

ANNUAL BUDGET OF
CITY OF
uMHLATHUZE

2015/16 TO 2017/18
MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS



Table of Contents

PART 1 – ANNUAL BUDGET	2
1.1 MAYOR’S REPORT	2
1.2 COUNCIL RESOLUTIONS	7
1.3 EXECUTIVE SUMMARY.....	11
1.4 OPERATING REVENUE FRAMEWORK	14
1.5 OPERATING EXPENDITURE FRAMEWORK.....	27
1.6 CAPITAL EXPENDITURE.....	33
1.7 STANDARD CHART OF ACCOUNTS (SCOA)	35
1.8 ANNUAL BUDGET TABLES.....	38
2 PART 2 – SUPPORTING DOCUMENTATION	77
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	77
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	81
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	87
2.4 OVERVIEW OF BUDGET RELATED-POLICIES	96
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	98
2.6 OVERVIEW OF BUDGET FUNDING.....	101
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	115
2.8 COUNCILLOR AND EMPLOYEE BENEFITS	119
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	121
2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS.....	128
2.11 CAPITAL EXPENDITURE DETAILS.....	129
2.12 LEGISLATION COMPLIANCE STATUS	142
2.13 OTHER SUPPORTING DOCUMENTS	143
2.14 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	151

List of Tables

Table 1 Consolidated Overview of the 2015/16 MTREF	13
Table 2 Proposed Capital Funding	14
Table 3 Summary of revenue classified by main revenue source	16
Table 4 Percentage growth in revenue by main revenue source	17
Table 5 Operating Transfers and Grant Receipts.....	19
Table 6 Comparison of proposed rates to levied for the 2015/16 financial year	21
Table 7 Proposed Water Tariffs	23
Table 8 Comparison between current water charges and increases (Domestic).....	23
Table 9 Comparison between current electricity charges and increases (Domestic).....	24
Table 10 Comparison between current sanitation charges and increases	25
Table 11 Comparison between current sanitation charges and increases, single dwelling- houses ..	25
Table 12 Comparison between current waste removal fees and increases	26
Table 13 MBRR Table SA14 – Household bills	27
Table 14 Summary of operating expenditure by standard classification item	28
Table 15 Operational repairs and maintenance.....	31
Table 16 Repairs and maintenance per asset class.....	31
Table 17 2015/16 Medium-term capital budget per vote	33
Table 18 MBRR Table A1 - Budget Summary	38

Table 19 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	40
Table 20 MBRR Table A2A - Budgeted Financial Performance (revenue and expenditure by standard classification - Detail)	42
Table 21 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	45
Table 22 MBRR Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail).....	47
Table 23 Surplus/ (Deficit) calculations for the trading services	53
Table 24 Surplus/ (Deficit) calculations for other services	54
Table 25 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure).....	55
Table 26 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	58
Table 27 MBRR Table A5A - Budgeted Capital Expenditure by vote, Municipal classification	61
Table 28 MBRR Table A6 - Budgeted Financial Position	69
Table 29 MBRR Table A7 - Budgeted Cash Flow Statement.....	71
Table 30 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	71
Table 31 MBRR Table A9 - Asset Management.....	73
Table 32 MBRR Table A10 - Basic Service Delivery Measurement.....	75
Table 33 Dates for the 2015/16 budget public participation meetings.....	80
Table 34 Link between Budget and National and Provincial Macroeconomic Objectives	83
Table 35 MBRR SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue ..	84
Table 36 MBRR SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure	85
Table 37 MBRR SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure	86
Table 38 MBRR SA7 - Measurable performance objectives	92
Table 39 MBRR SA8 - Performance indicators and benchmarks.....	93
Table 40 Breakdown of the operating revenue over the medium-term	101
Table 41 Proposed tariff increases over the medium-term.....	102
Table 42 MBRR SA15 – Detail Investment Information.....	103
Table 43 Sources of capital revenue over the MTREF	103
Table 44 MBRR SA17 - Detail of borrowings.....	104
Table 45 MBRR SA18 - Capital transfers and grant receipts	106
Table 46 MBRR Table A7 - Budget cash flow statement	107
Table 47 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation.....	108
Table 48 MBRR SA10 – Funding compliance measurement	111
Table 49 MBRR SA19 - Expenditure on transfers and grant programmes	115
Table 50 MBRR SA20 - Reconciliation between of transfers, grant receipts and unspent funds	117
Table 51 MBRR SA21 - Transfers and grants made by the municipality	118
Table 52 MBRR SA22 - Summary of councillor and staff benefits	119
Table 53 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	120
Table 54 MBRR SA24 – Summary of personnel numbers	121
Table 55 MBRR SA25 - Budgeted monthly revenue and expenditure	122
Table 56 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	123
Table 57 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)	124
Table 58 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	125
Table 59 MBRR SA29 - Budgeted monthly capital expenditure (standard classification).....	126
Table 60 MBRR SA30 - Budgeted monthly cash flow	127
Table 61 MBRR SA33 - Contracts having future budgetary implications	128
Table 62 MBRR SA34a - Capital expenditure on new assets by asset class	129

Table 63 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class	130
Table 64 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	131
Table 65 MBRR SA34d – Depreciation by asset class.....	132
Table 66 MBRR SA35 - Future financial implications of the capital budget	133
Table 67 MBRR SA36 - Detailed capital budget per municipal vote	134
Table 68 MBRR SA37 - Projects delayed from previous financial year	141
Table 69 MBRR SA1 - Supporting detail to budgeted financial performance.....	143
Table 70 MBRR SA2 – Matrix financial performance budget (revenue source/expenditure type and department)	147
Table 71 MBRR SA3 – Supporting detail to Statement of Financial Position.....	148
Table 72 MBRR SA9 – Social, economic and demographic statistics and assumptions	149
Table 73 MBRR SA32 – List of external mechanisms.....	150

List of Figures

Figure 1 Main operational expenditure categories for the 2015/16 financial year	30
Figure 2 Capital Infrastructure Programme.....	34
Figure 3 SCOA pilot site project plan.....	36
Figure 4 Expenditure by major type	56
Figure 5 Depreciation in relation to repairs and maintenance over the MTREF.....	74
Figure 6 Performance Management Framework	89
Figure 7 Breakdown of operating revenue over the 2015/16 MTREF	101
Figure 8 Sources of capital revenue for the 2015/16 financial year.....	104
Figure 9 Growth in outstanding borrowing (long-term liabilities).....	105
Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds	109

Abbreviations and Acronyms

CFO	Chief Financial Officer	KPA	Key Performance Area
CPI	Consumer Price Index	KPI	Key Performance Indicator
CRR	Capital Replacement Reserve	kWh	kilowatt
DoRA	Division of Revenue Act	ℓ	litre
DWA	Department of Water Affairs	LED	Local Economic Development
EEDG	Energy Efficiency Demand Side Management Grant	MBRR	Municipal Budget Reporting Regulations
EPWP	Expanded public works programme integrated grant	MFMA	Municipal Financial Management Act Programme
FBS	Free basic services	MIG	Municipal Infrastructure Grant
FMG	Financial Management Grant	MPRA	Municipal Properties Rates Act
GAMAP	Generally Accepted Municipal Accounting Practice	MSA	Municipal Systems Act
GFS	Government Financial Statistics	MTREF	Medium-term Revenue and Expenditure Framework
GRAP	General Recognised Accounting Practice	NERSA	National Electricity Regulator South Africa
IDP	Integrated Development Strategy	PMS	Performance Management System
INEP	Integrated National Electrification Programme Grant	PPE	Property Plant and Equipment
ISDG	Infrastructure Skills Development Grant	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SCOA	Standard Chart of Accounts
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
		SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

"THE TIME FOR ECONOMIC TRANSFORMATION AND DEVELOPMENT"

Mister Speaker,

Fellow Councillors,

My fellow residents

In terms of the Municipal Finance Management Act (MFMA), local government must submit a draft budget to Council and to the public for its consideration and comment before a final budget can be presented and approved by Council.

We should therefore never overlook this very important legislative imperative because it ensures that the public is given an opportunity to scrutinize the budget and make suggestions before council passes the final budget.

The Freedom Charter, adopted at the Congress of the People in Kliptown on the 26th of June 1955, in its preamble, states that:

"We, the People of South Africa, declare for all our country and the world to know: that South Africa belongs to all who live in it, black and white, and that no government can justly claim authority unless it is based on the will of all the people; that our people have been robbed of their birth right to land, liberty and peace by a form of government founded on injustice and inequality; that our country will never be prosperous or free until all our people live in brotherhood, enjoying equal rights and opportunities; that only a democratic state, based on the will of all the people, can secure to all their birth right without distinction of colour, race, sex or belief; And therefore, we, the people of South Africa, black and white together equals, countrymen and brothers adopt this Freedom Charter; And we pledge ourselves to strive together, sparing neither strength nor courage, until the democratic changes here set out have been won."

The Freedom Charter talks of a non-racial, non-sexist, democratic and a prosperous society as well as one characterized by socio-economic prosperity and advancement. It is these values that had inspire us all every day when we deal with the needs of our people.

Mister Speaker the people of the City of uMhlathuze have spoken, during the budget road shows which council undertook in past few days. And also from an independent third party being National Treasury it is also gratifying that they have had a go at our budget, and I'm told that the pronouncement is that our Budget is Credible, Relevant, Funded and Sustainable.

This Mister Speaker did not come as surprise because from the beginning we were very clear that this budget is aimed at:

- Eliminating poverty and inequalities;
- Economic transformation;
- Creating a conducive environment for employment opportunities;
- Initiating growth and development to improve the quality of life of our citizens especially the poor; and
- Clearing service backlogs

Mister Speaker, administration needs to focus in the next Medium Term Revenue and Expenditure period because; when we approve this budget we want to see a change. A change that will show focus on ensuring improvement in the quality of services we provide, turnaround time in repairing service interruption, and access to municipal officials by the public. We should also ensure that we look after our infrastructure through budget within the repairs and maintenance votes. We also need to ensure that all employees in our city serve the people of uMhlatuze, with honesty and diligence. The back to Basics document is very clear that we should not complicate things, but be just in our actions.

2015/16 Medium Term Budget

Mister Speaker, the 2015/16 medium term budget we are presenting here today attempts to strike a balance between on-going service delivery imperatives and looking after the poor.

It is a budget that comes against the backdrop of load shedding and drought. Fellow Citizens, I would like to extend my sincere appreciation to all those residents and businesses that continue to sustain this city by paying for their services, and to those who attend budget road shows. I encourage you to continue with this practice as responsible consumers.

Mister Speaker, the underlying principles of this budget are as follows:

- Budget to act as a catalyst to economic growth;
- Conservative approach to revenue projections;
- Cost containment measures to reduce non-priority spending;
- Prioritize projects and expenditure within existing resources;
- Service charges and Property rate increase are affordable and very favourable compared to peers and
- Emphasis on additional resources to be spent on Repairs and Maintenance.

Therefore, in the next financial year, we will ensure that the spending of the budget focuses on service delivery imperatives.

Operating & Capital budget

Specific details on allocations for each of the departments with the budget tables are contained in the budget book (**ANNEXTURE A**) but, at a high level, the budget of the city in the next financial year is as follows:

Description R thousands	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			
	Adjusted Budget	Tabled 2015/16	Adopted 2015/16	Adopted 2016/17	Adopted 2017/18
Total Operating Revenue	2 288 540	2 519 526	2 524 301	2 699 952	2 913 728
Total Operating Expenditure	2 327 940	2 514 588	2 519 364	2 694 084	2 908 004
Surplus/ (Deficit) for the year	(39 399)	4 938	4 937	5 868	5 724
Total Capital Expenditure	498 307	315 878	448 778	290 572	300 384

Building legacy Projects

Mister Speaker, the time has also come for this Council to look beyond Richards Bay, and strive to market Richards Bay. We need to get out of Richards bay and look for investors because this place has a potential. We also need to build legacy projects, which will place Richards Bay on the map as a City of choice for investment.

Service delivery imperatives

The Municipal Manager and his deputies have our support in ensuring that this budget is implemented. I think everyone is aware of what needs to be done. We all agree on the following that:

- Operational efficiencies and responsiveness to service delivery are non-negotiable; and
- Excellence in basic service delivery in uMhlatuze must become the norm.

We have identified areas of our work that need significant improvement, as well as developing concrete plans of action to ensure that our citizens continue to see visible improvements in their daily lives.

Mister Speaker, I wish to state that from this budget on wards Richards Bay will never be the same. The changes and improvements planned will by no doubt put this Municipality on the map and will be amongst the best. I wish to also promise administration we will work.

Technical Operating Center (TOC)

We have a very powerful system within the Municipality, which has seen a number of municipalities coming to our shores to view this system. I am convinced that we have not fully appreciated this system and its potential. Let's use this system, and lets have all other services linked to the TOC because in that way we will be able to monitor our systems remotely.

Standard Chart of Accounts (SCOA)

Mister Speaker, let me share with you and the house that local government will see one of the most important changes that has ever happened. National Treasury in 2013 nominated this Municipality to be a pilot for SCOA together eight other in the country. SCOA is a reform that will enforce consistency and improved financial management. This reform will also see that corruption and manipulation of prices by municipal officials is eliminated. I am glad Mister Speaker to announce that come 1st July 2015 we will be going live with this system.

Electricity outages

In the last couple of months we have witnessed power outages in the country through load shedding. This requires us as leaders to relook at the energy supply for our City. There are various ways and means of alternative energy, and that brings me to requesting the Municipal Manager to finalize his investigation on this matter. We need to provide alternatives to our citizens without affecting our revenue negatively.

Even under these circumstances the City has connected the communities of uMzingazi, Madlanzini and Dumisani Makhaye, and in this budget again we have provided funds to finish up those projects.

Public Lighting

I also glad that we are responding to the complaints from communities about the Traditional arrears being dark. The IT& S department will be rolling out lights in these arrears, which in turn will deal with the issue of criminals. Therefore there is urgency in this ensuring that this does take place, especially because people's lives are in danger every day.

Refuse Removal and illegal dumping

During the budget road shows we spoke about illegal dumping and the issue of people littering anywhere. We will intensify cleaning of all our arrears as we have always been doing however those that choose to dirty the city are reminded of back to basics of keeping where you live clean. We will also be applying our by-laws on illegal dumping. We will also ensure that we cut grass in open spaces, including private properties, the owners of which will be invoiced; clean pavements and remove alien vegetation.

Potholes, repairs and maintenance

As I have stated earlier we must look after our infrastructure through repairs and maintenance, which are also high on our list of priority spending. We will intensify our efforts to refurbish roads, fix potholes and ensure storm water maintenance.

Conversation with the City

Mister Speaker, we have appointed a Chief Operations Officer (COO) whose responsibility amongst other things is to lead in the programme of the City having a conversation with its residents on a number of issues that affects the City going forward. The City will be focusing more to local enterprises especially black owned to have a greater stake in sectors such as:

- Manufacturing
- Maritime
- Tourism and Leisure
- Freight and logistics
- Creative industries, arts and culture
- Retail
- Trade
- Property and
- Construction

We have also realized that the future sustainable development of the City requires a concerted effort from all those who have an interest in the future sustainability of the City of uMhlathuze.

We therefore call to all our residents and stakeholders of the City of uMhlathuze to actively engage and participate in this process of having a conversation with the City, which will unfold not long from now.

Conclusion

In closing I would like to remind this Council that this event is taking place at a time when we mourn the loss of Mama Ruth Monpati, who was a cadre and fought for liberation of this country.

Mister Speaker, I stand here today again grateful for the trust bestowed in us to lead as this council this most beautiful city. We have a duty to ensure that the values that Mama Ruth stood for remain at the center of our work - and we dare not disappoint them.

I would also like to thank the Municipal Manager, Deputy Municipal Managers and the CFO and his finance team for their hard work in putting together the 2015/16 MTREF.

I also reiterate my willingness to work together with all political parties, stakeholders and communities to find workable solutions for the diverse range of developmental challenges facing the City of uMhlathuze.

I am convinced that the City has a clear roadmap for delivery – both in the immediate and short term as well as in developing a process for long term development.

Thank you

1.2 Council Resolutions

On 26 May 2015, the Council of the City of uMhlatuze met in the Council Chambers to adopt the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. the Adopted Multi-year Medium Term Revenue and Expenditure Framework (MTREF) of the municipality for the Financial Year 2015/16 and indicative for the projected outer years 2016/17 and 2017/18 be approved as set out in the Budget Report (**DMS 1058249**) and in the Budget tables A1 - A10 (**Annexure B1 - B13**) (**DMS 1052822**);
2. the 2012-2017 Integrated Development Plan (IDP) (Final) (**DMS 820202**) be incorporated into the Tabled 2015/16 Multi-year Medium Term Revenue and Expenditure Framework (MTREF);
3. the Adopted 2015/16 Medium Term Revenue and Expenditure Framework aligned with the IDP's Developmental Objectives and Goals for the City of uMhlatuze be approved as follows:

Description	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			
	Adjusted Budget	Tabled 2015/16	Adopted 2015/16	Adopted 2016/17	Adopted 2017/18
R thousands					
Total Operating Revenue	2 288 540	2 519 526	2 524 301	2 699 952	2 913 728
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Surplus/ (Deficit) for the year	(39 399)	4 938	4 937	5 868	5 724
Total Capital Expenditure	498 307	315 878	448 778	290 572	300 384

4. in terms of Section 2(3) of the Local Government: Municipal Property Rates Act the following property rates for the 2015/16 financial year be approved:

Category	Proposed tariff (from 1 July 2015)	Ratio to Residential Tariff
	c	
Residential properties	0,0078	1:1
Business / Commercial	0,0164	1:2,1
Industrial	0,0171	1:2,2
Agricultural Properties	0,0019	1:0,25
Public Service Purposes (State Owned)	0,0090	1:1,1
Public Service Infrastructure	0,0019	1:0,25
Public benefit organisation properties	0,0019	1:0,25
Mining Properties	0,0179	1:2,3
Vacant Land	0,0117	1:1,5

5. on application by the relevant rate payers the following rebates be applied subject to the provisions contained in the Rates Policy:
 - Agricultural properties - 5%
 - Non Profit Organisations - 20%
6. The following in terms of the 2015/16 Property Rates Policy be approved:
 - a) Vacant Land to become a Category – New tariff ratio 1:1.5;
 - b) Business and Industrial properties are now split;
 - c) New tariff ratio is applied to Industrial properties - 1:2.2;
 - d) Mining is also a new Category with a tariff ratio of 1:2.3;
 - e) New category for Multiple Use Properties where properties are rated and charged according to the use of portions of the property together with the appropriate tariffs;
 - f) The implementation of charging property rates on commercial accommodation;
7. the Rates Policy as contained in **Annexure D1 (DMS 1059156)** be approved;
8. in addition to the statutory R15 000 reduction in the valuation on residential properties a further reduction of R95 000 of the valuation on all developed residential properties valued at R 400 000 and below be made;
9. in addition to the reductions in recommendation (8) above and subject to the criteria set out in the Property Rates Policy an additional R150 000 reduction in the value of the primary residential property belonging to a pensioner or a social grantee be made;
10. in accordance with the implementation of the universal approach of the indigent policy improved residential property valued at R110 000 or less will be exempted from refuse and sewer charges. The following sliding scale will be applied for charges on improved residential properties higher than R110 000 on the following basis:
 - a) Properties valued between R110 001 and R170 000 will receive a rebate of 25% in respect of the sewer and refuse charges.
 - b) Properties valued at R170 001 and higher will pay the normal tariff.
11. the amendment of the Tariff of Charges as per **Annexure C (DMS 1059240)** be approved;
12. the Tariff policy as per **Annexure D2 (DMS 1059179)**;
13. the prepaid electricity tariffs for excess purchases over the individual consumer's average monthly electricity prepaid purchases for the 2015/16 financial year be increased by 15%;
14. any work function or tariff not accommodated in the Tariff of Charges be dealt with as cost plus 20%;

15. the property rates and tariff adjustments as set out above be dealt in terms of Section 14 of the Local Government: Property Rates Act and Section 24 of the Municipal Finance Management Act 2003;
16. the contribution of 10,5% from Electricity Trading Service to Rates and General Service be calculated on total electricity operating expenditure and will be appropriated at the end of the financial year. It be noted that electricity tariffs on average include a Local Government Levy of 10,5%, revenue of which is used to finance the Rates and General services (all municipal services other than trading services);
17. the profit on sale of all erven be allocated 100% to the Rates and General Capital Replacement Reserve account as applicable from 1 July 2013;
18. in terms of various policies the following increases in allowances are submitted to Council for approval:

	Approved 2014/15 Tariffs	Proposed Tariffs - 2015/16
	R	R
Standby - Travel allowance	85	91
Standby - Subsistence allowance	55	59
Subsistence allowances		
• Daily allowance	120	128
• Overnight allowance	160	171
• Own accommodation	220	235
Accommodation		
• All employees	1 000	1 070
• All councillors and Section 56 employees	1 675	1 792
• Municipal Manager, Mayor/ Deputy Mayor, Speaker and Municipal Chief Whip	2 795	2 991
Ward committee members	1 070	1 145

19. in terms of various unspent conditional grants received from the National Fiscus Council hereby requests that the Municipal Manager via letters to the respective transferring officers apply for a roll-over of funds received in 2014/15 financial year to the next financial year, namely the 2015/16 financial year;
20. Council approve the external funded portion of the capital budget through the borrowing of R 100 million, only upon the point where there is reasonable spending of most of the 2014/15 roll-overs and the cash flow indicators indicate accordingly, should the Chief Financial Officer proceed with the 2015/16 capital loan application;

21. before the end of the first quarter (namely 30 September 2015), the Chief Financial Officer will bring a report to Council in which the Budget Reporting and Tables as adopted in **Annexure B (DMS 1052822)** are amended and replaced by SCOA aligned tables;
22. to request Council to provisionally approve a further R 100 million loan that will be utilised for a capital project that will be a dedicated supply of Electricity to RBCT for the replacement of the oil filled cables; and
23. the Municipal Manager be empowered to negotiate that the R100 million loan be repaid by the affected customers, not the residents of the City.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the City's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

In the process of compiling the Tabled 2015/16 MTREF the submissions received from the Departments could be broken down into the following categories:

Scenario	Capital (Own funding)		Operating	
	Request	Target	(Deficit)/Surplus	Target
First	R 462m	R 312 m	(R 952 m) (before tariff increases)	R 10 m
Second	R 312m	R 312 m	(R 173m)	R 10 m
Third	R 312m	R 312 m	(R 53 m)	R 10 m
Fourth	R 312m	R 312 m	2015/16 = R 3,5 m	2015/16 = R 3,5 m
			2016/17 = R 87 m	2016/17 = R 10 m
			2017/18 = R 54 m	2017/18 = R 10 m
Fifth	R 312m	R 312 m	2015/16 = R 4,9 m	2015/16 = R 10 m
			2016/17 = R 5,8 m	2016/17 = R 10 m
			2017/18 = R 5,7 m	2017/18 = R 10 m

A critical review was also undertaken of expenditures on noncore and non-priority spending items in line with NT's Cost containment measures outlined in NT's MFMA circular number 74. Emphasis was placed on providing of funds for the repairs and maintenance cost centres.

