipal area:
C19 (GG)	Number of recognised traditional and Khoi-San leaders in attendance (sum of) at all council meetings:
C20 (ENV)	Number of permanent environmental health practitioners employed by the municipality:
C21 (ENV)	Number of approved environmental health practitioner posts in the municipality
C22 (GG)	Number of Council meetings held:
C23 (GG)	Number of disciplinary cases for misconduct relating to fraud and corruption:
C24 (GG)	Number of council meetings disrupted
C25 (GG)	Number of protests reported
C26 (GG)	R-value of all tenders awarded
C27 (GG)	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations:
C28 (GG)	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations:
C29 (LED)	Number of approved applications for rezoning a property for commercial purposes:
C30 (GG)	Number of business licenses approved:
C31 (GG)	Number of approved posts in the municipality with regard to municipal infrastructure:
C32 (GG)	Number of positions filled with regard to municipal infrastructure:
C33 (GG)	Number of tenders over R200 000 awarded:
C34 (GG)	Number of months the Municipal Managers' position has been filled (not Acting):
C35 (GG)	Number of months the Chief Financial Officers' position has been filled (not Acting):
C36 (GG)	Number of vacant posts of senior managers:
C37 (GG)	Number of approved posts in the treasury and budget office:
C38 (GG)	Number of filled posts in the treasury and budget office:
C39 (GG)	Number of approved posts in the development and planning department:
C40 (GG)	Number of filled posts in the development and planning department
C41 (GG)	Number of approved engineer posts in the municipality:
C42 (GG)	Number of registered engineers employed in approved posts
C43 (GG)	Number of engineers employed in approved posts:
C44 (GG)	Number of disciplinary cases in the municipality:
C45 (GG)	Number of finalised disciplinary cases:

Ref.	Indicator Indicator
C46 (ENV)	Number of approved waste management posts in the municipality:
C47 (ENV)	Number of waste management posts filled:
C50 (WS)	Number of approved water and wastewater management posts in the municipality:
C51 (WS)	Number of filled water and wastewater management posts:
C52 (HS)	Number of maintained sports fields and facilities
C53 (HS)	Square meters of maintained public outdoor recreation space
C54 (HS)	Number of municipality-owned community halls
C56 (EE)	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level standards)
C57 (EE)	Number of registered electricity consumers with a mini grid-based system in the municipal service area
C58 (EE)	Total non-technical electricity losses in MWh (estimate)
C59 (EE)	Number of municipal buildings that consume renewable energy
C60(WS)	Total number of sewer connections
C61 (WS)	Total number of chemical toilets in operation
C62 (WS)	Total number of Ventilation Improved Pit Toilets (VIPs)
C63 (WS)	Total volume of water delivered by water trucks
C67 (FD)	Number of paid full-time firefighters employed by the municipality
C68 (FD)	Number of part-time and firefighter reservists in the service of the municipality
C69 (FD)	Number of 'displaced persons' to whom the municipality delivered assistance
C71 (LED)	Number of procurement processes where disputes were raised
C73 (FD)	Number of structural fires occurring in informal settlements
C74 (FD)	Number of dwellings in informal settlements affected by structural fires (estimate)
C76 (LED)	Number of SMMEs and informal businesses benefitting from municipal digitisation support programmes rolled out directly or in partnership with other stakeholders
C77 (LED)	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based
C78 (LED)	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned
C79 (LED)	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement
C86 (LED)	Number of households in the municipal area registered as indigent
C89 (GG)	Number of meetings of the Mayoral Committee postponed due to lack of quorum

Compliance questions

The following are compliance questions requiring a periodic response from municipalities in open-text format.

No.	Compliance Questions
<mark>Q1.</mark>	Does the municipality have an approved Performance Management Framework?
<mark>Q2.</mark>	Has the IDP been adopted by Council by the target date?
Q 3.	Does the municipality have an approved LED Strategy?
Q4 .	What are the main causes of work stoppage in the past quarter by type of stoppage?
<mark>Q5.</mark>	How many public meetings were held in the last quarter at which the Mayor or members of the Mayoral committee provided a report back to
	the public?
<mark>Q6.</mark>	When was the last scientifically representative community feedback survey undertaken in the municipality?
<mark>Q7.</mark>	What are the biggest causes of complaints or dissatisfaction from the community feedback survey? Indicate the top four issues in order of
	<mark>priority.</mark>
Q8 .	Please list the locality, date and cause of each incident of protest within the municipal area during the reporting period:
<mark>Q9.</mark>	Does the municipality have an Internal Audit Unit?
Q10.	Is there a dedicated position responsible for internal audits?
Q11.	Is the internal audit position filled or vacant?
Q12.	Has an Audit Committee been established? If so, is it functional?
Q13.	Has the internal audit plan been approved by the Audit Committee?
<mark>Q14.</mark>	Has an Internal Audit Charter and Audit Committee charter been approved and adopted?
Q15.	Does the internal audit plan set monthly targets?
<mark>Q16.</mark>	How many monthly targets in the internal audit plan were not achieved?
Q17.	Does the Municipality have a dedicated SMME support unit or facility in place either directly or in partnership with a relevant role-player?
<mark>Q18.</mark>	What economic incentive policies adopted by Council does the municipality have by date of adoption?
Q19.	Is the municipal supplier database aligned with the Central Supplier Database?
<mark>Q20.</mark>	What is the number of steps a business must comply with when applying for a construction permit before final document is received?
Q22	Please list the name of the structure and date of every meeting of an official IGR structure that the municipality participated in this quarter:
<mark>Q23.</mark>	Where is the organisational responsibility for the IGR support function located within the municipality (inclusive of the reporting line)?
<mark>Q24.</mark>	Is the MPAC functional? List the reasons why if the answer is not 'Yes'.
Q25 .	Has a report by the Mayoral Committee on all decisions it has taken been submitted to Council this financial year?



Verslag ◆ Ingxelo ◆ Report

Kantoor van die Direkteur: Finansiële Dienste

7 March 2022 5/7/1/1/MY WYK: NVT

ITEM 3.4 ON THE AGENDA OF A SPECIAL EXECUTIVE MAYORAL COMMITTEE WHICH WILL BE HELD ON 25 MARCH 2022

ONDERWERP: UITSTAANDE DEBITEURE – FEBRUARIE 2022 SUBJECT: OUTSTANDING DEBT – FEBRUARY 2022

1. AGTERGROND/BEREDENERING / BACKGROUND/DISCUSSION

Die bylae hierby aangeheg reflekteer die besonderhede van Swartland Munisipaliteit se uitstaande debiteure vir die tydperk Februarie 2022 en is saamgestel uit die volgende verslae:-

The schedule attached hereto reflects the particulars of Swartland Municipality's outstanding debt for the period February 2022 and is composed of the following reports.

- a) Outstanding debt (before levy) Residential / Business / Government / Personnel / Council Members
- b) Outstanding debt (before levy) 150 days and older
- c) Outstanding debt (before levy) 150 days and older Legal Suite
- d) Outstanding debt (before levy) 150 days and older Collab
- e) Statistics Cut-Off List

2. WETGEWING / LEGISLATION

- 2.1 Wet op Plaaslike Regering: Munisipale Stelsels Wet 32 van 2000
- 2.2 Local Government: Municipal Finance Management Act 56 of 2003

3. KOPPELING AAN DIE GOP / ALIGNMENT TO THE IDP

For purposes of Revenue Protection with reference to Strategic Outcome 1: A Financial Sustainable Municipality with well Maintained Assets in terms of Chapter 7 of the IDP, more specifically Output 1.1.2 – Maintain and Improve on Debt Collection.

4. FINANSIËLE IMPLIKASIE / FINANCIAL IMPLICATION

- 4.1 Die uitstaande debiteure vir Januarie 2021 het R40 124,229.29 beloop terwyl die uitstaande debiteure vir Februarie 2021 R44 384,110.08 beloop het en was 'n vermeerdering van R4 259,880.79.
- 4.2 Die uitstaande debiteure vir Januarie 2022 het R37 014,702.08 beloop terwyl die uitstaande debiteure vir Februarie 2022 R34 074,037.20 beloop 'n vermindering van R2 940,664.88.
- 4.3 Die uitstaande debiteure vir Februarie 2021 het R44 384,110.08 beloop terwyl die uitstaande debiteure vir Februarie 2022 R34 074,037.20 beloop 'n vermindering van R10 310,072.88 in uitstaande debiteure.
- 4.4 Die uitstaande debiteure vir Februarie 2022 is 5.18% van die inkomste uit dienste voor die nuwe maand se heffing terwyl die uitstaande debiteure vir Februarie 2021 7.74% was van die inkomste uit dienste voor die nuwe maand se heffing.

5. **AANBEVELING / RECOMMENDATION**

Dat die Raad kennis neem van die verslag aangaande die stand van Swartland Munisipaliteit se uitstaande debiteure vir Februarie 2022.