National Treasury's MFMA Circular No. 74 and 75 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The on-going difficulties in curbing an endless list of "wants" but without a corresponding revenue resource or corresponding growth in existing revenue stream to meet such "wants";
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The dire need for credible business plans and budget working papers from the service delivery Departments;
- Affordability of capital projects – original allocations had to be reduced as well as the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2015/16 MTREF process;
- The dire need for an efficient and effective business ethic to be applied to all the municipalities business processes regardless of whether the intended outcome of such process is of a social, economic or profit making nature; and
- Insufficient capital investment for all major infrastructure improvements.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Budget Memorandum sent out in July 2014;
- The allocation of own funding for capital (CRR and loans) to the various service departments is based on the revised IDP priority rating model;
- The IDP priority rating model was revised by Senior Management at a Strategic meeting held on 2nd and 3rd March 2015. The revised Service Category weightings were utilised to compile the revised IDP priority rating model;
- Tariff and property rate increases should be affordable although it needs to be noted that the rates and general services (all municipal services funded by rates revenue) is still very dependent on the surpluses generated by the electricity revenue. This risk is mitigated by attempting to keep electricity tariffs as low as possible but simultaneously increasing Rates by above inflationary figures, so as to at least have an affordable basket of services tariffs for the consumers but at the same time right sizing the rates base;
- In relation to the above risk, extra effort has been placed on curbing the operational expenditures within the Rates and General Services departments;
- It be noted that both Bulk purchases for water and electricity are above the National Treasury inflationary guidelines, increases are beyond Council's control;
- It be noted that the Tabled 2015/16 MTREF includes a provision of R 15m for vacant posts not previously budgeted for; and
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

Following the tabling of the MTREF, National Treasury will review and make comments on the Tabled budget. This assists the Municipality in ensuring quality when preparing the budget in terms of the MFMA. As indicated in the MFMA Budget Circular no. 75, this review was scheduled for 20th May 2015.

National Treasury will normally, from a quality perspective, assess the budget against the following three criteria:

- Credibility;
- Relevance; and
- Sustainability.

The 2015/16 MTREF has been compiled with the above in mind to ensure that key observations by National Treasury during their previous reviews of Multi- year Budgets have been taken care of.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2015/16 MTREF

Description	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			
	R thousands	Tabled 2015/16	Adopted 2015/16	Adopted 2016/17	Adopted 2017/18
Total Operating Revenue	2 288 540	2 519 526	2 524 301	2 699 952	2 913 728
Total Operating Expenditure	2 327 940	2 514 588	2 519 364	2 694 084	2 908 004
Surplus/ (Deficit) for the year	(39 399)	4 938	4 937	5 868	5 724
Total Capital Expenditure	498 307	315 878	448 778	290 572	300 384

Total operating revenue has grown by 10,3 per cent or R236 million for the 2015/16 financial year when compared to the 2014/15 Adjusted Budget. For the two outer years, operational revenue will increase by 7 per cent for both years respectively, equating to a total revenue growth of R389 million over the MTREF when compared to the 2014/15 financial year.

Total operating expenditure for the 2015/16 financial year has been appropriated at R2,5 billion and translates into a budgeted surplus of R4,9 million. When compared to the 2014/15 Adjusted Budget, operational expenditure has grown by 8 per cent in the 2015/16 budget and by 7 and 8 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years increases slightly to R5.8 million and then decreases at R 5.7 million.

It is however important to note that the only changes made to the Operating Tabled Medium Term Revenue Expenditure Framework (MTREF) were the inclusion of the Provincial Grants that were only received after the finalisation of the Tabled Budget and therefore were excluded.

As explained above an amount of R 8 522 000 was received from Provincial Government in terms of Provincial Budget Statements. The detail of these grants has been included in Table 5 (Operating Transfers and Grants) in **Annexure B (DMS 1052822)**.

The tabled capital budget of R315 million for 2015/16 is 58 per cent less when compared to the 2014/15 Adjusted Budget.

However the adopted capital budget including roll-overs and additional projects amounts to R 448,8m.

Subsequent to the adopting of the Tabled MTREF, departments were requested to submit 2014/15 capital projects that would not be completed in the 2014/15 financial year and thus requiring to be rolled over to the 2015/16 Adopted MTREF.

Table 2 Proposed Capital Funding

Vote Description R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework				
	Adjusted Budget	Tabled 2015/16	Rolled over projects	Adopted 2015/16	Adopted 2016/17	Adopted 2017/18
Funded by:						
National Government	189 588	159 878	–	159 878	117 531	127 384
Provincial Government	34 702	–	18 000	18 000	–	–
Transfers recognised - capital	224 290	159 878	18 000	177 878	117 531	127 384
Public contributions & donations	8 523	–	1 115	1 115	–	–
Borrowing	142 572	100 000	59 702	159 702	100 000	100 000
Internally generated funds	122 922	56 000	54 082	110 082	73 000	73 000
Total Capital Funding	498 307	315 878	132 900	448 778	290 531	300 384

Unspent conditional grants that are subject to National Treasury retraction at year end have not been rolled over to the 2015/16 financial year but will be incorporated into the 2015/16 Adjusted Budget once approval from NT has been received.

The capital programme decreases to R290,5 million in the 2016/17 financial year and increases to R 300,3 million in 2017/18. A portion of the capital budget will be funded from borrowing over MTREF with anticipated borrowings of R100 million in 2015/16 and R 100 million in 2016/17 of the MTREF. Borrowing will contribute 29 (Tabled), 34 and 33 per cent of capital expenditure in each of the MTREF years. The balance will be funded from internally generated funds. The repayment of capital and interest (debt services costs) has decreased over the past five years and is forecasted to remain constant over the MTREF period.

1.4 Operating Revenue Framework

The City of uMhlatuze requires sustainable revenue streams in order to improve the lives of its citizens. The recession and global crisis which started in the 2008 year created tough economic times which the City has steered through because of the strong revenue management initiatives and policies which are continuously reviewed for improvement. The harsh reality is that we are faced with limitations which are as a result of the high unemployment within the jurisdiction of the City of uMhlatuze. The need to ensure that the revenue generated enables economic development while also eradicating backlogs and poverty is a balancing act which requires the education of the new customer but also ensuring that the expected level of service to the customers who are already being serviced is maintained. The GDP growth has been revised downwards to a 2 per cent growth which is further evidence on the weakened economic outlook for South Africa.

The expenditure required to address these challenges will inevitably always exceed available funding, hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues. The element of cross subsidisation can therefore not be ignored as a methodology to ensure that the poorest of the poor have access to services. The universal approach to free basic services have been refined to be in line with the outcomes of The World Economic Forums Global Risk 2014 survey which indicated that apart from unemployment the scarcity of water is playing a global risk issue and therefore water

conservation requires to be elevated and reflected within our tariff modelling as a City. The Revenue enhancement strategy initiative for the 2014/5 budget year had critical water tariff changes approved for implementation by Council. The first key change was that the first 6 KL would only be free for those households that consumed 6KL and less per billing cycle. This was a change from the historic norm where all household received the first 6KL for free regardless of any conservation initiatives.

No sooner had this been implemented and the Honorable Premier of the Province of KwaZulu-Natal declared a drought in the province on the 17 December 2014 through an extraordinary Provincial gazette in line with the Disaster Management Act. The drought condition has seen the lake levels drop beyond historic norms and warranted the change in water source for the trading service to the provision of water through bulk water purchases from Mhlathuze Water. This was an emergency reactive measure in order to avoid an interruption of supply to residents as well as to avoid a breach of the abstraction license conditions.

The 2014/15 water tariffs as well as historic tariffs charged by the City of uMhlathuze were based on the water abstraction and purification model which has proven to be unsustainable due to its vulnerability to the seasonality of rain patterns. The bulk water costs to be borne by the City due to changing the water source will therefore have an impact in the water tariffs going forward from 2015/6 onwards.

For the first time the City will be approving a Tariff of Charges (TOC) that is inclusive of tariffs applicable during a drought period which will cater for the restrictions and be punitive in order to ensure compliance from customer during drought period.

The National Government through the Provincial Department of CoGTA will be assisting all District Areas affected by the drought. The City has since the declaration of the drought engaged in numerous community awareness campaigns in print media and at all public engagements.

The City has historically lagged behind in comparison to other secondary city tariffs. Over the past three financial years the pricing risk strategy was introduced with a view to try to catch up on the gap, when the benchmarking to other cities is done. This initiative alone would ordinarily yield the required results however it has been apparent that the expenditure requirements on the operational budget were also growing and hence the outcomes of the strategy are short lived. The business processes of the municipality needs to improve in all its administrative and decision making processes.

The first area where efficiencies under the management accounting principles will be analyzed is within the water trading service. The City is fortunate to have benefited from National Treasury's costing pilot exercise and hence can with reasonable certainty be certain of the cost drivers within each functional area. This will go a long way into ensuring that business decisions taken by the City are evaluated at strategic and operational levels.

The City has taken the decision to ensure that it takes proactive steps towards ensuring that a long term solution to the energy crisis presently faced by the Country is found. The City has embarked on a process of identifying potential partners within the various renewable energy sectors who can enter into a partnership with the municipality that will take advantage of the opportunity presented by the crisis. The reality presently faced by the electricity trading services is one which indicates a decline in demand due to lucrative power purchase agreements from Eskom and the unreliability of supply due to load shedding. This therefore indicates that the level of cross subsidization that has been previously relied upon to finance the municipality is facing a threat and can no longer be sustained.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure an above 98 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this had to be adjusted to cater for affordable tariffs;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs where economically possible;
- Revenue enhancement, investment and cash management;
- Pricing risk strategy to ensure that rates and general grows to a level that can sustain the municipality;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City which has been extensively reviewed to ensure that customer are clear on how the municipality will raise revenue

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 3 Summary of revenue classified by main revenue source

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	204 614	238 007	279 679	314 000	326 453	326 453	360 000	393 800	429 904
Service charges - electricity revenue	966 962	1 091 706	1 311 519	1 385 000	1 295 000	1 295 000	1 386 603	1 481 236	1 600 012
Service charges - water revenue	134 008	158 637	176 552	204 600	206 500	206 500	281 565	303 931	328 079
Service charges - sanitation revenue	59 702	66 946	71 241	78 000	75 450	75 450	84 000	90 720	97 978
Service charges - refuse revenue	46 088	52 520	58 414	62 000	60 200	60 200	67 800	73 224	79 082
Service charges - other	18 483	18 468	23 028	12 561	12 072	12 072	13 304	14 033	14 805
Rental of facilities and equipment	16 133	16 860	13 501	8 234	11 562	11 562	10 874	11 532	12 225
Interest earned - external investments	4 012	14 499	21 060	10 605	16 700	16 700	21 982	22 641	23 320
Interest earned - outstanding debtors	1 639	1 778	52	1 542	1 544	1 544	1 558	1 641	1 728
Fines	3 005	10 550	59 986	8 877	10 377	10 377	11 231	11 849	12 501
Licences and permits	1 831	1 933	1 744	1 728	1 754	1 754	1 765	1 861	1 964
Agency services	5 922	6 093	6 630	6 350	6 600	6 600	7 000	7 385	7 791
Transfers recognised - operational	183 050	202 114	232 086	260 509	246 226	246 226	257 953	267 925	285 143
Other revenue	13 129	108 315	44 425	16 553	18 102	18 102	18 666	19 719	20 837
Gains on disposal of PPE	5 857	569	7 530	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	1 664 435	1 988 995	2 307 447	2 370 559	2 288 540	2 288 540	2 524 301	2 701 497	2 915 368

Table 4 Percentage growth in revenue by main revenue source

Description R thousand	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source								
Property rates	326 453	14.3%	360 000	14.3%	393 800	14.6%	429 904	14.8%
Service charges - electricity revenue	1 295 000	56.6%	1 386 603	54.9%	1 488 240	55.1%	1 607 299	55.2%
Service charges - water revenue	206 500	9.0%	281 565	11.2%	303 931	11.3%	328 079	11.3%
Service charges - sanitation revenue	75 450	3.3%	84 000	3.3%	90 720	3.4%	97 978	3.4%
Service charges - refuse revenue	60 200	2.6%	67 800	2.7%	73 224	2.7%	79 082	2.7%
Service charges - other	12 072	0.5%	13 304	0.5%	14 033	0.5%	14 805	0.5%
Rental of facilities and equipment	11 562	0.5%	10 874	0.4%	11 532	0.4%	12 225	0.4%
Interest earned - external investments	16 700	0.7%	21 982	0.9%	22 641	0.8%	23 320	0.8%
Interest earned - outstanding debtors	1 544	0.1%	1 558	0.1%	1 641	0.1%	1 728	0.1%
Fines	10 377	0.5%	11 231	0.4%	11 849	0.4%	12 501	0.4%
Licences and permits	1 754	0.1%	1 765	0.1%	1 861	0.1%	1 964	0.1%
Agency services	6 600	0.3%	7 000	0.3%	7 385	0.3%	7 791	0.3%
Transfers recognised - operational	246 226	10.8%	257 953	10.2%	259 006	9.6%	275 826	9.5%
Other revenue	18 102	0.8%	18 666	0.7%	20 089	0.7%	21 227	0.7%
Total Revenue (excluding capital transfers and contributions)	2 288 540	100%	2 524 301	100%	2 699 952	100%	2 913 728	100%
Total revenue from rates and service ch	1 975 675	86.3%	2 193 272	86.9%	2 363 949	87.6%	2 557 147	87.8%

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. The municipality will continue to significantly generate its own revenue and will only depend on the operational transfers to the equivalent of 9.9 per cent. This is due the Rates and Service Charges being above 85 per cent of the total expected revenue. There is still room for improvement in the area of property rates however the municipality has in the 2015/6 budget year catered for the concept of multi purposes rating. The municipality is still prejudiced by the Traditional Authorities not yet forming part of the MPRA while geographically representing 47 per cent of the municipal jurisdiction. The revenue management team has taken to unconventional methods of creating a GIS grid overlay within the traditional area in order to ensure ease during credit control technical actions. This is envisaged to also assist with the present problem of postal address as SMS's have been relied on by the municipality as a means to send account balances in the traditional areas. The National government is encouraged at all stakeholder forums to ensure that all draft legislation which would see the present limitations to the growth of the rates base for the municipality are removed. This is imperative because of the increase in pressure to deliver services to previously un-serviced areas primarily with the introduction of the **Back to Basics** program which seeks to ensure that the rights of citizens as contained in the Constitution of the Republic of South Africa are provided by all Municipalities in line with constitutional mandate of section 152. Property Rates have on average increased by R 33 547 million and are now 14.29 per cent of the total revenue and is the second highest contributor to the municipal revenue.

The Service charges-electricity contribution to revenue increased by R 92 million from the 2014/15 expected budget full year forecast. This mainly represents the percentage increases in tariffs and has not assumed any growth rate in the customers' users for the City. The increases

applied in the electricity tariffs are on average 14 per cent. The municipality is still **very** dependent on electricity to cross subsidise Rates and General services. The revenue from Property Rates however has closed the gap and almost equals the gross profit that is made by the electricity trading service. This in essence now places the municipality in a better position towards sustainability as every rand raised in the rates and general environment contributes more than the rand earned in sales of a service mainly because one is exchange revenue while the other is non-exchange revenue.

The trading service water will be targeting an additional R 75 million in revenue to augment the additional bulk purchase costs that are anticipated going forward due to the drought and change in water source. The percentage increase seems exorbitant however the rand value revenue from the first domestic scale moved from R 1.63 to R 3.72.

Rates and service charges revenues represent 86,6 per cent of total revenue. The contribution represented 85,8 per cent in the 2014/2015 expected MTREF. This translated to a R 219,7 million rand increase in the 2015/16 MTREF. Revenue from rates and services charges totalled R 2 183 billion moving from R 1 963 billion in the 2014/2015 MTREF. Tariff increases in for rates and service charges have increased mainly affected by the expense for the bulk supply and based on the change in water source water provision. This indicates that affordability has been taken into consideration by the municipality while trying to strike a balance with our strategic agenda of wanting to have cost reflective tariffs but also not burdening the rate payer.

The bulk increase from Eskom has been a double digit increase; this has provided pressure in comparison to previous year where a single digit increase was approved by NERSA. The ageing infrastructure for electricity does now demand the long over-due asset replacement program. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 69 MBRR SA1 (see pages 143 to 146).

An insignificant source of revenue is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. The item segment Revenue classification of SCOA has done away with the "other revenue" as a category and therefore specific detail will be provided going forward due to the financial reform. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related. Yet the tariffs have in practice just been escalated by the inflation index as guided by the circular.