That Council takes cognizance of the report with reference to the state of the outstanding debtors of Swartland Municipality for February 2022.

(get) M Bolton

M BOLTON

DIREKTEUR: Finansiële Dienste

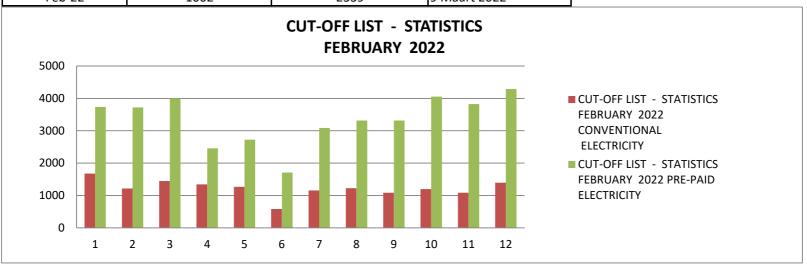
OUTSTANDING DEBTORS (FUTURE EXCLUDED)

	RESIDENTIAL BUSINESS - GOVERNMENT						2021/2022 OUTSTANDING DEBTORS AS % OF TOTAL BUDGETED SERVICE CHARGES	2020/2021 OUTSTANDING DEBTORS AS % OF TOTAL BUDGETED SERVICE CHARGES	2019/2020 OUTSTANDING DEBTORS AS % OF TOTAL BUDGETED SERVICE CHARGES		
Months	Deviation same month of corresponding months of the previous year. (-) is a positive number	Total Debt	Residential	Business	Government	Staff	Councillors	Comments	R 658 069 842	R 573 330 277	R 540 939 135
Sep-21	R -2 746 223	R 32 068 106	R 28 381 790	R 2 614 261	R 1 070 753	R 1302	R -	EFT payments day after month end received amounted to R1 498,431.70(OTM account) and R0.00 (Sundries account) The businesses outstanding amounted to R2 614,260.67. Staff outstanding in the amount of R1302.48. Three(3) Staff members have outstanding accounts - One(1) staff members has Eskom electricity, One (1) staff member has Prepaid and Ons(1) staff member has no eletricity- Sundries account. The Government outstanding amounted to R1 070,752.57 as a result of annual rates. The amount of R483 436.10 is added to the outstanding debtors because of property rates that changed on request from monthly to annually whose future has been cancelled.	4,87%	6,07%	3,50%
Oct-21	R -1 409 698	R 36 922 486	R 28 858 284		R 1 505 077			EFT payments day after month end received amounted to R1 351,061.93(OTM account) and R0.00 (Sundries account) The businesses outstanding amounted to R6 559,003.32. Staff outstanding in the amount of R121.78. One(1) Staff member has an outstanding account - Pre Paid. The Government outstanding amounted to R1 505,076.74 as a result of annual rates. The amount of R225 231.75 is added to the outstanding debtors because of property rates that changed on request from monthly to annually whose future has been cancelled.	5,61%	6,69%	3,82%
Nov-21	R -7 937 090	R 31 989 643	R 29 460 275	D 062 074	R 1 561 520	P. 4777	В	EFT payments day after month end received amounted to R1 093,464.63(OTM account) and R0.00 (Sundries account) The businesses outstanding amounted to R963,070.71. Staff outstanding in the amount of R4777.10. Four(4) Staff members have outstanding accounts (2 X Staff members have Pre-paid electricity, 1 Staff member has conventional electricity and 1 x Staff members account are availability fees.). The Government outstanding amounted to R1 561,519.92 as a result of annual rates. The amount of R65 658.32 is added to the outstanding debtors because of property rates that changed on request from monthly to annually whose future has been cancelled.	4,86%	6,96%	3,71%
Dec-21					R 1705 977			EFT payments day after month end received amounted to R1 553,427.94(OTM account) and R0.00 (Sundries account). The businesses outstanding amounted to R2 941,128.48. Staff outstanding in the amount of R1075.16. Three (3) Staff members have outstanding accounts (3 X Pre-paid electricity). The Government outstanding amounted to R1 705,977.32 as a result of annual rates. The amount of R28 072.45 is added to the outstanding debtors because of property rates that changed on request from monthly to annually whose future has been cancelled.	5,21%	6,30%	3,77%
Jan-22	R -3 109 527	R 37 014 702	R 31 628 156	R 3 560 820	R 1 823 367	R 2359	R -	EFT payments day after month end received amounted to R2 124,814,50(OTM account) and R0.00 (Sundries account) The businesses outstanding amounted to R3 560,819,50. Staff outstanding in the amount of R2359,30. Three (3) Staff members have outstanding accounts (2 X Pre-paid electricity and 1X Conventional Electricity). The Government outstanding amounted to R1 823,367,35 as a result of annual rates. The amount of R2463,12 is added to the outstanding debtors because of property rates that changed on request from monthly to annually whose future has been cancelled.	5,62%	7,00%	4,09%
Feb-22	R -10 310 073	R 34 074 037	R 29 352 739	R 2 816 184	R 1 904 994	R 120	R -	EFT payments day after month end received amounted to R2 618,166,33(OTM account) and R0.00 (Sundries account) The businesses outstanding amounted to R2 816,183,85. Staff outstanding in the amount of R120,18. One (1) Staff member has an outstanding account (Pre-paid electricity) The Government outstanding amounted to R1 904,993,75 as a result of annual rates. The amount of R45 611,00 is added to the outstanding debtors because of property rates that changed on request from monthly to annually whose future has been cancelled.	5,18%	7,74%	4,38%

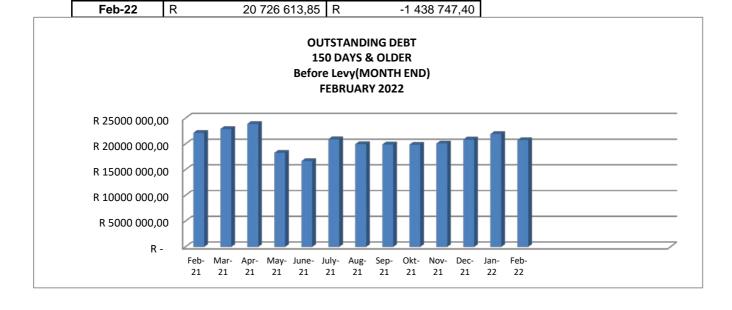
CUT-OFF LIST - STATISTICS FEBRUARY 2022

			COMMENCEMENT
	CONVENTIONAL		DATE
MONTHS	ELECTRICITY	PRE-PAID ELECTRICITY	PHYSICAL CUT-OFF
Feb-21	1679	3733	8 March 2021
Mar-21	1217	3723	8 April 2021
Apr-21	1446	3997	6 May 2021
May-21	1343	2456	7 June 2021
June-21	1266	2724	14 July 2021
July-21	580	1712	17 August 2021
Aug-21	1156	3088	8 September 2021
Sep-21	1227	3317	11 October 2021
Oct-21	1083	3316	8 November 2021
Nov-21	1196	4053	8 December 2021
Dec-21	1084	3823	11 January 2022
Jan-22	1397	4290	7 February 2022
Feb-22	1062	2539	9 Maart 2022

Or as soon as System had been updated



Before L	DAYS		Comparative Period 2021- 2022	
Month		Before Levy		
Feb-21	R	22 165 361,25	R	8 282 246,51
Mar-21	R	22 914 537,29	R	8 125 910,76
Apr-21	R	23 903 109,28	R	8 489 050,69
May-21	R	18 271 285,07	R	2 288 600,56
June-21	R	16 653 868,77	R	569 440,86
July-21	R	20 923 800,76	R	4 296 994,28
Aug-21	R	19 966 573,48	R	2 616 541,12
Sep-21	R	19 908 658,19	R	2 999 098,74
Okt-21	R	19 853 986,01	R	2 658 773,12
Nov-21	R	20 084 499,60	R	2 388 638,26
Dec-21	R	20 866 464,09	R	2 446 905,55
Jan-22	R	21 917 794,24	R	2 483 818,47



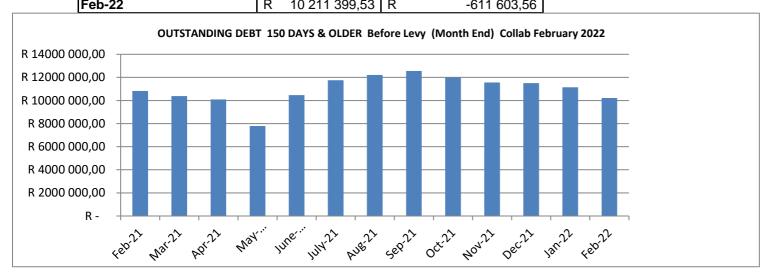
OUTSTANDING DEBT 150 DAYS & OLDER Before Levy (MONTH END) - Legal Suite FEBRUARY 2022