Operating grants and transfers totals R258 million in the 2015/16 financial year and steadily increases to R276 million by 2017/18. Note that the year-on-year growth for operating grant on all the years does not exceed 11 per cent contribution to the budget.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 5 Operating Transfers and Grant Receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	171 244	183 679	209 798	233 951	226 367	226 368	249 431	259 006	275 826
Local Government Equitable Share	161 782	179 139	190 384	204 800	204 800	204 800	229 925	245 576	261 960
Finance Management	1 450	904	1 176	1 600	1 537	1 537	1 600	1 625	1 700
Municipal Systems Improvement	662	11	890	930	930	930	930	957	1 033
Water Services Operating Subsidy	5 427	(1 500)	7 210	14 000	-	-	-	-	-
Municipal Drought Relief	-	-	-	-	-	-	-	-	-
EPWP Incentive	-	-	1 000	1 896	1 896	1 896	2 961	-	-
Project Management Unit	1 923	2 125	2 138	2 725	4 542	4 542	4 658	4 848	5 133
Infrastructure Skills Development Grant	-	3 000	7 000	8 000	8 000	8 000	7 500	6 000	6 000
Municipal Demarcation Transitional Grant	-	-	-	-	-	-	1 857	-	-
Municipal Infrastructure Grant (Roll-Over)	-	-	-	-	4 663	4 663	-	-	-
Provincial Government:	8 176	15 197	24 576	21 701	19 859	19 859	8 522	8 919	9 317
Museums	125	134	284	299	299	299	166	175	184
Provincialisation of libraries	2 651	2 784	5 846	6 080	6 080	6 080	6 289	6 623	6 955
Libraries	595	620	720	756	756	756	1 020	1 074	1 131
Housing	-	2 817	7 953	7 276	7 276	7 276	1 047	1 047	1 047
Primary Health	4 804	4 842	9 645	7 290	5 448	5 448	-	-	-
Corridor Development	-	4 000	-	-	-	-	-	-	-
Enhanced Extended Discount Benefit Scheme	-	-	128	-	-	-	-	-	-
Municipal Infrastructure Grant (Roll-Over)	-	-	-	-	-	-	-	-	-
District Municipality:	4 348	4 603	4 911	4 856	-	-	-	-	-
Environmental Health Subsidy	4 343	4 603	4 856	4 856	-	-	-	-	-
SMME Fair	5	-	-	-	-	-	-	-	-
Beach Festival	-	-	55	-	-	-	-	-	-
Other grant providers:	1 430	105	657	-	-	-	-	-	-
Umhlatuze Village Beneficiaries Contribution	38	42	26	-	-	-	-	-	-
ABSA - SMME Fair	5	-	-	-	-	-	-	-	-
Richards Bay Coal Terminal	5	-	-	-	-	-	-	-	-
Standard Bank - LED Summit	120	-	-	-	-	-	-	-	-
Briardale Trading - Practical Interventions	262	-	-	-	-	-	-	-	-
National Lotto - Sports Development	800	-	-	-	-	-	-	-	-
Salga	200	-	400	-	-	-	-	-	-
Absa Bank - Mandela Day	-	3	-	-	-	-	-	-	-
Mayoral Golf Day - Various	-	60	-	-	-	-	-	-	-
Standard Bank - Wellness Day	-	-	20	-	-	-	-	-	-
RBCT - Mayoral	-	-	100	-	-	-	-	-	-
Standard Bank - Beach Festival	-	-	50	-	-	-	-	-	-
KZN Winter Air Show	-	-	62	-	-	-	-	-	-
Total Operating Transfers and Grants	185 197	203 584	239 943	260 509	246 226	246 226	257 953	267 925	285 143

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.

The City has strived to ensure that affordability takes preference over the just achieving the desired income from a tariff increases which would be counterproductive. The level of debt collection for the municipality has remained relatively consistent throughout the years and continuous improvement in this area is continuously sort. The “traditional area customer base” is increasing and now represents 16 087 of the 50 000 meters which council has. This is the present area where customer education will be focused on.

The percentage increases of both Eskom and Mhlatuze Water bulk tariffs are far beyond the mentioned inflation target of 6 per cent respectively. This issue has been compounded by the fact that bulk water purchase volumes have increased due to the drought period. Given that these tariff increases are determined by external agencies, the impact they have on the municipality’s input costs and on municipal tariffs is largely outside the control of the City and the recovery of these increases from the municipal customer base is unavoidable. Lessing the impact of these price increases in lower scales of the municipal tariffs will affect the City’s future financial position

and viability. The extension of services for social reasons does not come with the necessary financial support required and the element of cross subsidisation therefore becomes more paramount in the MTREF.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. The municipality has a rates base which is lower what it desires as Rates and general is making a loss of R 170 million (Target – to at least break even the Rates and General Services). Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process yet rate payers cannot be expected to pay double what their contribution is and hence why the progressive double digit increases are planned going forward. The municipality will be investigating having urban improvement precincts in the 2017/18 MTREF with a view to increase the rates base. This will affect the Spatial Planning of the municipality and requires extensive public participation.

The municipality has adhered to the regulations which came into effect on 1 July 2009 and prescribing the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The change in the MPRA of phasing out the public service infrastructure category from paying rates will not have a major effect on the municipal revenues. The effect of this will be as following:

Period	Income	Amount - phasing in	Foregone
1st Year - 75%	89 663.68	67 247.76	22 415.92
2nd Year - 50%	98 630.04	49 315.02	49 315.02
3rd Year - 25%	108 493.04	27 123.26	81 369.78
Total	296 786.76	143 686.04	153 100.72
4th Year			119 342.34

*assumed average 10 % increase in rates annual increases

The rates policy review has brought in the changes as per the MPRA amended. The key changes in the policy and Act is that specific categories are now prescribed or are allowable for implementation. The City of uMhlathuze has allowed for the multi-purpose ratings for properties which will ensure a more equitable implementation of the MPRA because different tariffs can be applied in relation to the extent of the property and apportioned usage.

The business category of properties has been further split into business and industrial. Specific focus and policy provision has been made to ensure that vacant land is discouraged with a view to encourage land owners to develop.

Rates Policy

State the following:

“5. Annual review of rates policy.—

(1) *A municipal council must annually review, and if necessary, amend its rates policy. Any amendments to a rates policy must accompany the municipality’s annual budget when it is tabled in the council in terms of section 16 (2) of the Municipal Finance Management Act.*

(2) *Section 3 (3) to (6), read with the necessary changes as the context may require, apply to any amendment of a rates policy. Community participation in amendments to a rates policy must be effected through the municipality’s annual budget process in terms of sections 22 and 23 of the Municipal Finance Management Act.”*

The following changes are proposed for the 2015/16 financial year.

- ❖ Vacant Land to become a Category – New tariff ratio 1:1.5
- ❖ Business and Industrial properties are now split and a new tariff ratio can be applied to Industrial properties - 1:2.2
- ❖ Mining is also a new Category with a tariff ratio of 1:2.3

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2015/16 financial year based on a 8 per cent increase from 1 July 2015 is contained below:

Table 6 Comparison of proposed rates to levied for the 2015/16 financial year

Category	Current Tariff (1 July 2014)	Proposed tariff (from 1 July 2015)	Ratio to Residential Tariff
	c	c	
Residential properties	0,00721	0,0078	1:1
Business / Commercial	0,01515	0,0164	1:2,1
Industrial	0,01515	0.0171	1:2,2
Agricultural Properties	0,00180	0.0019	1:0,25
Public Service Purposes (State Owned)	0,00721	0.0090	1:1,1
Public Service Infrastructure	0,00180	0.0019	1:0,25
Public benefit organisation properties	0,00180	0.0019	1:0,25
Mining Properties	0,01515	0.0179	1:2,3
Vacant Land	0,00721	0.0117	1:1,5

1.4.2 Sale of Water and Impact of Tariff Increases

The change in water source by the City as a result of the drought has caused as significant change to the water trading service input costs. This has had an upward or steep increase to the tariffs to be charged by the City in the 2015/16 MTREF. The contribution of Equitable Share to the water service is R 80 million and slight increase from R 71, 4 million in the 2014/15 MTREF. The grant funding provided to the trading service is 35 percent of the Equitable Share. The budget steering committee members were sensitive to the fact that the City’s water tariffs were lagging in comparison to other cities and this practice was considered to be unsustainable due to the present water infrastructure break downs being experienced by the City.

The water losses on the trading service have not reached the desired target of between 15 to 30 per cent and hence revenue protection was identified as the first and prerequisite step to turning the trading service around. The present losses are 38 per cent and are therefore 8 per cent above the norm. The observation of the KL sold is also diminishing and hence the strategic (15% - 30%) solution towards the establishment of a unit within the water services section with a focus of water meter audit in order to root out illegal connection will be part of the future plans for the trading service. JOAT have been appointed as the service providers to assist in the leak detection project and to date already 400 leaks have been discovered and repaired by the City consultants.

In line with the initiative to ensure that residents pay for water the revenue enhancement strategy the following has been achieved:

- The quantity of residents receiving 6KL reduced to 7364
- Water revenue of R3 823 977 was raised due to the change and hence now customers are adequately orientated towards the culture of not having the first 6KL for free unless they are indigent or they can conserve water.

The consumption of the traditional areas are customers can be estimated to be 24 per cent based on the City's statistics. The 2014/15 actual consumer behaviour have been analysed and it is worth mentioning that the trends which were envisaged by Council have materialized. The drought has been the curve ball that was not anticipated and going forward adequate consideration is being put into the policy provision to ensure that Council has taken the most proactive approach to water demand planning.

The tariffs for the 2015/16 MTREF are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion. It needs to be understood that although the water cost centre is cost reflective the corresponding tariffs for water are subsidised by firstly **“equitable share”** and secondly the **“upper tiers of the inclining block tariffs”** although the level of cross subsidisation has decreased in relation to previous years.

The current inclining block tariffs of the City presently are:

- structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent) as they do provide the 6 kℓ for free to consumers who consume less than 6 kℓ and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The possibility of a desalination plant as a coastal City and water re-use projects have taken priority with the City Engineers. The Department of Water Affairs has assisted in funding maintenance programmes which are envisaged to ensure that water interruptions are kept at a minimum for the ageing infrastructure in the previous R 293 Towns.

The change in water source distorts the water tariff percentage increases proposed by the City as the conditions of tariff last year are different to the water source envisaged for the 2015/16 MTREF.

What has been an observation of the revenue management team is that residents would gladly purchase a 350 ml can of cool drink or bottled water and pay R 9.50 with no complaints. However the same consumer when given KL of water would be hesitant to pay R 5 for a significantly larger volume of water and it is this perception that we must win over from customers.

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

Table 7 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2014/15	PROPOSED TARIFFS 2015/16
	Rand per kℓ	Rand per kℓ
RESIDENTIAL	Prices excluding VAT	Prices excluding VAT
<i>0 - 0.2 kℓ per day (0 - 6 kℓ)</i>	0	0
<i>0 - 0.2 kℓ per day (0 - 6 kℓ)</i>	1,6313	3,7200
<i>0.2 - 0.5 kℓ per day (7 - 15 kℓ)</i>	3,2937	4,4640
<i>0.5 - 1.0 kℓ per day (16 - 30 kℓ)</i>	7,4642	10,4499
<i>1.0 - 2.0 kℓ per day (31 - 60 kℓ)</i>	9,8912	13,8477
<i>2 and above kℓ per day (60+ kℓ)</i>	12,9012	18,0617
NON-RESIDENTIAL		
<i>0,0 - 0,5 kℓ per day</i>	5,8468	8,1855
<i>0,5 - 1,0 kℓ per day</i>	8,5260	11,9364
<i>1,0 - 2,0 kℓ per day</i>	10,0692	14,0969
<i>above 2,0 kℓ per day</i>	9,9461	13,9245

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

Table 8 Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
20	149,28	209,00	59,71	40%
30	223,93	313,50	89,57	40%
40	395,65	553,91	158,26	40%
50	494,56	692,39	197,83	40%
80	1 032,10	1444,94	412,84	40%
100	1 290,12	1806,17	516,05	40%

The change in prices will mean that credit control technical actions will be stricter and more stringent with the City particularly to customers who are not proactive in communicating their challenges with the City.

1.4.3 Sale of Electricity and Impact of Tariff Increases

The electricity tariff increases which the City has applied to NERSA for are between 7 and 17 per cent and are to be effective from the 1st of July 2015.

Registered indigents will again be granted 50 kWh per month.

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

Table 9 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
100	93,49	99,98	6,49	7%
250	233,72	249,95	16,23	7%
500	599,30	699,95	100,65	17%
750	940,12	1096,13	156,00	17%
1 000	1 253,50	1 461,50	208,00	17%
2 000	2 919,20	3320,00	400,80	14%

The municipality implements the inclining block tariff and this stepped tariff structure has a higher tariff as customer consumption increases. The aim is to subsidise the lower consumption users (mostly the poor) and to use the benchmark as provided by NERSA. The City has been implementing this inclining block tariff for the past three years and it causes an increase in the volumes of sales to be experienced during the first days of the month when the tariffs are in their first scale for prepaid customers. The municipality has opened third party channels to ensure convenience to those customers who wish to not be inconvenienced by long queues during these peak times.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the City. Most of the suburbs and inner city reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the City's electricity network has therefore become a strategic priority, especially the substations and transmission lines. The National and Provincial Government will be approached to provide funding of R 98 million for the two 132 KVA cables that supplies the South Dunes – Port. The electricity supply to this area is of National and Provincial interest hence the City is optimistic that financial aid will be provided as the GDP contribution of the key customers in this supply area is too huge to risk interruptions to the power.

The approved budget for the Electricity department can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure. The electricity supply to the eSikhaleni area also requires an upgrade as its one of the areas without a backup line. This being said, it has been hard to prioritize this need for upgrade over the Cygnus PowerStation upgrade which has not been done and also places the network at a back foot. The funding required to address the electrification risk as identified by **RPT 153971** the electricity department was estimated at R 559,4 million in 2014/2015 and if escalated by the 5.8 per cent will be R 591.8 million in the 2015/16 MTREF , R 624,3 million R 657,4 in the outer year.

The capital requirement clearly mentioned above cannot be funded through municipal tariffs alone. Funding these necessary upgrades and renewals through increases in the municipal electricity tariff would be unaffordable for the consumers. It is therefore proposed that the taking up of loans as a strategy for funding of the infrastructure be considered and approved to spread the burden over the life span of the assets. As part of the 2015/16 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated. The capex prioritization model has been reviewed in order to cater for economic impact projects.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation from 1 July 2015 is proposed. This is based on the input cost assumptions related to water. The sanitation tariffs are based on the valuation roll scales. The tariff imposed escalates as the property value increases. Properties below the market value of R110 000 are not charged for sewerage discharged. The total revenue expected to be generated from rendering this service amounts to R 75 million for the 2015/16 financial year. The contribution of R 98,8 from the Equitable Share is currently envisaged to subsidize sanitation in the 2015/16 MTREF.

The following table compares the current and proposed tariffs:

Table 10 Comparison between current sanitation charges and increases

CATEGORY	CURRENT TARIFF 2014/15		PROPOSED TARIFF 2015/16	
	per cent DISCHARGED	TARIFF PER kℓ	per cent DISCHARGED	TARIFF PER kℓ
		R		R
19 – 24 kℓ per 30-day period	Assume constant discharge of 20 kℓ per 30-day period	6,74	Assume constant discharge of 20 kℓ per 30-day period	7,28

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

Table 11 Comparison between current sanitation charges and increases, single dwelling-houses

Monthly sanitation consumption kℓ	Current amount Payable R	Proposed amount payable R	Difference (8% increase) R
20	134,80	145,58	10,78

Refer to the comprehensive Tariff of Charges contained on **Annexure C (DMS 1022498)** for residential, business and undeveloped sites tariffs.

1.4.5 Waste Removal and Impact of Tariff Increases

Solid waste removal is currently being subsidised by R 45,9 million from the Equitable Share Grant in the 2015/16 MTREF. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The City will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models.

The outcomes of this investigation will be incorporated into the next planning cycle. An 8 per cent increase in the waste removal tariff is proposed from 1 July 2015. The fleet management section

has replaced and added refuse trucks in the 2014/15 year in order to stabilize the reliability of the service to customers. This was seen as integral part of action plan so that the City would have the necessary capacity to try and win back customers who had opted to utilize the services of the private sector.

The enforcement of the City's by laws required the City to have the capacity to deal with taking back its customers from the present illegal competitors.

The following table compares current and proposed amounts payable from 1 July 2015:

Table 12 Comparison between current waste removal fees and increases

	CURRENT TARIFF 2014/15	PROPOSED TARIFF 2015/16
Tariff per property valuation on a sliding scale per month:	Per month (R)	Per month (R)
0 – 110 000	0	0
110 001 – 170 000	73,30	79,16
170 001 – 400 000	97,73	105,55
400 001 – 600 000	98,16	106,01
600 001 – 800 000	98,59	106,48
800 001 – 1 000 000	99,03	106,95
1 000 001 – 1 500 000	99,46	107,42
1 500 000+	99,89	107,88

1.4.6 Overall impact of tariff increases on households

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

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 14 per cent (Middle income range – R 265.30); 12,6 per cent (Affordable Range – R 157,30) and 8 per cent (Indigent – R 28.59).

Middle income household range is defined as:

- property value of R700 000;
- 1 000 kWh electricity; and
- 30kl water.

Affordable household range is defined as:

- property value of R500 000;
- 500 kWh electricity; and
- 25kl water

Indigent household is defined as:

- property value of R 300 000;
- 350kWh electricity; and
- 20kl water (50 kWh electricity and 6 kl water free).

Table 13 MBRR Table SA14 – Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	339.08	384.74	367.62	411.57	411.57	411.57	8.2%	445.25	480.87	519.34
Electricity : Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity : Consumption	885.88	1 038.05	1 040.24	1 119.06	1 119.06	1 119.06	13.9%	1 274.06	1 375.98	1 486.06
Water: Basic levy	-	-	-	14.91	14.91	14.91	17.7%	17.54	18.95	20.46
Water: Consumption	108.09	121.89	132.60	141.61	141.61	141.61	39.1%	196.92	212.68	229.69
Sanitation	102.60	116.00	124.80	134.80	134.80	134.80	8.0%	145.58	157.23	169.81
Refuse removal	69.11	78.09	91.29	98.59	98.59	98.59	8.0%	106.48	115.00	124.20
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1 504.76	1 738.77	1 756.55	1 920.54	1 920.54	1 920.54	13.8%	2 185.83	2 360.71	2 549.56
VAT on Services	163.20	189.56	194.56	211.25	211.25	211.25		243.68	263.18	284.23
Total large household bill:	1 667.96	1 928.33	1 951.11	2 131.79	2 131.79	2 131.79	14.0%	2 429.51	2 623.89	2 833.79
% increase/-decrease		15.6%	1.2%	9.3%	-	-	14.0%	8.0%	8.0%	8.0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	240.08	272.41	260.28	291.40	291.40	291.40	8.2%	315.25	340.47	367.71
Electricity : Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity : Consumption	399.98	432.06	572.66	617.66	617.66	617.66	11.6%	689.46	744.62	804.19
Water: Basic levy	-	-	-	14.91	14.91	14.91	17.7%	17.54	18.95	20.46
Water: Consumption	79.84	89.89	97.72	104.29	104.29	104.29	38.7%	144.68	156.25	168.75
Sanitation	102.60	116.00	124.80	134.80	134.80	134.80	8.0%	145.58	157.23	169.81
Refuse removal	69.11	78.09	90.89	98.16	98.16	98.16	8.0%	106.01	114.49	123.65
Other	-	-	-	-	-	-	-	-	-	-
sub-total	891.61	988.45	1 146.35	1 261.22	1 261.22	1 261.22	12.5%	1 418.52	1 532.01	1 654.57
VAT on Services	91.21	100.25	124.05	135.77	135.77	135.77		154.46	166.81	180.16
Total small household bill:	982.82	1 088.70	1 270.40	1 396.99	1 396.99	1 396.99	12.6%	1 572.98	1 698.82	1 834.73
% increase/-decrease		10.8%	16.7%	10.0%	-	-	12.6%	8.0%	8.0%	8.0%
			0.55	-0.40	-1.00	-				
Monthly Account for Household - 'Indigent Household receiving free basic services'										
Rates and services charges:										
Property rates	111.38	126.38	101.97	114.16	114.16	114.16	8.2%	123.50	133.38	144.05
Electricity : Consumption	7.66	8.20	8.79	9.35	9.35	9.35	7.0%	10.00	10.80	11.66
Sanitation	102.60	116.00	124.80	134.80	134.80	134.80	8.0%	145.58	157.23	169.81
Refuse removal	69.11	78.09	90.49	97.73	97.73	97.73	8.0%	105.55	113.99	123.11
sub-total	290.75	328.67	326.05	356.04	356.04	356.04	8.0%	384.63	415.40	448.63
VAT on Services	25.11	28.32	31.37	33.86	33.86	33.86		36.56	39.48	42.64
Total small household bill:	315.86	356.99	357.42	389.90	389.90	389.90	8.0%	421.19	454.88	491.27
% increase/-decrease		13.0%	0.1%	9.1%	-	-	8.0%	8.0%	8.0%	8.0%

1.5 Operating Expenditure Framework

The City's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan. The weakness here however is that there is no Municipal wide asset repairs and maintenance plan. Repairs and Maintenance is done in silo's hence it lacks in synergistic benefit;
- The Budget makes a marginal surplus (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term is informed by Section 18 and 19 of the MFMA;

- An attempt to align the capital programme to the asset renewal strategy and backlog eradication is made in this budget, however lacks in not been driven by a municipal wide asset refurbishment and replacement plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of “*no project plan no budget*”. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 14 Summary of operating expenditure by standard classification item

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type									
Employee related costs	395 706	437 126	480 990	583 141	561 455	561 455	615 819	670 313	726 335
Remuneration of councillors	15 863	17 148	21 408	23 176	23 176	23 176	24 729	26 584	28 711
Debt impairment	3 000	3 647	67 969	3 050	3 050	3 050	3 050	3 050	3 050
Depreciation & asset impairment	78 242	108 389	244 340	182 390	182 390	182 390	205 014	281 661	337 173
Finance charges	82 481	79 985	71 145	77 614	77 614	77 614	79 806	78 062	74 619
Bulk purchases	834 060	937 247	1 051 626	1 096 502	1 065 919	1 065 919	1 134 058	1 191 432	1 254 842
Other materials	43 312	21 145	22 740	34 702	35 939	35 939	45 366	38 792	48 740
Contracted services	100 102	136 837	167 825	159 669	178 565	178 565	204 840	188 763	215 591
Transfers and grants	5 543	7 178	9 473	13 749	8 539	8 539	13 884	14 647	15 423
Other expenditure	79 886	105 977	158 890	189 254	191 292	191 292	192 797	202 527	205 360
Loss on disposal of PPE	-	470	-	-	-	-	-	-	-
Total Expenditure	1 638 196	1 855 148	2 296 407	2 363 248	2 327 940	2 327 940	2 519 364	2 695 829	2 909 844

The budgeted allocation for **employee related costs** for the 2015/16 financial year totals R616 million, which equals 24 per cent of the total operating expenditure. The Salary and Wage Collective Agreement for the period 01 July 2012 to 30 June 2015 has come to an end.

In terms of the MFMA Circular no. 75, National Treasury has advised municipalities to budget for a 5.8 per cent cost-of-living increase adjustment to be implemented with effect from 01 July 2015. However, in light of the salary increases being demanded by the unions, Council has budgeted for a 7 per cent for the 2015/16 financial year. An annual increase of 6.5 and 7 per cent has been included in the two outer years of the MTREF.

The challenge with the organizational structure is that it is designed for that of an aspirant metro and hence has many vacancies (R106m worth) which cannot be filled as there is no corresponding increase in the economy i.e. in the tax base. Consequently the associated risk is that there may be many organizational and municipal service delivery activities, which pre-restructuring were performed by one official and with the current vacuum of vacancies some of those functions may now not be performed.

The possible risk in the total Human Resource structure is if one adds both contracted services and employee related costs together, this figure amounts to 32.5 per cent of the operating budget, which although the 33 per cent norm for local government, does indicate a lack of skills within the Administration and a tendency to outsource.

One of the solutions here may appear contradictory on “face value”, but will no doubt have the long term desired effect and that is of Municipal Grading for the administration. The correct grading will result in higher salaries for middle to senior management staff, but in the medium to long term will result in the employment and retention of suitably qualified and experienced personnel.

However, it has become apparent that no progress has been evident on the Municipal Grading and further delays are expected. In light of this development, an amount of R 15 million has been included in employee related costs which will be used to fund previously unfunded posts as determined by Senior Management as critical.

The cost associated with the **remuneration of councillors** is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). Although, the gazette for 2015 remuneration has not yet been released, guidance received from the Department of Co-operative Governance indicates that an increase of 6 per cent would be applicable from 1 July 2014 to 30 June 2015. Therefore, an increase of 7 per cent has been budgeted for the 2015/16 financial year.

The provision of debt impairment was determined based on an annual collection rate of 98 per cent and the Debt Write-off Policy of the City. For the 2015/16 financial year this amount is R3, 050 million. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality’s realistically anticipated revenues. The accounting requirement of not writing bad debt to the provision but rather depicting an actual expense in the year of the write off may cause the City to review the estimates upwards in line with actual consumer trends at period reviews of the debtors. The amounts budgeted for also do not include the subsequent measure of Traffic fines which was a material impairment with the implementation of iGRAP 1.

Provision for depreciation and asset impairment has been informed by the Municipality’s Financial Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R205 million for the 2015/16 financial and equates to 8 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. An associated risk however is that an Accounting Standards Board directive, Directive 7, was used to bring on R7 billion rand’s worth of assets in the 2010/11 financial year. The risk here is that R70 million worth of depreciation on these assets is not brought into the expenditure as it is treated offset or depreciation on revalued assets. An opinion from the ASB is currently being sought as to how to treat this depreciation more appropriately.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges on the budget make up 3 per cent (R79 million) of operating expenditure excluding annual redemption but including depreciation for 2015/16 and decreases to R78 million. The actual interest and redemption of borrowings which is a true reflection of finance costs, even though not reflected as such in the budget, is R200 million for 2014/15 and R220 million for 2015/16 or 9% of operating expenditure for both years respectively. It is very good to see that the 8% actual interest and redemption of borrowings remains a constant for the outer years. The City has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it is kept close to 8 per cent over the MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Mhlatuze Water Board. The annual price increases have been factored into the budget appropriations. Of the R1 134 million total electricity comprises R998 and water R136 million. The expenditures includes distribution losses.

Other materials comprise the purchase, of materials for maintenance. In line with the City's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the City's infrastructure. An overall 26 % increase was made for materials costs in the Repairs and Maintenance votes for 2015/16. The appropriation against this group of expenditure has grown, however further effort will be made in the outer years to increase this appropriation over and above the inflationary boundaries. It needs to be noted that this line item excludes Fuel & Oil (R 17.9 million), Consumables (R 1.7m) and Small Tools & Materials (R 0.6m)

Contracted Services has increased by 8 per cent and needs to be looked at critically, but in conjunction with Employee Related Costs. There is a direct relationship between the efficiency and effectiveness of personnel versus that of the private sector, with the common fact between both sectors lying with level of management of resources they have at their disposal. A council resolution has been factored into this report so as to elicit the Administration to put forward proposals on improving the capacity with the Municipality and reduce its dependency on Contracted Services. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. No growth has been allowed here for the 2015/16 year with a 5 per cent allowed in the 2016/17 year.

Further details relating to contracted services can be seen in Table 69 MBRR SA1 (see pages 143 to 146).

The following figure gives a breakdown of the main expenditure categories for the 2015/16 financial year.

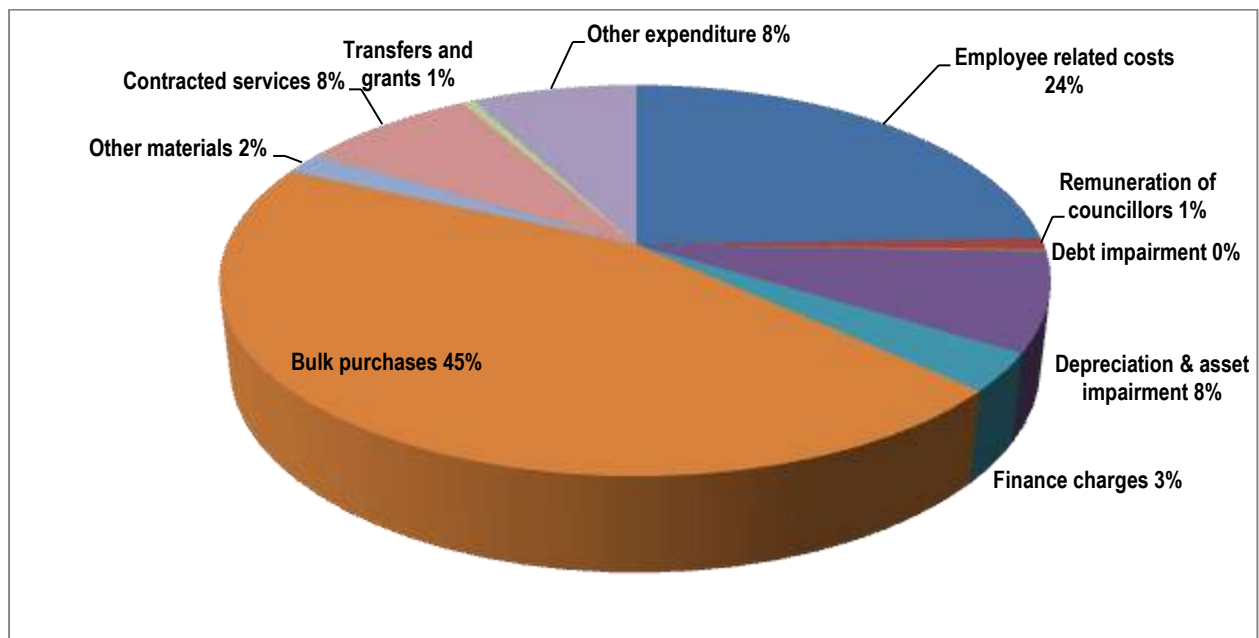


Figure 1 Main operational expenditure categories for the 2015/16 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 15 Operational repairs and maintenance

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Repairs and Maintenance									
Employee related costs	153 900	193 041	250 282	252 353	256 253	256 253	273 418	303 305	318 935
Other materials	43 312	21 145	22 740	34 702	35 939	35 939	43 684	38 792	48 740
Contracted Services	19 319	44 293	52 390	57 725	67 156	67 156	88 379	75 569	97 684
Total Repairs and Maintenance Expenditure	216 531	258 480	325 411	344 780	359 348	359 348	405 481	417 665	465 358

During the compilation of the 2015/16 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by 13,3 per cent in the 2015/16 financial year, from R 345 million to R 407 million. In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **16.2; 15.5 and 16 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **9.1; 9.4 and 10.6 per cent** of the respective financial years MTREF

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 16 Repairs and maintenance per asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	145 192	177 319	227 954	240 963	252 717	252 717	292 719	302 957	334 666
Infrastructure - Road transport	41 967	58 242	78 340	88 799	88 631	88 631	107 799	107 282	120 758
Infrastructure - Electricity	39 211	42 715	60 448	66 048	72 514	72 514	81 991	90 799	95 573
Infrastructure - Water	39 004	46 869	58 269	51 156	53 859	53 859	58 562	61 014	67 490
Infrastructure - Sanitation	23 588	25 976	30 896	33 744	36 502	36 502	43 060	42 685	49 326
Infrastructure - Other	1 421	3 517	-	1 216	1 211	1 211	1 308	1 177	1 519
Community	43 195	50 821	61 803	60 930	60 311	60 311	63 869	66 296	73 276
Other assets	28 144	30 340	35 655	42 888	46 321	46 321	48 892	48 413	57 416
Total Repairs and Maintenance Expenditure	216 531	258 480	325 411	344 780	359 348	359 348	405 481	417 665	465 358
R&M as a % of PPE	5.0%	6.2%	7.8%	8.0%	8.1%	8.1%	8.8%	9.1%	10.4%
R&M as % Operating Expenditure	13.2%	13.9%	14.2%	14.6%	15.4%	15.4%	16.1%	15.5%	16.0%

For the 2014/15 financial year, 72 per cent or R293 million of total repairs and maintenance will be spent on infrastructure assets. Road Transport infrastructure has received a significant

proportion of this allocation totalling 27 per cent (R108 million), followed by electricity infrastructure at 20 per cent (R82 million), water at 14 per cent (R59 million) and sanitation at 11 per cent (R43 million). Community assets has been allocated R63 million of total repairs and maintenance equating to 16 per cent.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are indigent and poor or face other circumstances that limit their ability to pay for services.

The existing relief measures employed for our indigent and poor, handicapped and pension consumer relief are as follows:

- 50 KWH (units) of electricity free for applicants whose usage of electricity amounts to an average of no more than 1 800 units per annum.
- Free water for consumers that consume 200 Liters and less per day for a month or the first 6 000 litres of water per month.
- When a consumer use **more** than the 200 Liters per day for a month then they **pay for all water consumed**
- Free rates if property value is less than R110 000.
- Free refuse charge if property is valued less than R110 000.
- Free sewer charge if property is valued less than R110 000.
- All rural communities have strategically placed refuse skips wherein refuse can be placed free of charge.
- By implication the very nature of property valuation allows rates payable by communities living in less formal area to be minimal.
- Targeted indigent support for very poor and child run households.

Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 32 MBRR A10 (Basic Service Delivery Measurement) on page 75.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act together with the tiered tariff approach.

It bears noting that the limitation of the Municipal Property Rates Act on Traditional Areas reduces the ability of the Municipality to generate revenue required for the provision of services in general. The Municipality estimates that of the 86 609 households the traditional households can be assumed to be 55 915 when excluding properties in the Valuation Rolls which are 30694.

When we assume to apply the current Property Rates Policy of the municipality on the Traditional Area: 80 per cent of properties can be assumed to be lower than the R 400 000 valuation on a conservative approach revenue limitation of R 24 344 102 can be assumed.

The tiered municipal tariffs also provide for an element of cross subsidisation on the tariffs themselves as per the below table:

Summary

Source	Free	Subsidy	TOTAL
Waste	15 267 187	1 316 595	16 583 782
Sanitation	20 301 785	6 641 659	26 943 445
Rates	0	8 066 066	8 066 066
Rates	0	19 859 046	19 859 046
Water	70 373 262	90 771 385	161 144 647
Elec	821 506	53 101 004	53 922 510
	106 763 741	179 755 754	286 519 495

The municipality is receiving equitable share of R 229 925 million in 2015/2016 while the municipal social package is R 286 519 million. The municipality has requested National Treasury to amend Table A10 in the 2014/15 benchmarking exercise to ensure that details as per above table can be displayed.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 17 2015/16 Medium-term capital budget per vote

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital Expenditure - Standard									
<i>Governance and administration</i>	18 909	22 235	33 076	53 162	97 523	97 523	44 606	34 398	34 398
Executive and council	-	-	352	211	167	167	93	-	-
Budget and treasury office	269	195	132	5 464	-	-	15	-	-
Corporate services	18 640	22 040	32 591	47 487	97 355	97 355	44 498	34 398	34 398
<i>Community and public safety</i>	2 216	15 937	33 791	117 319	120 897	120 897	125 977	56 300	56 300
Community and social services	593	4 470	12 847	26 938	29 728	29 728	40 526	29 158	29 158
Sport and recreation	895	2 276	9 301	32 162	32 406	32 406	41 239	21 654	21 654
Public safety	89	2 920	5 114	27 663	26 127	26 127	21 345	5 488	5 488
Housing	623	6 046	5 756	22 442	24 824	24 824	18 000	-	-
Health	17	225	773	8 115	7 812	7 812	4 867	-	-
<i>Economic and environmental services</i>	2 509	7 247	32 321	20 775	22 656	22 656	42 983	38 330	38 289
Planning and development	271	219	86	168	107	107	-	-	-
Road transport	2 237	7 028	32 236	20 607	22 548	22 548	42 983	38 330	38 289
<i>Trading services</i>	55 100	67 359	205 187	228 605	256 932	256 932	234 914	161 544	171 397
Electricity	8 277	15 544	61 607	56 031	64 602	64 602	24 831	9 500	6 000
Water	4 747	15 048	79 627	88 125	117 343	117 343	128 499	70 265	80 910
Waste water management	42 023	36 584	62 646	79 452	70 987	70 987	79 807	81 779	84 488
Waste management	53	183	1 307	4 998	4 000	4 000	1 778	-	-
<i>Other</i>	8 309	2 258	-	-	300	300	300	-	-
Total Capital Expenditure - Standard	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384
Funded by:									
National Government	39 679	40 345	110 841	119 456	189 588	189 588	159 878	117 531	127 384
Provincial Government	9 452	11 087	15 246	37 765	34 702	34 702	18 000	-	-
District Municipality	-	97	110	-	-	-	-	-	-
Other transfers and grants	7	131	133	-	-	-	-	-	-
Transfers recognised - capital	49 138	51 659	126 329	157 221	224 290	224 290	177 878	117 531	127 384
Public contributions & donations	3 165	4 531	62 602	11 182	8 523	8 523	1 115	-	-
Borrowing	22 907	33 829	69 347	144 738	142 572	142 572	159 702	100 000	100 000
Internally generated funds	11 833	25 017	46 097	106 721	122 922	122 922	110 082	73 041	73 000
Total Capital Funding	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384

For 2015/16 an amount of R286 million has been appropriated for the development of infrastructure which represents 64 per cent of the total capital budget. In the outer years this amount totals R203 million, 70 per cent and R 213 million, 71 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R128 million in 2015/16 which equates to 44 per cent followed by waste water infrastructure at 27 per cent, R79 million, road transport at 15 per cent, R42 million and then electricity infrastructure at 12 per cent, R32 million.

Total new assets represent 41 per cent or R 182 million of the total capital budget while asset renewal equates to 59 per cent or R 266 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 31 MBRR A9 (Asset Management) on page 73. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c and d provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 129, 130, 131 and 132).

Furthermore pages 134 to 140 contain a detail breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

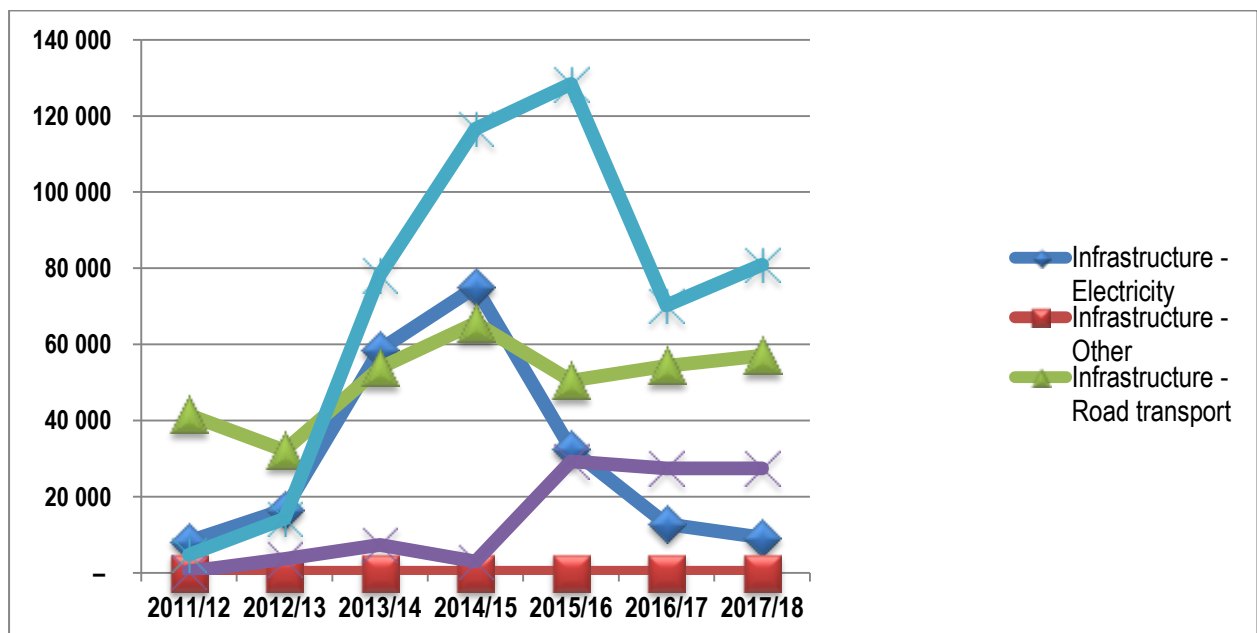


Figure 2 Capital Infrastructure Programme

1.7 Standard Chart of Accounts (SCOA)

As Council is aware, this Municipality is performing a pilot exercise for the National Treasury for the financial accounting reform called SCOA (Standard Chart of Accounts).

This SCOA reform essentially enforces a situation of consistency and improved financial management, where:

1. All Municipalities in South Africa report in GFS classification format (World Bank Classification);
2. All primary tariffs in a municipality will be cost reflective;
3. All expenditure whether technical or administrative, be associated with the correct function and projects;
4. The whole municipal budget in future can be reported on in terms of Projects (Activities) or by Function;
5. The old municipal classification will remain, hence costs can be reported in such format as well, but will have to be associated with pre-determined projects;
6. All users of the financial system will not be faced with the dilemma of having to choose vote numbers and try relate that to an activity, they just select their functional area and accordingly choose the predetermined (Budgeted) activities for goods and services. Should that activity not be budgeted for then it will not appear on the system. This enforces proper planning and not simply a vote with a "dam of money" to do with what the official wants in an ad-hoc manner.

The new financial system will go live on the 1 July 2015, if after testing by the users in May 2015, is found to be working and that transactions can be processed from A to Z.