Comparative Period 2021-2022

Month		Before Levy		
Feb-21	R	539 184,65	R	30 967,97
Mar-21	R	550 951,50	R	40 339,32
Apr-21	R	558 622,04	R	44 989,87
May-21	R	337 234,22	R	-179 558,86
June-21	R	342 129,24	R	-178 540,30
July-21	R	343 330,59	R	-179 951,88
Aug-21	R	344 574,10	R	-181 168,33
Sep-21	R	347 106,52	R	-181 334,19
Oct-21	R	348 349,94	R	-180 088,25
Nov-21	R	349 602,60	R	-183 531,80
Dec-21	R	352 261,84	R	-182 762,06
Jan-22	R	353 514,02	R	-183 820,41
Feb-22	R	354 951,12	R	-184 233,53



OUTSTAND 150 DAYS & Before Levy (Coll: FEBRUAR	Ó	Comparative Period 2021 - 2022		
Month				
Feb-21	R	10 823 003,09	R	2 792 271,00
Mar-21	R	10 386 034,06	R	2 152 864,30
Apr-21	R	10 091 042,10	R	1 654 224,46
May-21	R	7 795 684,58	R	-675 139,72
June-21	R	10 465 959,06	R	2 219 124,88
July-21	R	11 760 817,56	R	3 694 873,05
Aug-21	R	12 215 709,12	R	4 078 471,77
Sep-21	R	12 563 120,61	R	4 558 677,36
Oct-21	R	11 995 030,50	R	4 110 825,53
Nov-21	R	11 566 035,99	R	1 413 830,35
Dec-21	R	11 507 219,77	R	1 205 785,91
Jan-22	R	11 150 473,54	R	598 011,87
Feb-22	R	10 211 399 53	R	-611 603 56





Verslag ◆ Ingxelo ◆ Report

Office of the Director: Financial Services
4 March 2022

5/14/3/5 WARDS: All

ITEM: 3.5 ON THE AGENDA OF A SPECIAL EXECUTIVE MAYORAL COMMITTEE WHICH WILL BE HELD ON 25 MARCH 2022.

ONDERWERP: VORDERING MET UITSTAANDE VERSEKERINGSEISE SUBJECT: OUTSTANDING INSURANCE CLAIMS PROGRESS

1. AGTERGROND/BEREDENERING / BACKGROUND/DISCUSSION

Effective and sound asset management is critical to any business environment whether in the private or public sector. Asset safekeeping in the main, involves, whilst not limited to the latter, the protection and safeguarding of assets against potential damage, theft, and safety risks, whilst insurance cover provides selected and limited coverage for the accidental loss of the asset value.

2. **WETGEWING / LEGISLATION**

Section 63 of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

3. KOPPELING AAN DIE GOP / ALIGNMENT TO THE IDP

Verwys na 1.4.1 van die GOP/ Refer to 1.4.1 of the IDP

"Maintain and utilise assets effectively and efficiently- Implement an asset register that complies with Generally recognised Accounting Practice (GRAP) standards. In an effort to establish an asset management programme, compile a maintenance plan linked to the asset register, calculate escalated replacement cost of assets, and establish operating costs of assets and compare to standard."

4. FINANSIËLE IMPLIKASIE / FINANCIAL IMPLICATION

Excess 1 July 2021 – 28 February 2022 :R 436 505.71 (paid)

Excess Outstanding claims :R 23 651.73 (outstanding)