The project status at 31 March 2015 can be graphically presented as follows:

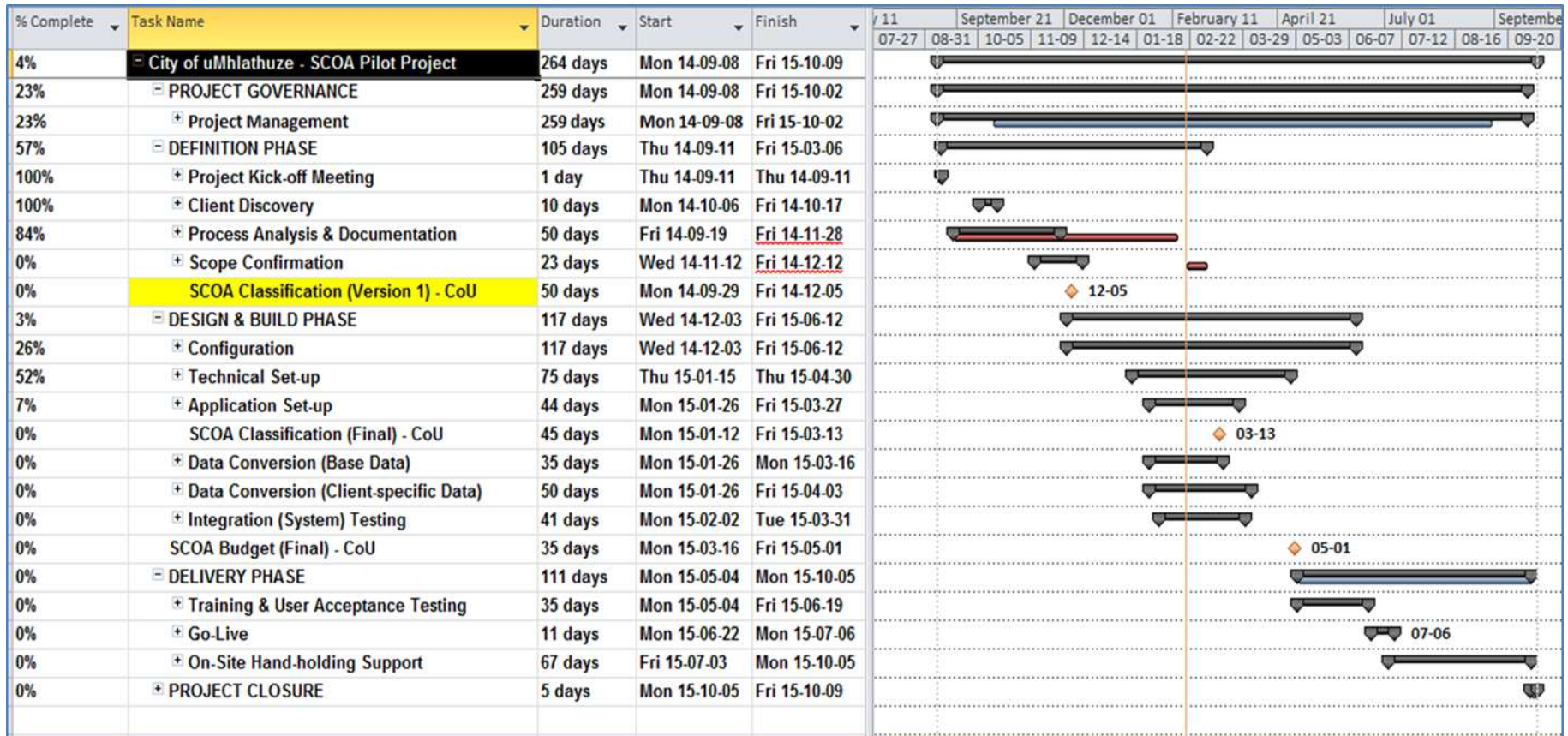


Figure 3 SCOA pilot site project plan

The primary outcomes of this accounting reform will ensure consistent and comparable reporting throughout the Country, this to ensure that the National Government is better informed when taking decisions at macro level for Local Government.

Secondly the reforms should allow for improved financial management at a management/administrative level, which in turn leads to improved service delivery..

Officials working on the project at this point are confident that these two primary outcomes will be achieved.

Given that we are at pilot stage, a decision has been made by the National Treasury not to change the format of the Budget Tables, hence for at least the next two years they will remain the same and the tables in this report will remain unchanged.

However, in the administrative environment for the Supply Chain Unit, Works Order Environment, Expenditure Division and Fleet Management Division financial process's within these functional areas of the Municipality will change substantially.

1.8 Annual Budget Tables

The following pages present the ten **main** budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the following page.

Table 18 MBRR Table A1 - Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	204 614	238 007	279 679	314 000	326 453	326 453	360 000	393 800	429 904
Service charges	1 225 242	1 388 278	1 640 754	1 742 161	1 649 222	1 649 222	1 833 272	1 963 144	2 119 956
Investment revenue	4 012	14 499	21 060	10 605	16 700	16 700	21 982	22 641	23 320
Transfers recognised - operational	183 050	202 114	232 086	260 509	246 226	246 226	257 953	267 925	285 143
Other own revenue	47 517	146 098	133 869	43 284	49 939	49 939	51 095	53 987	57 045
Total Revenue (excluding capital transfers and contributions)	1 664 435	1 988 995	2 307 447	2 370 559	2 288 540	2 288 540	2 524 301	2 701 497	2 915 368
Employee costs	395 706	437 126	480 990	583 141	561 455	561 455	615 819	670 313	726 335
Remuneration of councillors	15 863	17 148	21 408	23 176	23 176	23 176	24 729	26 584	28 711
Depreciation & asset impairment	78 242	108 389	244 340	182 390	182 390	182 390	205 014	281 661	337 173
Finance charges	82 481	79 985	71 145	77 614	77 614	77 614	79 806	78 062	74 619
Materials and bulk purchases	877 372	958 392	1 074 365	1 131 205	1 101 858	1 101 858	1 179 425	1 230 223	1 303 582
Transfers and grants	5 543	7 178	9 473	13 749	8 539	8 539	13 884	14 647	15 423
Other expenditure	182 988	246 931	394 684	351 973	372 908	372 908	400 687	394 340	424 001
Total Expenditure	1 638 196	1 855 148	2 296 407	2 363 248	2 327 940	2 327 940	2 519 364	2 695 829	2 909 844
Surplus/(Deficit)	26 239	133 847	11 040	7 311	(39 399)	(39 399)	4 937	5 668	5 524
Transfers recognised - capital	49 138	51 659	186 865	119 456	225 405	225 405	159 878	117 531	127 384
Surplus/(Deficit) for the year	75 377	185 507	197 906	126 767	186 006	186 006	164 816	123 199	132 908
Capital expenditure & funds sources									
Capital expenditure	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384
Transfers recognised - capital	49 138	51 659	126 329	157 221	224 290	224 290	177 878	117 531	127 384
Public contributions & donations	3 165	4 531	62 602	11 182	8 523	8 523	1 115	-	-
Borrowing	22 907	33 829	69 347	144 738	142 572	142 572	159 702	100 000	100 000
Internally generated funds	11 833	25 017	46 097	106 721	122 922	122 922	110 082	73 041	73 000
Total sources of capital funds	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384
Financial position									
Total current assets	439 226	600 772	835 646	795 143	765 341	765 341	817 368	940 682	1 113 908
Total non current assets	4 489 526	4 291 791	4 348 342	4 446 565	4 561 539	4 561 539	4 735 325	4 715 190	4 599 355
Total current liabilities	439 207	533 399	621 527	574 408	574 407	574 407	595 405	618 462	658 080
Total non current liabilities	950 854	829 668	835 059	935 768	952 466	952 466	923 044	913 129	885 961
Community wealth/Equity	3 538 691	3 529 496	3 727 401	3 731 532	3 800 007	3 800 007	4 034 243	4 124 281	4 169 222
Cash flows									
Net cash from (used) operating	193 014	293 248	404 704	324 461	383 049	383 049	385 509	421 808	488 165
Net cash from (used) investing	(75 156)	(112 708)	(243 092)	(241 691)	(358 420)	(358 420)	(303 915)	(287 404)	(289 312)
Net cash from (used) financing	(203)	(94 979)	122	(34 890)	(34 890)	(120 390)	45 381	(40 642)	(57 829)
Cash/cash equivalents at the year end	157 214	242 775	404 509	447 777	394 248	308 748	435 723	529 485	670 509
Cash backing/surplus reconciliation									
Cash and investments available	157 214	242 775	404 509	424 050	394 248	394 248	435 723	529 485	670 509
Application of cash and investments	141 661	111 744	146 026	246 554	245 977	220 327	232 348	210 595	200 978
Balance - surplus (shortfall)	15 552	131 031	258 483	177 496	148 271	173 921	203 374	318 890	469 531
Asset management									
Asset register summary (WDV)	4 489 080	4 252 807	4 348 183	4 383 041	4 464 566	4 464 566	4 506 932	4 487 992	4 453 392
Depreciation & asset impairment	78 242	108 389	244 340	182 390	182 390	182 390	205 014	281 661	337 173
Renewal of Existing Assets	25 187	62 189	113 536	178 589	221 981	221 981	266 279	129 443	136 838
Repairs and Maintenance	216 531	258 480	325 411	344 780	359 348	359 348	405 481	417 665	465 358
Free services									
Cost of Free Basic Services provided	58 681	66 907	76 310	86 027	86 027	86 027	106 764	115 305	124 529
Revenue cost of free services provided	30 206	33 333	37 765	37 605	37 605	37 605	38 703	41 799	45 143
Households below minimum service level									
Water:	3	14	8	8	8	8	8	8	8
Sanitation/sewage:	26	21	21	21	21	21	21	21	21
Energy:	62	67	67	76	76	76	76	76	76
Refuse:	27	26	26	22	22	22	22	22	22

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality has been paying much attention to managing this aspect of its finances, and consequently many of its obligations are now cash-backed. This places the municipality in a very positive financial position. To strengthen this favourable position, Council has Adopted an Investment, Working Capital and Capital Replacement Reserves Policy.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase however it needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges. This implies that the values reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 19 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	247 502	300 755	353 377	344 317	417 774	417 774	403 650	437 348	475 399
Executive and council	268	228	1 033	165	165	165	2 955	1 134	1 220
Budget and treasury office	220 449	280 077	322 143	335 480	358 890	358 890	394 207	429 295	466 798
Corporate services	26 785	20 451	30 201	8 671	58 718	58 718	6 489	6 919	7 382
Community and public safety	27 660	43 182	112 577	42 195	72 569	72 569	43 507	44 997	46 539
Community and social services	6 226	6 270	14 979	9 765	13 095	13 095	10 562	11 133	11 706
Sport and recreation	4 390	6 026	8 430	2 311	9 237	9 237	18 593	18 790	19 000
Public safety	4 971	12 600	62 501	9 727	11 277	11 277	12 193	12 865	13 572
Housing	2 909	9 042	12 161	8 226	33 090	33 090	2 147	2 197	2 247
Health	9 164	9 244	14 506	12 166	5 870	5 870	12	13	14
Economic and environmental services	11 430	13 613	25 755	12 295	12 024	12 024	27 733	28 430	29 166
Planning and development	1 981	2 439	2 271	1 412	1 649	1 649	1 834	1 932	2 036
Road transport	9 449	11 174	23 483	10 884	10 375	10 375	25 899	26 498	27 131
Trading services	1 418 129	1 680 349	2 002 064	2 090 766	2 010 738	2 010 738	2 208 694	2 307 627	2 490 991
Electricity	970 954	1 133 941	1 366 436	1 400 658	1 309 708	1 309 708	1 402 890	1 498 482	1 614 243
Water	256 843	333 876	387 261	357 476	373 172	373 172	470 063	451 603	492 785
Waste water management	129 010	143 179	160 331	229 357	226 334	226 334	221 534	234 758	252 019
Waste management	61 322	69 353	88 037	103 275	101 523	101 523	114 206	122 784	131 943
Other	8 851	2 755	538	441	841	841	596	626	656
Total Revenue - Standard	1 713 573	2 040 655	2 494 312	2 490 015	2 513 946	2 513 946	2 684 179	2 819 028	3 042 752
Expenditure - Standard									
Governance and administration	(24 001)	45 809	305 947	62 069	50 728	50 728	51 721	54 316	59 454
Executive and council	12 289	19 514	75 936	414	4 005	4 005	3 371	1 336	1 424
Budget and treasury office	(78 876)	(15 330)	72 794	1 349	5 910	5 910	4 406	4 494	4 804
Corporate services	42 586	41 625	157 218	60 306	40 812	40 812	43 945	48 487	53 226
Community and public safety	205 216	242 388	274 724	328 527	323 814	323 814	353 232	380 822	412 783
Community and social services	30 539	35 715	46 652	49 705	50 455	50 455	61 319	64 522	69 172
Sport and recreation	75 708	90 024	82 422	117 104	113 827	113 827	125 570	135 293	148 676
Public safety	74 892	86 315	115 108	113 528	118 984	118 984	140 046	151 988	163 945
Housing	3 780	7 607	6 256	15 313	15 601	15 601	16 410	17 898	18 908
Health	20 296	22 727	24 286	32 878	24 947	24 947	9 886	11 122	12 082
Economic and environmental services	109 725	147 279	197 832	210 139	191 625	191 625	236 361	259 755	294 879
Planning and development	18 824	27 512	27 667	38 151	42 491	42 491	41 343	44 432	47 521
Road transport	82 201	108 939	169 840	156 144	149 134	149 134	195 018	215 322	247 358
Environmental protection	8 701	10 827	325	15 843	-	-	-	-	-
Trading services	1 347 183	1 419 403	1 517 164	1 761 610	1 760 870	1 760 870	1 877 314	2 000 155	2 141 922
Electricity	943 872	954 591	1 066 981	1 204 958	1 153 502	1 153 502	1 211 487	1 283 481	1 355 260
Water	280 843	282 283	266 614	322 351	377 118	377 118	397 688	427 442	465 994
Waste water management	47 579	100 211	123 924	137 708	133 907	133 907	162 473	175 521	197 705
Waste management	74 889	82 319	59 644	96 593	96 344	96 344	105 667	113 710	122 963
Other	72	269	740	903	903	903	736	781	807
Total Expenditure - Standard	1 638 196	1 855 148	2 296 407	2 363 247	2 327 940	2 327 940	2 519 364	2 695 829	2 909 844
Surplus/(Deficit) for the year	75 377	185 507	197 906	126 767	186 006	186 006	164 816	123 199	132 908

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. **Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.**
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions and the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure. However, if the capital revenues (Transfers recognised – capital) is removed from the calculation of the surpluses for each trading service, water service is running at an R 19m deficit.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 20 MBRR Table A2A - Budgeted Financial Performance (revenue and expenditure by standard classification - Detail)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Municipal governance and administration	247 502	300 755	353 377	344 317	417 774	417 774	403 650	437 348	475 399
Executive and council	268	228	1 033	165	165	165	2 955	1 134	1 220
<i>Mayor and Council</i>	268	228	1 033	165	165	165	2 955	1 134	1 220
Budget and treasury office	220 449	280 077	322 143	335 480	358 890	358 890	394 207	429 295	466 798
Corporate services	26 785	20 451	30 201	8 671	58 718	58 718	6 489	6 919	7 382
<i>Human Resources</i>	2 077	1 755	1 010	346	346	346	6	6	6
<i>Information Technology</i>	(99)	947	1 367	1 426	16 489	16 489	297	312	331
<i>Property Services</i>	19 483	13 548	20 970	2 728	5 931	5 931	1 507	1 590	1 677
<i>Other Admin</i>	5 324	4 200	6 854	4 171	35 952	35 952	4 679	5 012	5 368
Community and public safety	27 660	43 182	112 577	42 195	72 569	72 569	43 507	44 997	46 539
Community and social services	6 226	6 270	14 979	9 765	13 095	13 095	10 562	11 133	11 706
<i>Libraries and Archives</i>	3 713	3 619	6 662	7 055	7 090	7 090	7 587	7 990	8 395
<i>Museums & Art Galleries etc</i>	127	136	289	307	307	307	174	183	192
<i>Community halls and Facilities</i>	1 962	2 079	7 571	1 896	5 171	5 171	2 305	2 435	2 569
<i>Cemeteries & Crematoriums</i>	425	436	457	507	527	527	497	524	550
Sport and recreation	4 390	6 026	8 430	2 311	9 237	9 237	18 593	18 790	19 000
Public safety	4 971	12 600	62 501	9 727	11 277	11 277	12 193	12 865	13 572
<i>Police</i>	3 822	11 136	60 206	9 146	10 696	10 696	11 565	12 201	12 872
<i>Fire</i>	1 149	1 464	786	581	581	581	628	664	700
<i>Street Lighting</i>	-	-	1 510	-	-	-	-	-	-
Housing	2 909	9 042	12 161	8 226	33 090	33 090	2 147	2 197	2 247
Health	9 164	9 244	14 506	12 166	5 870	5 870	12	13	14
<i>Clinics</i>	4 819	4 842	9 645	7 296	5 453	5 453	6	6	6
<i>Other</i>	4 345	4 401	4 861	4 871	417	417	7	7	7
Economic and environmental services	11 430	13 613	25 755	12 295	12 024	12 024	27 733	28 430	29 166
Planning and development	1 981	2 439	2 271	1 412	1 649	1 649	1 834	1 932	2 036
<i>Economic Development/Planning</i>	1 981	2 439	2 271	1 412	1 649	1 649	1 834	1 932	2 036
Road transport	9 449	11 174	23 483	10 884	10 375	10 375	25 899	26 498	27 131
<i>Roads</i>	-	1 255	13 116	826	68	68	15 071	15 075	15 079
<i>Vehicle Licensing and Testing</i>	9 449	9 919	10 367	10 057	10 307	10 307	10 828	11 423	12 051

Table A2A - Budgeted Financial Performance (revenue and expenditure by standard classification - Detail) – (Continued)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue - Standard									
<i>Trading services</i>	1 418 129	1 680 349	2 002 064	2 090 766	2 010 738	2 010 738	2 208 694	2 307 627	2 490 991
Electricity	970 954	1 133 941	1 366 436	1 400 658	1 309 708	1 309 708	1 402 890	1 498 482	1 614 243
<i>Electricity Distribution</i>	970 954	1 133 941	1 366 436	1 400 658	1 309 708	1 309 708	1 402 890	1 498 482	1 614 243
<i>Electricity Generation</i>	-	-	-	-	-	-	-	-	-
Water	256 843	333 876	387 261	357 476	373 172	373 172	470 063	451 603	492 785
<i>Water Distribution</i>	256 843	333 876	387 261	357 476	373 172	373 172	470 063	451 603	492 785
<i>Water Storage</i>	-	-	-	-	-	-	-	-	-
Waste water management	129 010	143 179	160 331	229 357	226 334	226 334	221 534	234 758	252 019
<i>Sewerage</i>	129 010	143 179	160 331	229 357	226 334	226 334	221 534	234 758	252 019
<i>Storm Water Management</i>	-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>	-	-	-	-	-	-	-	-	-
Waste management	61 322	69 353	88 037	103 275	101 523	101 523	114 206	122 784	131 943
<i>Solid Waste</i>	61 322	69 353	88 037	103 275	101 523	101 523	114 206	122 784	131 943
<i>Other</i>	8 851	2 755	538	441	841	841	596	626	656
Air Transport	8 851	2 755	538	441	841	841	596	626	656
Total Revenue - Standard	1 713 573	2 040 655	2 494 312	2 490 015	2 513 946	2 513 946	2 684 179	2 819 028	3 042 752
Expenditure - Standard									
<i>Municipal governance and administration</i>	(24 001)	45 809	305 947	62 069	50 728	50 728	51 721	54 316	59 454
Executive and council	12 289	19 514	75 936	414	4 005	4 005	3 371	1 336	1 424
<i>Mayor and Council</i>	9 511	15 990	64 286	414	3 986	3 986	1 371	1 336	1 424
<i>Municipal Manager</i>	2 778	3 525	11 650	-	19	19	2 000	-	-
Budget and treasury office	(78 876)	(15 330)	72 794	1 349	5 910	5 910	4 406	4 494	4 804
Corporate services	42 586	41 625	157 218	60 306	40 812	40 812	43 945	48 487	53 226
<i>Human Resources</i>	3 131	2 433	19 129	4 476	5 323	5 323	3 933	4 203	4 507
<i>Information Technology</i>	(100)	947	26 281	2 552	3 189	3 189	3 043	3 244	3 492
<i>Property Services</i>	4 428	5 484	4 749	7 754	7 864	7 864	5 068	5 391	5 688
<i>Other Admin</i>	35 126	32 761	107 059	45 524	24 437	24 437	31 902	35 649	39 539
<i>Community and public safety</i>	205 216	242 388	274 724	328 527	323 814	323 814	353 232	380 822	412 783
Community and social services	30 539	35 715	46 652	49 705	50 455	50 455	61 319	64 522	69 172
<i>Libraries and Archives</i>	11 356	12 954	12 129	16 908	16 878	16 878	18 572	20 102	21 511
<i>Museums & Art Galleries etc</i>	1 127	1 217	869	1 648	1 632	1 632	6 672	7 040	7 420
<i>Community halls and Facilities</i>	11 648	15 413	27 902	22 800	23 494	23 494	26 407	27 329	29 263
<i>Cemeteries & Crematoriums</i>	6 408	6 131	5 752	8 349	8 451	8 451	9 668	10 052	10 978
Sport and recreation	75 708	90 024	82 422	117 104	113 827	113 827	125 570	135 293	148 676