5. AANBEVELING / RECOMMENDATION

Voorgelê vir u kennisname/ Tabled for cognisance

(Get) M BOLTON

DIREKTEUR: Finansiële Dienste

OUTSTANDING CLAIMS: COUNCIL

D 4				D . ACT .				
Reference Number	Claim number	Directorate	Date of Incident	Date of Claim Registered	Nature of Damage/ Loss	Amount of Claim	Excess Payment	Comments
2019/49	LAUA/CPT/P13988/41	Development Services	01/03/2019	13/03/2019	Motor Damaged: CK50308	11 173,99	5 000,00	SASRIA claim after vehicle was damage during protest. Insurance requests second quote on March 27. Outstanding documents send to Marsh on 29 May 2020. The claim was closed by Sasria but no reason was given why. A dispute was submitted to Sasria on the 12 November 2020 requesting them to review the rejection. Followed up on claim 17 March 2021. We referred the claim to our broker on 6 April 2021 to investigate the matter and provide feedback. Documents were again send to Lion of Africa on 31 August 2021 for their final review. Digicall confirms on 15 October 2021 that they requested SASRIA to re-open the file and assist with the claim. Sasria still busy with claim. Followed up on claim 20 December 2021. Follow up made with Sasria on 26 January and 25 February 2022 await feedback SASRIA still to respond.
2021/54	CLGRMUM-851254	Municipal property		Civil Services: Parks and Recreational Areas	Property Damage: Standard Bank Building	1 172 729,00	excess still to be confirmed	Major damages was reported at the Standard Bank building. The burglars have not been identified. The Assessor was appointed on 20 May 2021. A second Assessor was appointed on 25 June 2021. Additional information sent to Marsh on 30 August 2021. Followed up on claim 30 September, 20 October and 27 October 2021. Second Assessors report still outstanding. Insurer requested more information to the reason why the property was not occupied which was provided to the insurer. Awaiting insurance response. Due to the fact that the building was not occupied the insurer is negotiating with Guardrisk to try and get them to reverse their repudiation. Additional affidavites was requested and send to Guardrisk awaiting feedback.
2022/19	CLGRMUM-856809	Civil Services: Water	01/10/2021	11/10/2021	Property Loss: Burst Geyser, Malmesbury Swimming Pool	10 735,25	1 000,00	The plumber confirms that the geyser burst at Malmesbury swimming pool. Guardrisk confirms on 28 October 2021 that they have appointed an Assessor to assist with the assessment. Guard Risk appointed an independent contractor to investigate the geyser. The geyser was replaced without any cost as it was under warranty. There is still a query on ceiling to be replaced as part of the claim.
2022/29	CLGRMUM-859131	Civil Services: IT Department	18/10/2021	01/12/2021	Property Loss: Stolen CCTV Cameras	17 652,33	2500.00	Upon investigation officials discovered that the CCTV camera in Moorreesburg was either driven off by a truck or it was vandalized. Confirmation from the insurer to replace the CCTV camera was received on 25 February 2022. No Invoice has been received to date.
	SWA2021-22/SW/27/E	Civil Services: IT Department		07/12/2021	Property Loss: Stolen CCTV Cameras	20 815,00		In the early hours of 27 November 2021 the CCTV camera in Moorreesburg was stolen. Awaiting approval from insurers for the claim. We have requested feedback on 26 January and 17 February.
2022/35		Civil Services: Water	04/01/2022	24/01/2022	Property Loss: Riebeek Kasteel Store	9 059,40	7 500,00	Officials discovered that Riebeek Kasteel Store had been broken into on 4 January 2022. Several items were stolen in the process. Awaiting approval from insurers for the claim.
2022/38		Civil Services: Refuse Removal	17/02/2022	21/02/2022	Motor Damaged, CK27606			While dumping a load of waste at the dumping site, the vehicle's hydraulic system failed which led to the vehicle tipping over and damaging the left side of the truck. No quotation has been received to date.
2022/39	CLGRMUM-861400	Finance, Pool Vehicle	18/02/2022	21/02/2022	Motor Glass, CK20588	2 688,75	672,19	A stone reflected from a third party vehicle and hit the windscreen of CK20588. Confirmation from the insurer to replace the windscreen was received on 21 February 2022. No Invoice has been received to date.
2022/40	CLGRMUM-861401	Civil Services: Parks and Recreational Areas	17/02/2022	21/02/2022	Motor Glass, CK39191	8 625,00	3 500,00	A stone reflected from a third party vehicle and hit the windscreen of CK39191. Confirmation from the insurer to replace the windscreen was received on 21 February 2022. No Invoice has been received to date.
2022/41	CLGRMUM-861405	Law Enforcement	12/02/2022	21/02/2022	Motor Glass, CK49017	3 918,14 1 257 396.86		A stone reflected from a third party vehicle and hit the windscreen of CK49017. Confirmation from the insurer to replace the windscreen was received on 21 February 2022. No Invoice has been received to date.

FINALISED CLAIMS

Reference Number	Claim number	Directorate	Date of Incident	Date of Claim Registered	Nature of Damage/ Loss	Amount of Claim	Excess Payment	Comments
		Civil Services:						
2022/32	CLGRMUM-859117	Sewerage Department	01/12/2021	10/12/2021	Motor glass, CK44060	12 650,00	3 500,00	The excess amount was paid to the supplier on 28 February 2022.
2022/34	CLGRMUM-860274	Law Enforcement	17/12/2021	03/01/2022	Motor Damaged, CK54123	27 134,94	7 500,00	The excess amount was paid to the supplier on 28 February 2022.
						39 784,94	11 000,00	