Table A2A - Budgeted Financial Performance (revenue and expenditure by standard classification - Detail) – (Continued)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Expenditure - Standard									
Public safety	74 892	86 315	115 108	113 528	118 984	118 984	140 046	151 988	163 945
<i>Police</i>	24 182	30 529	77 478	40 152	42 623	42 623	51 627	54 854	58 647
<i>Fire</i>	33 675	36 240	33 719	46 223	49 416	49 416	57 635	64 248	71 297
<i>Street Lighting</i>	16 317	18 807	3 571	25 692	26 042	26 042	29 468	31 260	32 045
<i>Other</i>	719	739	340	1 461	904	904	1 317	1 625	1 955
Housing	3 780	7 607	6 256	15 313	15 601	15 601	16 410	17 898	18 908
Health	20 296	22 727	24 286	32 878	24 947	24 947	9 886	11 122	12 082
<i>Clinics</i>	15 665	16 800	16 399	23 696	17 116	17 116	2 272	2 432	2 595
<i>Other</i>	4 631	5 928	7 888	9 182	7 831	7 831	7 614	8 691	9 487
Economic and environmental services	109 725	147 279	197 832	210 139	191 625	191 625	236 361	259 755	294 879
Planning and development	18 824	27 512	27 667	38 151	42 491	42 491	41 343	44 432	47 521
<i>Economic Development/Planning</i>	18 824	27 512	27 667	38 151	42 491	42 491	41 343	44 432	47 521
Road transport	82 201	108 939	169 840	156 144	149 134	149 134	195 018	215 322	247 358
<i>Roads</i>	75 038	100 811	163 082	146 187	139 496	139 496	183 899	203 439	234 715
<i>Vehicle Licensing and Testing</i>	7 163	8 128	6 758	9 957	9 638	9 638	11 119	11 884	12 644
Environmental protection	8 701	10 827	325	15 843	-	-	-	-	-
<i>Pollution Control</i>	7 555	9 469	-	14 500	-	-	-	-	-
<i>Biodiversity & Landscape</i>	706	856	-	974	-	-	-	-	-
<i>Other</i>	440	501	325	370	-	-	-	-	-
Trading services	1 347 183	1 419 403	1 517 164	1 761 610	1 760 870	1 760 870	1 877 314	2 000 155	2 141 922
Electricity	943 872	954 591	1 066 981	1 204 958	1 153 502	1 153 502	1 211 487	1 283 481	1 355 260
<i>Electricity Distribution</i>	192 436	108 178	104 247	125 844	144 966	144 966	146 728	158 975	168 549
<i>Electricity Generation</i>	751 435	846 414	962 734	1 079 114	1 008 536	1 008 536	1 064 759	1 124 507	1 186 711
Water	280 843	282 283	266 614	322 351	377 118	377 118	397 688	427 442	465 994
<i>Water Distribution</i>	280 843	282 283	266 614	322 351	377 118	377 118	397 688	427 442	465 994
Waste water management	47 579	100 211	123 924	137 708	133 907	133 907	162 473	175 521	197 705
<i>Sewerage</i>	46 286	98 885	123 172	135 996	132 212	132 212	160 595	173 485	195 519
<i>Public Toilets</i>	1 293	1 326	752	1 712	1 695	1 695	1 878	2 037	2 186
Waste management	74 889	82 319	59 644	96 593	96 344	96 344	105 667	113 710	122 963
<i>Solid Waste</i>	74 889	82 319	59 644	96 593	96 344	96 344	105 667	113 710	122 963
Other	72	269	740	903	903	903	736	781	807
<i>Air Transport</i>	72	269	740	903	903	903	736	781	807
Total Expenditure - Standard	1 638 196	1 855 148	2 296 407	2 363 247	2 327 940	2 327 940	2 519 364	2 695 829	2 909 844
Surplus/(Deficit) for the year	75 377	185 507	197 906	126 767	186 006	186 006	164 816	123 199	132 908

Table 21 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - CITY DEVELOPMENT	22 613	23 352	33 877	10 871	39 174	39 174	3 981	4 129	4 283
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	84 907	101 143	179 281	135 231	131 983	131 983	137 244	147 090	157 586
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	9 157	10 571	16 204	10 517	17 549	17 549	27 276	27 937	28 611
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	12 239	7 306	6 289	5 081	20 769	20 769	7 228	5 642	5 973
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	2 077	1 755	1 010	346	346	346	6	6	6
Vote 6 - FINANCIAL SERVICES	220 677	280 644	322 852	336 236	359 646	359 646	394 563	429 672	467 195
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	970 954	1 133 941	1 367 946	1 400 658	1 309 708	1 309 708	1 402 890	1 498 482	1 614 243
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	383 930	474 242	544 076	581 823	591 921	591 921	676 473	675 507	733 665
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	1 133	2 263	14 082	1 826	1 068	1 068	16 071	16 135	16 199
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	2 377	2 965	5 719	5 288	38 524	38 524	15 429	11 174	11 478
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	3 509	2 473	2 976	2 138	3 258	3 258	3 018	3 255	3 512
Total Revenue by Vote	1 713 573	2 040 655	2 494 312	2 490 015	2 513 946	2 513 946	2 684 179	2 819 029	3 042 752
Expenditure by Vote to be appropriated									
Vote 1 - CITY DEVELOPMENT	25 151	38 758	37 416	58 894	63 784	63 784	61 019	65 790	70 046
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	165 630	185 349	204 111	234 194	227 319	227 319	240 684	260 954	283 100
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	104 023	121 383	109 594	160 280	156 659	156 659	178 786	193 538	213 067
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	17 891	26 921	127 170	12 489	15 959	15 959	14 273	12 898	12 104
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	3 131	2 433	19 129	4 476	5 323	5 323	3 933	4 203	4 507
Vote 6 - FINANCIAL SERVICES	(78 504)	(15 409)	82 985	1 493	5 209	5 209	5 138	5 262	5 624
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	960 189	973 399	1 070 553	1 230 650	1 179 544	1 179 544	1 240 955	1 314 741	1 387 305
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	329 228	383 826	381 798	458 129	497 690	497 690	537 313	583 289	642 703
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	75 899	101 516	163 999	147 305	140 615	140 615	185 052	204 446	236 016
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	18 245	23 617	78 322	43 809	25 468	25 468	37 867	38 521	42 335
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	17 314	13 356	21 332	11 530	10 371	10 371	14 345	12 189	13 037
Total Expenditure by Vote	1 638 196	1 855 148	2 296 407	2 363 247	2 327 940	2 327 940	2 519 364	2 695 830	2 909 844
Surplus/(Deficit) for the year	75 377	185 507	197 906	126 767	186 006	186 006	164 816	123 199	132 908

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the City. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 22 MBRR Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue by Vote									
Vote 1 - CITY DEVELOPMENT	22 613	23 352	33 877	10 871	39 174	39 174	3 981	4 129	4 283
1.1 - CITY DEVELOPMENT (013)	1 981	2 439	2 271	1 412	1 649	1 649	1 834	1 932	2 036
1.2 - TOWNSHIP DEVELOPMENT (045)	17 724	11 871	19 445	1 233	4 435	4 435	-	-	-
1.3 - PIONEER COURT RENTAL SCHEME (015)	449	426	134	0	-	-	-	-	-
1.4 - HOUSING (028)	2 460	8 617	12 027	8 226	33 090	33 090	2 147	2 197	2 247
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	84 907	101 143	179 281	135 231	131 983	131 983	137 244	147 090	157 586
2.1 - FIRE BRIGADE (005)	1 149	1 464	786	581	581	581	628	664	700
2.2 - TRAFFIC (006)	3 440	11 136	60 206	9 146	10 696	10 696	11 565	12 201	12 872
2.4 - HEALTH ADMINISTRATION (008)	4 345	4 401	4 861	4 871	417	417	7	7	7
2.5 - CLINICS (009)	4 819	4 842	9 645	7 296	5 453	5 453	6	6	6
2.6 - CRIME PREVENTION (010)	381	-	-	-	-	-	-	-	-
2.7 - LICENCES TRAFFIC (012)	9 449	9 919	10 367	10 057	10 307	10 307	10 828	11 423	12 051
2.8 - COMMUTER FACILITIES (029)	-	27	5 380	5	3 005	3 005	6	6	6
2.9 - STREET CLEANING (032)	382	369	177	5	5	5	6	6	6
2.10 - REFUSE REMOVAL (033)	60 916	68 973	87 839	103 250	101 500	101 500	114 185	122 761	131 919
2.11 - WASTE DISPOSAL (036)	24	11	20	20	18	18	16	17	18
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	9 157	10 571	16 204	10 517	17 549	17 549	27 276	27 937	28 611
3.1 - CEMETERY (002)	425	436	457	507	527	527	497	524	550
3.2 - LIBRARY (004)	3 713	3 619	6 662	7 055	7 090	7 090	7 587	7 990	8 395
3.3 - MUNICIPAL HALLS (016)	503	354	366	338	388	388	426	449	474
3.4 - PARKS, SPORT AND RECREATION (018)	-	-	-	-	-	-	-	-	-
3.5 - PARKS AND GARDENS (023)	3 082	4 665	4 852	989	2 605	2 605	2 756	2 901	3 056
3.6 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	124	94	89	95	1 211	1 211	15 101	15 107	15 111
3.7 - STADIUM (025)	-	-	120	-	-	-	-	-	-
3.8 - CARAVAN PARK (026)	640	678	708	730	750	750	230	248	268
3.9 - BEACH FACILITIES (027)	118	154	2 196	5	4 181	4 181	6	6	6
3.10 - SWIMMING POOLS (042)	416	426	465	491	491	491	501	529	558
3.11 - MUSEUMS, ARTS & CRAFTS (064)	127	136	289	307	307	307	174	183	192
3.12 - PARKS DISTRIBUTION (073)	10	9	-	-	-	-	-	-	-

Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue by Vote									
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	12 239	7 306	6 289	5 081	20 769	20 769	7 228	5 642	5 973
4.1 - ADMINISTRATION (001)	1 760	1 677	1 525	1 495	1 495	1 495	1 507	1 590	1 677
4.2 - HOUSING RENTAL SCHEMES (003)	1 459	1 698	1 825	1 553	1 778	1 778	1 874	1 981	2 089
4.3 - MUNICIPAL BUILDINGS (019)	268	228	1 033	165	165	165	2 955	1 134	1 220
4.4 - COUNCIL GENERAL EXPENDITURE (030)	8 851	2 755	538	441	841	841	596	626	656
4.7 - IT SERVICES (082)	(99)	947	1 367	1 426	16 489	16 489	297	312	331
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	2 077	1 755	1 010	346	346	346	6	6	6
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	2 077	1 755	1 010	346	346	346	6	6	6
Vote 6 - FINANCIAL SERVICES	220 677	280 644	322 852	336 236	359 646	359 646	394 563	429 672	467 195
6.2 - FINANCIAL SERVICES (040)	220 449	280 077	322 143	335 480	358 890	358 890	394 207	429 295	466 798
6.3 - SUPPLY CHAIN MANAGEMENT UNIT (066)	228	568	709	755	755	755	357	376	397
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	970 954	1 133 941	1 367 946	1 400 658	1 309 708	1 309 708	1 402 890	1 498 482	1 614 243
7.1 - STREET LIGHTING (041)	-	-	1 510	-	-	-	-	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	970 954	1 132 601	1 363 045	1 400 658	1 309 708	1 309 708	1 402 890	1 498 482	1 614 243
7.5 - ELECTRICITY DISTRIBUTION ACCOUNT (072)	-	4	-	-	-	-	-	-	-
7.6 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	-	1 317	3 391	-	-	-	-	-	-
7.7 - ELECTRICITY SUPPORT SERVICES (083)	-	19	-	-	-	-	-	-	-
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	383 930	474 242	544 076	581 823	591 921	591 921	676 473	675 507	733 665
8.1 - SEWERAGE NETWORKS (034)	123 697	137 006	158 573	225 131	220 765	220 765	212 144	227 403	244 415
8.3 - SEWERAGE PUMPSTATIONS (043)	-	-	-	27	27	27	28	29	31
8.4 - WATER RURAL AREAS (046)	-	8 452	44 666	40 566	33 566	33 566	33 748	36 055	39 264
8.5 - WATER AND SANITATION INFRASTRUCTURE PLANNING (049)	-	837	687	-	-	-	-	-	-
8.6 - WATER PURIFICATION WORKS (059)	-	-	-	5	5	5	6	6	6
8.7 - WATER DISTRIBUTION (060)	239 872	305 977	314 531	290 725	309 994	309 994	403 077	382 753	418 775
8.8 - CLARIFIED WATER (061)	13 415	14 195	17 751	15 250	17 000	17 000	20 365	21 792	23 321
8.9 - SCIENTIFIC SERVICES (062)	5 188	6 008	7 869	8 425	8 815	8 815	5 306	5 571	5 850
8.10 - INDUSTRIAL EFFLUENT PIPELINE (063)	1 757	1 757	-	1 694	1 750	1 750	1 800	1 899	2 003
8.11 - WATER AND SANITATION DISTRIBUTION ACCOUNT (074)	-	9	-	-	-	-	-	-	-

Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	1 133	2 263	14 082	1 826	1 068	1 068	16 071	16 135	16 199
9.1 - URBAN ROADS AND RAIL (022)		1 255	13 116	826	68	68	15 071	15 075	15 079
9.4 - RAILWAY SIDINGS (069)	1 133	1 008	965	1 000	1 000	1 000	1 000	1 060	1 120
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	2 377	2 965	5 719	5 288	38 524	38 524	15 429	11 174	11 478
10.1 - ENGINEERING SERVICES (038)	127	60	35	32	42	42	48	50	53
10.3 - PROJECT MANAGEMENT (065)	1 923	2 813	3 515	5 011	7 586	7 586	15 124	10 854	11 139
10.5 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	-	-	-	10	10	10	11	11	12
10.6 - VEHICLE DISTRIBUTION ACCOUNT (071)	327	85	2 140	224	30 875	30 875	235	246	261
10.7 - BUILDING DISTRIBUTION ACCOUNT (075)	-	6	-	-	-	-	-	-	-
10.8 - RADIO EQUIPMENT ACCOUNT (076)	-	-	29	11	11	11	12	12	13
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	3 509	2 473	2 976	2 138	3 258	3 258	3 018	3 255	3 512
11.1 - OFFICE OF THE MUNICIPAL MANAGER (011)	3 509	2 473	2 655	2 138	3 158	3 158	3 018	3 255	3 512
11.3 - INTERNAL AUDIT (080)	-	-	320	-	100	100	-	-	-
Total Revenue by Vote	1 713 573	2 040 655	2 494 312	2 490 015	2 513 946	2 513 946	2 684 179	2 819 029	3 042 752
Expenditure by Vote									
Vote 1 - CITY DEVELOPMENT	25 151	38 758	37 416	58 894	63 784	63 784	61 019	65 790	70 046
1.1 - CITY DEVELOPMENT (013)	19 264	28 014	27 992	38 522	42 491	42 491	41 343	44 432	47 521
1.2 - TOWNSHIP DEVELOPMENT (045)	2 106	3 137	3 168	5 059	5 693	5 693	3 266	3 460	3 617
1.4 - HOUSING (028)	3 780	7 607	6 256	15 313	15 601	15 601	16 410	17 898	18 908
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	165 630	185 349	204 111	234 194	227 319	227 319	240 684	260 954	283 100
2.1 - FIRE BRIGADE (005)	33 675	36 240	33 719	46 223	49 416	49 416	57 635	64 248	71 297
2.2 - TRAFFIC (006)	23 678	30 272	76 567	36 122	38 893	38 893	46 799	49 582	52 920
2.3 - DISASTER MANAGEMENT (007)	719	739	340	1 461	904	904	1 317	1 625	1 955
2.4 - HEALTH ADMINISTRATION (008)	7 095	8 176	7 888	12 664	7 831	7 831	7 614	8 691	9 487
2.5 - CLINICS (009)	15 665	16 800	16 399	23 696	17 116	17 116	2 272	2 432	2 595
2.6 - CRIME PREVENTION (010)	503	257	911	4 030	3 730	3 730	4 828	5 273	5 727
2.7 - LICENCES TRAFFIC (012)	7 163	8 128	6 758	9 957	9 638	9 638	11 119	11 884	12 644
2.8 - COMMUTER FACILITIES (029)	949	1 093	1 134	1 735	1 753	1 753	1 556	1 474	1 326
2.9 - STREET CLEANING (032)	18 772	20 914	21 593	27 820	30 021	30 021	34 639	36 970	39 396
2.10 - REFUSE REMOVAL (033)	56 080	61 405	37 832	68 468	66 018	66 018	70 752	76 449	82 615
2.11 - WASTE DISPOSAL (036)	37	(1)	218	305	305	305	277	292	952
2.12 - PUBLIC CONVENIENCES (037)	1 293	1 326	752	1 712	1 695	1 695	1 878	2 037	2 186

Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure by Vote									
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	104 023	121 383	109 594	160 280	156 659	156 659	178 786	193 538	213 067
3.1 - CEMETERY (002)	6 409	6 132	5 752	8 351	8 451	8 451	9 668	10 052	10 978
3.2 - LIBRARY (004)	11 356	12 954	12 129	16 908	16 878	16 878	18 572	20 102	21 511
3.3 - MUNICIPAL HALLS (016)	8 719	10 200	8 422	15 296	15 871	15 871	18 304	21 052	24 483
3.4 - PARKS, SPORT AND RECREATION (018)	5 831	6 347	6 374	8 429	8 952	8 952	9 628	10 462	11 308
3.5 - PARKS AND GARDENS (023)	36 743	44 585	5 934	55 796	54 871	54 871	57 137	59 963	64 974
3.6 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	11 576	16 362	16 379	21 560	22 239	22 239	24 279	28 561	33 444
3.7 - STADIUM (025)	26	151	31	155	142	142	143	138	162
3.8 - CARAVAN PARK (026)	-	-	43	11	11	11	43	43	43
3.9 - BEACH FACILITIES (027)	9 848	10 064	9 456	14 109	14 147	14 147	15 335	15 947	17 429
3.10 - SWIMMING POOLS (042)	12 381	13 363	11 735	18 013	16 372	16 372	19 002	20 176	21 313
3.11 - MUSEUMS, ARTS & CRAFTS (064)	1 127	1 217	869	1 648	1 632	1 632	6 672	7 040	7 420
3.12 - PARKS DISTRIBUTION (073)	7	8	32 470	4	(2 908)	(2 908)	4	4	4
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	17 891	26 921	127 170	12 489	15 959	15 959	14 273	12 898	12 104
4.1 - ADMINISTRATION (001)	4 105	3 250	14 357	156	(312)	(312)	774	803	856
4.2 - HOUSING RENTAL SCHEMES (003)	2 322	2 347	1 581	2 695	2 171	2 171	1 802	1 931	2 071
4.3 - MUNICIPAL BUILDINGS (019)	1 980	4 120	18 346	5 769	5 870	5 870	6 547	4 803	3 454
4.4 - COUNCIL GENERAL EXPENDITURE (030)	9 511	15 990	64 286	414	3 986	3 986	1 371	1 336	1 424
4.5 - AIRPORT (058)	72	269	740	903	903	903	736	781	807
4.6 - PRINTING AND PHOTOCOPYING (078)	-	-	1 580	-	152	152	-	-	-
4.7 - IT SERVICES (082)	(100)	947	26 281	2 552	3 189	3 189	3 043	3 244	3 492
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	3 131	2 433	19 129	4 476	5 323	5 323	3 933	4 203	4 507
5.1 - MANAGEMENT SERVICES (014)	1 054	681	1 403	1 554	1 842	1 842	1 907	2 037	2 166
5.2 - HUMAN RESOURCES AND LOSS CONTROL (021)	0	(2)	5 662	999	611	611	669	715	774
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	2 077	1 753	12 063	1 922	2 870	2 870	1 356	1 450	1 568
Vote 6 - FINANCIAL SERVICES	(78 504)	(15 409)	82 985	1 493	5 209	5 209	5 138	5 262	5 624
6.2 - FINANCIAL SERVICES (040)	(78 876)	(15 330)	72 794	1 349	5 910	5 910	4 406	4 494	4 804
6.3 - SUPPLY CHAIN MANAGEMENT UNIT (066)	371	(80)	10 191	144	(702)	(702)	733	768	820

Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure by Vote									
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	960 189	973 399	1 070 553	1 230 650	1 179 544	1 179 544	1 240 955	1 314 741	1 387 305
7.1 - STREET LIGHTING (041)	16 317	18 807	3 571	25 692	26 042	26 042	29 468	31 260	32 045
7.2 - ELECTRICITY ADMINISTRATION (054)	751 435	846 414	962 734	1 079 114	1 008 536	1 008 536	1 064 759	1 124 507	1 186 711
7.3 - ELECTRICITY DISTRIBUTION (055)	185 922	99 106	62 607	115 989	118 969	118 969	119 724	131 798	137 771
7.4 - ELECTRICITY MARKETING AND CUSTOMER SERVICES (057)	6 514	7 732	6 771	9 850	11 648	11 648	14 351	15 044	16 478
7.5 - ELECTRICITY DISTRIBUTION ACCOUNT (072)	(0)	4	21 541	1	981	981	1	1	1
7.6 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	0	1 317	6 471	5	(1 800)	(1 800)	5	6	6
7.7 - ELECTRICITY SUPPORT SERVICES (083)	0	19	6 857	-	(150)	(150)	-	-	-
7.8 - PROCESS CONTROL SYSTEMS (050)	-	-	-	-	13 928	13 928	12 647	12 126	14 293
7.9 - TRAFFIC TECHNICAL DISTRIBUTION ACCOUNT (079)	-	-	-	-	1 391	1 391	-	-	-
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	329 228	383 826	381 798	458 129	497 690	497 690	537 313	583 289	642 703
8.1 - SEWERAGE NETWORKS (034)	30 258	35 690	38 702	44 665	43 881	43 881	51 106	64 268	77 532
8.2 - SEWERAGE PURIFICATION NETWORKS (035)	34 020	38 008	35 683	52 148	52 138	52 138	65 093	64 870	68 529
8.3 - SEWERAGE PUMPSTATIONS (043)	17 702	19 139	15 798	26 168	27 743	27 743	32 000	33 621	38 168
8.4 - WATER RURAL AREAS (046)	24 097	30 828	19 795	51 687	50 219	50 219	43 879	49 672	57 021
8.5 - WATER AND SANITATION INFRASTRUCTURE PLANNING (049)	-	(12 086)	4 220	4 765	4 754	4 754	4 988	5 362	5 656
8.6 - WATER PURIFICATION WORKS (059)	100 996	129 230	116 581	135 564	178 064	178 064	191 623	198 064	212 481
8.7 - WATER DISTRIBUTION (060)	102 355	116 490	79 152	104 914	100 535	100 535	110 732	128 118	141 381
8.8 - CLARIFIED WATER (061)	10 467	12 549	11 239	15 108	15 108	15 108	17 578	18 221	18 868
8.9 - SCIENTIFIC SERVICES (062)	9 088	13 540	11 504	21 335	21 501	21 501	18 400	19 183	21 178
8.10 - INDUSTRIAL EFFLUENT PIPELINE (063)	246	438	1 567	1 714	1 714	1 714	1 850	1 843	1 819
8.11 - WATER AND SANITATION DISTRIBUTION ACCOUNT (074)	(0)	4	40 261	6	2 236	2 236	6	7	7
8.12 - SEWERAGE PUMPSTATIONS DISTRIBUTION ACCOUNT (087)	(0)	(5)	7 296	55	(203)	(203)	58	61	64

Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure by Vote									
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	75 899	101 516	163 999	147 305	140 615	140 615	185 052	204 446	236 016
9.1 - URBAN ROADS AND RAIL (022)	75 038	85 797	111 055	114 317	111 546	111 546	144 774	163 427	190 968
9.2 - RURAL ROADS (056)	-	15 014	16 968	31 870	33 754	33 754	39 125	40 012	43 746
9.3 - ROADS AND STORMWATER DISTRIBUTION ACCOUNT (068)	(0)	-	35 059	-	(5 804)	(5 804)	-	-	-
9.4 - RAILWAY SIDINGS (069)	861	705	916	1 119	1 119	1 119	1 153	1 008	1 301
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	18 245	23 617	78 322	43 809	25 468	25 468	37 867	38 521	42 335
10.1 - ENGINEERING SERVICES (038)	14 927	13 372	6 677	12 563	11 897	11 897	13 235	14 431	15 644
10.2 - PROCESS CONTROL SYSTEMS (050)	-	5 591	5 968	10 065	-	-	-	-	-
10.3 - PROJECT MANAGEMENT (065)	2 991	4 562	7 988	11 234	11 639	11 639	20 970	17 639	18 810
10.4 - MECHANICAL SERVICES (067)	(0)	-	8 561	34	(68)	(68)	36	38	40
10.5 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	(0)	-	5 741	3 501	4 136	4 136	2 252	3 226	3 645
10.6 - VEHICLE DISTRIBUTION ACCOUNT (071)	327	85	36 448	6 398	(2 412)	(2 412)	1 355	3 167	4 173
10.7 - BUILDING DISTRIBUTION ACCOUNT (075)	(0)	6	6 732	-	340	340	-	-	-
10.8 - RADIO EQUIPMENT ACCOUNT (076)	0	0	208	14	(65)	(65)	20	21	23
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	17 314	13 356	21 332	11 530	10 371	10 371	14 345	12 189	13 037
11.1 - OFFICE OF THE MUNICIPAL MANAGER (011)	14 538	9 832	6 978	11 499	10 158	10 158	12 330	12 172	13 019
11.2 - MUNICIPAL MANAGER (039)	2 778	3 525	11 650	-	19	19	2 000	-	-
11.3 - INTERNAL AUDIT (080)	(2)	-	2 704	32	193	193	16	17	18
Total Expenditure by Vote	1 638 196	1 855 148	2 296 407	2 363 247	2 327 940	2 327 940	2 519 364	2 695 830	2 909 844
Surplus/(Deficit) for the year	75 377	185 507	197 906	126 767	186 006	186 006	164 816	123 199	132 908

Table 23 Surplus/ (Deficit) calculations for the trading services

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Electricity									
Total revenue (incl capital grants and transfers)	970 954	1 133 941	1 366 436	1 400 658	1 309 708	1 309 708	1 402 890	1 498 482	1 614 243
Operating Expenditure	943 872	954 591	1 066 981	1 204 958	1 153 502	1 153 502	1 211 487	1 283 481	1 355 260
Surplus/(Deficit) for the year	27 082	179 349	299 454	195 700	156 206	156 206	191 403	215 001	258 984
Percentage Surplus	2.8%	15.8%	21.9%	14.0%	11.9%	11.9%	13.6%	14.3%	16.0%
Water									
Total revenue (incl capital grants and transfers)	256 843	333 876	387 261	357 476	373 172	373 172	470 063	451 603	492 785
Operating Expenditure	280 843	282 283	266 614	322 351	377 118	377 118	397 688	427 442	465 994
Surplus/(Deficit) for the year	(24 001)	51 594	120 647	35 125	(3 946)	(3 946)	72 376	24 161	26 791
Percentage Surplus	(9.3%)	15.5%	31.2%	9.8%	(1.1%)	(1.1%)	15.4%	5.4%	5.4%
Waste water management									
Total revenue (incl capital grants and transfers)	129 010	143 179	160 331	229 357	226 334	226 334	221 534	234 758	252 019
Operating Expenditure	47 579	100 211	123 924	137 708	133 907	133 907	162 473	175 521	197 705
Surplus/(Deficit) for the year	81 431	42 968	36 407	91 650	92 428	92 428	59 062	59 237	54 315
Percentage Surplus	63.1%	30.0%	22.7%	40.0%	40.8%	40.8%	26.7%	25.2%	21.6%
Waste management									
Total revenue (incl capital grants and transfers)	61 322	69 353	88 037	103 275	101 523	101 523	114 206	122 784	131 943
Operating Expenditure	74 889	82 319	59 644	96 593	96 344	96 344	105 667	113 710	122 963
Surplus/(Deficit) for the year	(13 567)	(12 966)	28 393	6 682	5 179	5 179	8 540	9 074	8 979
Percentage Surplus	(22.1%)	(18.7%)	32.3%	6.5%	5.1%	5.1%	7.5%	7.4%	6.8%

1. It needs to be noted that surpluses reflected above include capital revenues (Transfers recognised – capital), which distorts the real picture of the actual operational surpluses for all trading services.
2. The electricity trading surplus is fairly constant over the 2015/16 MTREF from 13.6 per cent or R191 million in 2015/16 to 14.3 per cent by 2016/17.
3. The surplus on the water account is distorted in the 2015/16 year by the inclusion of capital grants amounting to R 91,6 million however evens out over the remainder of the MTREF translating into a surplus of 15.4 per cent, 5.4 per cent and 5.4 per cent for each of the respective financial years. The drop in revenue for the 2016/17 MTREF is due to a reduction in the capital revenue allocation in terms of DORA. Refer to Table SA 18 – Transfer and grant receipts.
4. Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, and used to cross-subsidise other municipal services.

Table 24 Surplus/ (Deficit) calculations for other services

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Governance and administration									
Total revenue (incl capital grants and transfers)	247 502	300 755	353 377	344 317	417 774	417 774	403 650	437 348	475 399
Operating Expenditure	(24 001)	45 809	305 947	62 069	50 728	50 728	51 721	54 316	59 454
Surplus/(Deficit) for the year	271 503	254 946	47 430	282 248	367 046	367 046	351 929	351 929	383 032
Percentage Surplus	109.7%	84.8%	13.4%	82.0%	87.9%	87.9%	87.2%	87.2%	80.5%
Community and public safety									
Total revenue (incl capital grants and transfers)	24 751	34 140	100 416	33 969	39 479	39 479	41 360	42 800	44 292
Operating Expenditure	201 435	234 781	268 468	313 214	308 213	308 213	336 822	362 925	393 874
Surplus/(Deficit) for the year	(176 684)	(200 642)	(168 052)	(279 245)	(268 734)	(268 734)	(295 462)	(295 462)	(320 125)
Percentage Surplus/ (Deficit)	(713.8%)	(587.7%)	(167.4%)	(822.1%)	(680.7%)	(680.7%)	(714.4%)	(714.4%)	(690.3%)
Economic and environmental services									
Total revenue (incl capital grants and transfers)	11 430	13 613	25 755	12 295	12 024	12 024	27 733	28 430	29 166
Operating Expenditure	109 725	147 279	197 832	210 139	191 625	191 625	236 361	259 755	294 879
Surplus/(Deficit) for the year	(98 295)	(133 665)	(172 077)	(197 843)	(179 601)	(179 601)	(208 628)	(208 628)	(231 325)
Percentage Surplus/ (Deficit)	(859.9%)	(981.9%)	(668.1%)	(1609.1%)	(1493.7%)	(1493.7%)	(752.3%)	(752.3%)	(733.8%)
Housing									
Total revenue (incl capital grants and transfers)	2 909	9 042	12 161	8 226	33 090	33 090	2 147	2 197	2 247
Operating Expenditure	3 780	7 607	6 256	15 313	15 601	15 601	16 410	17 898	18 908
Surplus/(Deficit) for the year	(872)	1 435	5 905	(7 087)	17 489	17 489	(14 263)	(14 263)	(15 700)
Percentage Surplus/ (Deficit)	(30.0%)	15.9%	48.6%	(86.2%)	52.9%	52.9%	(664.3%)	(664.3%)	(649.2%)

1. This table highlights the extent of cross-subsidisation from the trading services to the Community and public safety, Economic and environmental and Housing services.
2. Although Council has received Level II Accreditation, the subsidisation of Housing services can be construed as an “unfunded” mandate.

Table 25 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue By Source									
Property rates	204 614	238 007	279 679	314 000	326 453	326 453	360 000	393 800	429 904
Service charges - electricity revenue	966 962	1 091 706	1 311 519	1 385 000	1 295 000	1 295 000	1 386 603	1 481 236	1 600 012
Service charges - water revenue	134 008	158 637	176 552	204 600	206 500	206 500	281 565	303 931	328 079
Service charges - sanitation revenue	59 702	66 946	71 241	78 000	75 450	75 450	84 000	90 720	97 978
Service charges - refuse revenue	46 088	52 520	58 414	62 000	60 200	60 200	67 800	73 224	79 082
Service charges - other	18 483	18 468	23 028	12 561	12 072	12 072	13 304	14 033	14 805
Rental of facilities and equipment	16 133	16 860	13 501	8 234	11 562	11 562	10 874	11 532	12 225
Interest earned - external investments	4 012	14 499	21 060	10 605	16 700	16 700	21 982	22 641	23 320
Interest earned - outstanding debtors	1 639	1 778	52	1 542	1 544	1 544	1 558	1 641	1 728
Fines	3 005	10 550	59 986	8 877	10 377	10 377	11 231	11 849	12 501
Licences and permits	1 831	1 933	1 744	1 728	1 754	1 754	1 765	1 861	1 964
Agency services	5 922	6 093	6 630	6 350	6 600	6 600	7 000	7 385	7 791
Transfers recognised - operational	183 050	202 114	232 086	260 509	246 226	246 226	257 953	267 925	285 143
Other revenue	13 129	108 315	44 425	16 553	18 102	18 102	18 666	19 719	20 837
Gains on disposal of PPE	5 857	569	7 530	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	1 664 435	1 988 995	2 307 447	2 370 559	2 288 540	2 288 540	2 524 301	2 701 497	2 915 368
Expenditure By Type									
Employee related costs	395 706	437 126	480 990	583 141	561 455	561 455	615 819	670 313	726 335
Remuneration of councillors	15 863	17 148	21 408	23 176	23 176	23 176	24 729	26 584	28 711
Debt impairment	3 000	3 647	67 969	3 050	3 050	3 050	3 050	3 050	3 050
Depreciation & asset impairment	78 242	108 389	244 340	182 390	182 390	182 390	205 014	281 661	337 173
Finance charges	82 481	79 985	71 145	77 614	77 614	77 614	79 806	78 062	74 619
Bulk purchases	834 060	937 247	1 051 626	1 096 502	1 065 919	1 065 919	1 134 058	1 191 432	1 254 842
Other materials	43 312	21 145	22 740	34 702	35 939	35 939	45 366	38 792	48 740
Contracted services	100 102	136 837	167 825	159 669	178 565	178 565	204 840	188 763	215 591
Transfers and grants	5 543	7 178	9 473	13 749	8 539	8 539	13 884	14 647	15 423
Other expenditure	79 886	105 977	158 890	189 254	191 292	191 292	192 797	202 527	205 360
Loss on disposal of PPE	-	470	-	-	-	-	-	-	-
Total Expenditure	1 638 196	1 855 148	2 296 407	2 363 248	2 327 940	2 327 940	2 519 364	2 695 829	2 909 844
Surplus/(Deficit)	26 239	133 847	11 040	7 311	(39 399)	(39 399)	4 937	5 668	5 524
Transfers recognised - capital	49 138	51 659	186 865	119 456	225 405	225 405	159 878	117 531	127 384
Surplus/(Deficit) for the year	75 377	185 507	197 906	126 767	186 006	186 006	164 816	123 199	132 908

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

1. Total revenue is R2.52 billion in 2015/16 and escalates to R2.7 billion by 2016/17 and R2.9 billion by 2016/18. This represents a year-on-year increase of 10 per cent for the 2015/16 financial year and 7 per cent for the 2016/17 financial year and 8 per cent for the 2017/18 financial year.
2. Revenue to be generated from Property Rates is R 360 million in the 2015/16 financial year and increases to R 394 million by 2016/17 which represents 14 per cent of the operating revenue base of the City and therefore remains significant short of funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 15 per cent for both of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R1.8 billion for the 2015/16 financial year and increasing to R1.9 billion by 2016/17. For the 2015/16 financial year services charges amount to 73 per cent of the total revenue base, however no economic growth has been built into these revenue figures. The growth that is reflected here is mainly be attributed to the increase in the bulk prices of electricity and the effects of the cost of water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government having only increased marginally over the MTREF by 1.3 per cent and 3.8 per cent for the two outer years.
5. The following graph illustrates the major expenditure items per type.

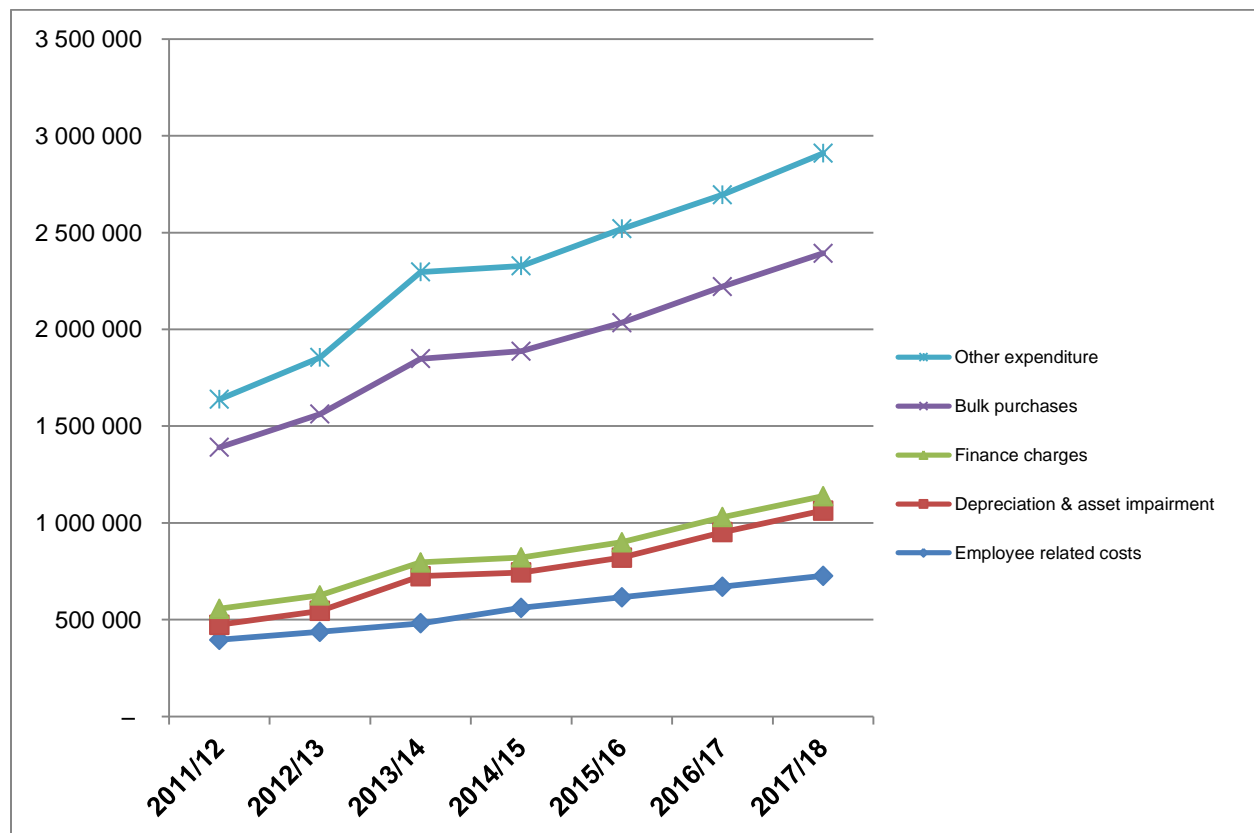


Figure 4 Expenditure by major type

6. Bulk purchases have significantly increased over the 2011/12 to 2015/16 period escalating from R834 million to R1,1 billion. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Mhlathuze Water including the investment of Tata Steel in the City in 2011/12.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 26 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	1 074	6 098	7 595	22 610	24 931	24 931	18 000	-	-
Vote 2 - COMMUNITY SERVICES - HEALTH AND SOCIAL SERVICES	7	901	8 941	29 330	25 721	25 721	20 013	16 848	16 848
Vote 3 - COMMUNITY SERVICES - RECREATION AND CULTURE	220	2 797	9 579	32 594	30 803	30 803	30 594	24 981	24 981
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	10 626	9 480	5 923	4 319	4 029	4 029	12 193	13 419	13 419
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	-	-	12	94	74	74	-	-	-
Vote 6 - FINANCIAL SERVICES	211	142	-	547	-	-	-	-	-
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES	8 025	12 722	65 291	48 220	39 108	39 108	19 103	5 770	9 270
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES	45 212	47 811	114 084	160 857	151 089	151 089	198 230	149 044	165 397
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES	2 312	5 025	25 670	16 124	13 344	13 344	36 000	38 289	38 289
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES	15 456	-	-	17 181	6 155	6 155	28 526	20 166	20 166
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	68	49	-	49	49	49	-	-	-
Capital multi-year expenditure sub-total	83 211	85 024	237 096	331 924	295 302	295 302	362 660	268 517	288 370
Single-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	293	1 123	1 012	2 773	2 702	2 702	-	-	-
Vote 2 - COMMUNITY SERVICES - HEALTH AND SOCIAL SERVICES	151	495	1 165	5 517	5 505	5 505	9 447	-	-
Vote 3 - COMMUNITY SERVICES - RECREATION AND CULTURE	814	2 610	4 320	17 798	20 334	20 334	24 350	-	-
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	518	5 492	5 746	12 826	30 139	30 139	12 906	-	-
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	8	16	5	-	20	20	18	-	-
Vote 6 - FINANCIAL SERVICES	79	104	151	4 917	-	-	15	-	-
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES	252	4 760	3 992	18 871	34 896	34 896	15 090	7 000	-
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES	1 558	3 790	28 189	5 720	36 141	36 141	7 790	3 000	-
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES	(75)	1 998	6 202	3 893	9 120	9 120	6 953	41	-
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES	66	9 604	16 278	15 624	64 148	64 148	9 552	12 014	12 014
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	166	22	220	-	-	-	-	-	-
Capital single-year expenditure sub-total	3 831	30 012	67 280	87 938	203 005	203 005	86 119	22 055	12 014
Total Capital Expenditure - Vote	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384

Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source – (continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard									
Governance and administration	18 909	22 235	33 076	53 162	97 523	97 523	44 606	34 398	34 398
Executive and council	-	-	352	211	167	167	93	-	-
Budget and treasury office	269	195	132	5 464	-	-	15	-	-
Corporate services	18 640	22 040	32 591	47 487	97 355	97 355	44 498	34 398	34 398
Community and public safety	2 216	15 937	33 791	117 319	120 897	120 897	125 977	56 300	56 300
Community and social services	593	4 470	12 847	26 938	29 728	29 728	40 526	29 158	29 158
Sport and recreation	895	2 276	9 301	32 162	32 406	32 406	41 239	21 654	21 654
Public safety	89	2 920	5 114	27 663	26 127	26 127	21 345	5 488	5 488
Housing	623	6 046	5 756	22 442	24 824	24 824	18 000	-	-
Health	17	225	773	8 115	7 812	7 812	4 867	-	-
Economic and environmental services	2 509	7 247	32 321	20 775	22 656	22 656	42 983	38 330	38 289
Planning and development	271	219	86	168	107	107	-	-	-
Road transport	2 237	7 028	32 236	20 607	22 548	22 548	42 983	38 330	38 289
Trading services	55 100	67 359	205 187	228 605	256 932	256 932	234 914	161 544	171 397
Electricity	8 277	15 544	61 607	56 031	64 602	64 602	24 831	9 500	6 000
Water	4 747	15 048	79 627	88 125	117 343	117 343	128 499	70 265	80 910
Waste water management	42 023	36 584	62 646	79 452	70 987	70 987	79 807	81 779	84 488
Waste management	53	183	1 307	4 998	4 000	4 000	1 778	-	-
Other	8 309	2 258	-	-	300	300	300	-	-
Total Capital Expenditure - Standard	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384
Funded by:									
National Government	39 679	40 345	110 841	119 456	189 588	189 588	159 878	117 531	127 384
Provincial Government	9 452	11 087	15 246	37 765	34 702	34 702	18 000	-	-
District Municipality	-	97	110	-	-	-	-	-	-
Other transfers and grants	7	131	133	-	-	-	-	-	-
Transfers recognised - capital	49 138	51 659	126 329	157 221	224 290	224 290	177 878	117 531	127 384
Public contributions & donations	3 165	4 531	62 602	11 182	8 523	8 523	1 115	-	-
Borrowing	22 907	33 829	69 347	144 738	142 572	142 572	159 702	100 000	100 000
Internally generated funds	11 833	25 017	46 097	106 721	122 922	122 922	110 082	73 041	73 000
Total Capital Funding	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2015/16 R362.7 million has been allocated of the total R448,8 million capital budget, which totals 81 per cent. This allocation escalates to R 268 million in 2016/17 and then to R 288 million in 2017/18.
3. Single-year capital expenditure has been appropriated at R 86 million for the 2015/16 financial year and reduces considerably over the MTREF to levels of R 22 million and R 12 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the City. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2015/16, capital transfers totals R 160 million (51 per cent) and decreases to R 118 million in the 2016/17 financial year (41 per cent). Borrowing has been provided at R 300 million over the MTREF with internally generated funding totaling R 56 million, R 73 million and R 73 million for each of the respective financial years of the MTREF. These figures exclude the roll-over projects from the 2014/15 financial year. This funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 27 MBRR Table A5A - Budgeted Capital Expenditure by vote, Municipal classification

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 1 - CITY DEVELOPMENT	1 074	6 098	7 595	22 610	24 931	24 931	18 000	-	-
1.1 - CITY DEVELOPMENT (013)	29	2	74	168	107	107	-	-	-
1.2 - TOWNSHIP DEVELOPMENT (045)	423	50	2 029	-	-	-	-	-	-
1.4 - HOUSING (028)	623	6 046	5 493	22 442	24 824	24 824	18 000	-	-
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	7	901	8 941	29 330	25 721	25 721	20 013	16 848	16 848
2.1 - FIRE BRIGADE (005)	-	901	1 554	14 742	13 597	13 597	11 013	-	-
2.4 - HEALTH ADMINISTRATION (008)	-	-	23	4 555	4 512	4 512	-	-	-
2.5 - CLINICS (009)	-	-	677	1 678	2 158	2 158	-	-	-
2.6 - CRIME PREVENTION (010)	-	-	-	-	-	-	2 000	2 218	2 218
2.7 - LICENCES TRAFFIC (012)	-	-	-	20	-	-	-	-	-
2.8 - COMMUTER FACILITIES (029)	-	-	5 380	3 542	3 000	3 000	7 000	14 630	14 630
2.10 - REFUSE REMOVAL (033)	-	-	1 307	4 793	2 454	2 454	-	-	-
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	220	2 797	9 579	32 594	30 803	30 803	30 594	24 981	24 981
3.1 - CEMETERY (002)	-	637	675	2 100	2 100	2 100	-	-	-
3.2 - LIBRARY (004)	-	575	348	3 954	3 954	3 954	-	-	-
3.3 - MUNICIPAL HALLS (016)	-	370	2 202	2 237	2 816	2 816	3 000	3 327	3 327
3.5 - PARKS AND GARDENS (023)	-	-	583	1 318	906	906	6 000	6 654	6 654
3.6 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	-	531	2 219	12 431	8 901	8 901	15 000	15 000	15 000
3.9 - BEACH FACILITIES (027)	-	178	2 405	9 440	11 098	11 098	6 594	-	-
3.10 - SWIMMING POOLS (042)	85	204	438	270	236	236	-	-	-
3.12 - PARKS DISTRIBUTION (073)	136	302	709	843	791	791	-	-	-

Table A5A - Budgeted Capital Expenditure by vote, Municipal classification – (continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	10 626	9 480	5 923	4 319	4 029	4 029	12 193	13 419	13 419
4.1 - ADMINISTRATION (001)	-	-	-	123	-	-	-	-	-
4.3 - MUNICIPAL BUILDINGS (019)	9	264	709	176	53	53	10 104	11 201	11 201
4.4 - COUNCIL GENERAL EXPENDITURE (030)	-	-	-	44	-	-	-	-	-
4.5 - AIRPORT (058)	8 309	2 258	-	-	-	-	-	-	-
4.7 - IT SERVICES (082)	2 309	6 957	5 214	3 977	3 977	3 977	2 089	2 218	2 218
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	-	-	12	94	74	74	-	-	-
5.1 - MANAGEMENT SERVICES (014)	-	-	12	20	-	-	-	-	-
5.2 - HUMAN RESOURCES AND LOSS CONTROL (021)	-	-	-	30	30	30	-	-	-
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	-	-	-	44	44	44	-	-	-
Vote 6 - FINANCIAL SERVICES	211	142	-	547	-	-	-	-	-
6.2 - FINANCIAL SERVICES (040)	211	142	-	547	-	-	-	-	-
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	8 025	12 722	65 291	48 220	39 108	39 108	19 103	5 770	9 270
7.1 - STREET LIGHTING (041)	-	1 737	2 832	10 060	9 797	9 797	2 800	3 270	3 270
7.3 - ELECTRICITY DISTRIBUTION (055)	8 025	10 984	55 863	38 054	30 170	30 170	16 303	2 500	6 000
7.4 - ELECTRICITY MARKETING AND CUSTOMER SERVICES (057)	-	-	41	-	-	-	-	-	-
7.6 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	-	-	3 319	-	-	-	-	-	-
7.7 - ELECTRICITY SUPPORT SERVICES (083)	-	-	-	106	74	74	-	-	-
7.8 - PROCESS CONTROL SYSTEMS (050)	-	-	3 235	-	(933)	(933)	-	-	-
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	45 212	47 811	114 084	160 857	151 089	151 089	198 230	149 044	165 397
8.1 - SEWERAGE NETWORKS (034)	41 591	34 626	57 897	74 893	66 678	66 678	72 622	81 779	84 488
8.3 - SEWERAGE PUMPSTATIONS (043)	-	94	-	1 702	1 462	1 462	-	-	-
8.4 - WATER RURAL AREAS (046)	2 743	8 595	51 923	35 466	35 166	35 166	33 748	36 055	39 264
8.5 - WATER AND SANITATION INFRASTRUCTURE PLANNING (049)	-	1 559	1 805	681	2 026	2 026	-	-	-
8.7 - WATER DISTRIBUTION (060)	631	1 887	2 459	46 666	44 335	44 335	91 859	31 210	41 646
8.9 - SCIENTIFIC SERVICES (062)	247	716	-	1 300	1 300	1 300	-	-	-
8.11 - WATER AND SANITATION DISTRIBUTION ACCOUNT (074)	-	333	-	150	122	122	-	-	-

Table A5A - Budgeted Capital Expenditure by vote, Municipal classification – (continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	2 312	5 025	25 670	16 124	13 344	13 344	36 000	38 289	38 289
9.1 - URBAN ROADS AND RAIL (022)	2 312	5 025	25 670	16 124	13 344	13 344	36 000	38 289	38 289
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	15 456	-	-	17 181	6 155	6 155	28 526	20 166	20 166
10.2 - PROCESS CONTROL SYSTEMS (050)	-	-	-	1 367	1 367	1 367	-	-	-
10.5 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	-	-	-	4 401	-	-	20 000	20 166	20 166
10.6 - VEHICLE DISTRIBUTION ACCOUNT (071)	15 456	-	-	11 413	4 787	4 787	8 526	-	-
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	68	49	-	49	49	49	-	-	-
11.1 - OFFICE OF THE MUNICIPAL MANAGER (011)	68	49	-	-	-	-	-	-	-
11.2 - MUNICIPAL MANAGER (039)	-	-	-	49	49	49	-	-	-
Capital multi-year expenditure sub-total	83 211	85 024	237 096	331 924	295 302	295 302	362 660	268 517	288 370
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 1 - CITY DEVELOPMENT	293	1 123	1 012	2 773	2 702	2 702	-	-	-
1.1 - CITY DEVELOPMENT (013)	243	217	12	-	-	-	-	-	-
1.2 - TOWNSHIP DEVELOPMENT (045)	50	906	737	2 773	2 702	2 702	-	-	-
1.4 - HOUSING (028)	-	-	263	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	151	495	1 165	5 517	5 505	5 505	9 447	-	-
2.1 - FIRE BRIGADE (005)	82	81	520	1 797	1 628	1 628	587	-	-
2.2 - TRAFFIC (006)	-	-	207	-	86	86	-	-	-
2.4 - HEALTH ADMINISTRATION (008)	4	27	14	77	117	117	1 428	-	-
2.5 - CLINICS (009)	13	198	60	1 805	1 025	1 025	3 439	-	-
2.6 - CRIME PREVENTION (010)	-	-	-	64	18	18	-	-	-
2.7 - LICENCES TRAFFIC (012)	-	6	363	570	84	84	30	-	-
2.9 - STREET CLEANING (032)	53	20	-	-	-	-	-	-	-
2.10 - REFUSE REMOVAL (033)	-	163	-	205	1 677	1 677	1 778	-	-
2.12 - PUBLIC CONVENIENCES (037)	-	-	-	1 000	869	869	2 186	-	-

Table A5A - Budgeted Capital Expenditure by vote, Municipal classification – (continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	814	2 610	4 320	17 798	20 334	20 334	24 350	-	-
3.1 - CEMETERY (002)	3	129	-	-	-	-	2 017	-	-
3.2 - LIBRARY (004)	136	194	256	5 434	5 233	5 233	3 973	-	-
3.3 - MUNICIPAL HALLS (016)	-	1 225	1 082	4 485	4 621	4 621	4 710	-	-
3.5 - PARKS AND GARDENS (023)	-	-	798	712	350	350	849	-	-
3.6 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	644	590	519	5 397	8 820	8 820	11 418	-	-
3.7 - STADIUM (025)	-	-	120	-	-	-	-	-	-
3.9 - BEACH FACILITIES (027)	14	-	-	28	86	86	79	-	-
3.10 - SWIMMING POOLS (042)	-	333	120	1 003	922	922	645	-	-
3.11 - MUSEUMS, ARTS & CRAFTS (064)	-	-	34	19	6	6	5	-	-
3.12 - PARKS DISTRIBUTION (073)	17	139	1 391	720	295	295	653	-	-
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	518	5 492	5 746	12 826	30 139	30 139	12 906	-	-
4.1 - ADMINISTRATION (001)	-	3	78	54	159	159	17	-	-
4.3 - MUNICIPAL BUILDINGS (019)	445	1 074	2 160	4 991	7 946	7 946	9 716	-	-
4.4 - COUNCIL GENERAL EXPENDITURE (030)	-	-	132	119	119	119	93	-	-
4.5 - AIRPORT (058)	-	-	-	-	300	300	300	-	-
4.7 - IT SERVICES (082)	73	4 415	3 376	7 662	21 616	21 616	2 779	-	-
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	8	16	5	-	20	20	18	-	-
5.1 - MANAGEMENT SERVICES (014)	-	2	-	-	20	20	2	-	-
5.2 - HUMAN RESOURCES AND LOSS CONTROL (021)	-	-	-	-	-	-	6	-	-
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	8	13	5	-	-	-	10	-	-
Vote 6 - FINANCIAL SERVICES	79	104	151	4 917	-	-	15	-	-
6.2 - FINANCIAL SERVICES (040)	58	53	132	4 917	-	-	15	-	-
6.3 - SUPPLY CHAIN MANAGEMENT UNIT (066)	22	51	18	-	-	-	-	-	-
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	252	4 760	3 992	18 871	34 896	34 896	15 090	7 000	-
7.1 - STREET LIGHTING (041)	-	200	-	1 000	1 000	1 000	4 945	-	-
7.2 - ELECTRICITY ADMINISTRATION (054)	-	13	12	2	-	-	-	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	236	3 312	2 080	17 730	34 278	34 278	8 488	7 000	-
7.4 - ELECTRICITY MARKETING AND CUSTOMER SERVICES (057)	-	-	-	24	16	16	-	-	-
7.5 - ELECTRICITY DISTRIBUTION ACCOUNT (072)	16	2	138	-	50	50	-	-	-
7.6 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	-	1 223	79	69	15	15	40	-	-
7.7 - ELECTRICITY SUPPORT SERVICES (083)	-	10	76	46	-	-	-	-	-
7.8 - PROCESS CONTROL SYSTEMS (050)	-	-	1 608	-	(462)	(462)	1 617	-	-

Table A5A - Budgeted Capital Expenditure by vote, Municipal classification – (continued)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	1 558	3 790	28 189	5 720	36 141	36 141	7 790	3 000	-
8.1 - SEWERAGE NETWORKS (034)	-	902	1 563	302	400	400	4 468	-	-
8.3 - SEWERAGE PUMPSTATIONS (043)	270	174	79	-	-	-	10	-	-
8.4 - WATER RURAL AREAS (046)	-	1 075	-	-	-	-	596	-	-
8.5 - WATER AND SANITATION INFRASTRUCTURE PLANNING (049)	-	255	21	-	-	-	816	-	-
8.6 - WATER PURIFICATION WORKS (059)	96	-	-	-	-	-	-	-	-
8.7 - WATER DISTRIBUTION (060)	1 115	888	22 078	4 450	34 198	34 198	1 411	3 000	-
8.9 - SCIENTIFIC SERVICES (062)	32	493	2 453	-	-	-	-	-	-
8.11 - WATER AND SANITATION DISTRIBUTION ACCOUNT (074)	45	2	231	276	415	415	39	-	-
8.12 - SEWERAGE PUMPSTATIONS DISTRIBUTION ACCOUNT (087)	-	-	1 765	692	1 128	1 128	452	-	-
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	(75)	1 998	6 202	3 893	9 120	9 120	6 953	41	-
9.1 - URBAN ROADS AND RAIL (022)	(79)	1 998	6 202	3 893	9 120	9 120	6 953	41	-
9.3 - ROADS AND STORMWATER DISTRIBUTION ACCOUNT (068)	4	-	-	-	-	-	-	-	-
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	66	9 604	16 278	15 624	64 148	64 148	9 552	12 014	12 014
10.1 - ENGINEERING SERVICES (038)	-	20	-	24	14	14	11	-	-
10.2 - PROCESS CONTROL SYSTEMS (050)	39	2 060	-	498	498	498	-	-	-
10.3 - PROJECT MANAGEMENT (065)	-	31	-	-	100	100	100	-	-
10.4 - MECHANICAL SERVICES (067)	-	10	313	169	27	27	-	-	-
10.5 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	-	-	6 137	2 240	23 504	23 504	340	2 014	2 014
10.6 - VEHICLE DISTRIBUTION ACCOUNT (071)	28	7 482	9 634	12 469	39 927	39 927	9 101	10 000	10 000
10.8 - RADIO EQUIPMENT ACCOUNT (076)	-	-	193	224	78	78	-	-	-
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	166	22	220	-	-	-	-	-	-
11.1 - OFFICE OF THE MUNICIPAL MANAGER (011)	166	22	-	-	-	-	-	-	-
11.2 - MUNICIPAL MANAGER (039)	-	-	220	-	-	-	-	-	-
Capital single-year expenditure sub-total	3 830 615	30 012 498	67 279 560	87 937 800	203 005 300	203 005 300	86 118 600	22 054 800	12 013 800
Total Capital Expenditure	87 042 061	115 036 477	304 375 285	419 861 800	498 307 400	498 307 400	448 778 200	290 572 100	300 384 000

Table 28 MBRR Table A6 - Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Current assets									
Cash	77 214	202 775	364 509	274 050	244 248	244 248	235 723	229 485	270 509
Call investment deposits	80 000	40 000	40 000	150 000	150 000	150 000	200 000	300 000	400 000
Consumer debtors	185 750	239 463	316 529	256 385	256 385	256 385	276 096	297 627	321 126
Other debtors	30 440	42 920	41 567	25 114	25 114	25 114	28 128	31 503	35 283
Current portion of long-term receivables	157	111	41	44	44	44	43	45	47
Inventory	65 665	75 503	72 999	89 550	89 550	89 550	77 379	82 022	86 943
Total current assets	439 226	600 772	835 646	795 143	765 341	765 341	817 368	940 682	1 113 908
Non current assets									
Long-term receivables	446	357	159	166	166	166	143	150	158
Investments	-	-	-	-	-	-	-	-	-
Investment property	132 532	135 312	134 574	132 054	134 022	134 022	133 599	133 177	132 760
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	4 347 280	4 142 445	4 198 726	4 302 173	4 413 099	4 413 099	4 587 393	4 569 618	4 456 114
Agricultural	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-
Intangible	6 779	11 188	12 160	9 448	11 528	11 528	11 466	9 521	7 598
Other non-current assets	2 489	2 489	2 724	2 724	2 724	2 724	2 724	2 724	2 724
Total non current assets	4 489 526	4 291 791	4 348 342	4 446 565	4 561 539	4 561 539	4 735 325	4 715 190	4 599 355
TOTAL ASSETS	4 928 751	4 892 563	5 183 988	5 241 708	5 326 880	5 326 880	5 552 693	5 655 872	5 713 264
LIABILITIES									
Current liabilities									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	94 791	106 224	124 739	122 938	122 938	122 938	140 619	141 292	158 629
Consumer deposits	38 919	39 779	44 908	43 646	43 646	43 646	47 138	50 909	54 981
Trade and other payables	285 226	364 078	431 489	381 429	381 429	381 429	386 360	403 738	420 686
Provisions	20 270	23 317	20 391	26 395	26 394	26 394	21 288	22 523	23 784
Total current liabilities	439 207	533 399	621 527	574 408	574 407	574 407	595 405	618 462	658 080
Non current liabilities									
Borrowing	732 522	625 250	601 727	686 593	686 593	686 593	645 473	619 181	575 552
Provisions	218 332	204 419	233 332	249 175	265 873	265 873	277 571	293 948	310 409
Total non current liabilities	950 854	829 668	835 059	935 768	952 466	952 466	923 044	913 129	885 961
TOTAL LIABILITIES	1 390 060	1 363 067	1 456 587	1 510 176	1 526 873	1 526 873	1 518 449	1 531 591	1 544 041
NET ASSETS	3 538 691	3 529 496	3 727 401	3 731 532	3 800 007	3 800 007	4 034 243	4 124 281	4 169 222
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	3 481 844	3 479 189	3 677 468	3 623 709	3 692 184	3 692 184	3 909 112	3 995 124	4 036 979
Reserves	56 848	50 306	49 934	107 823	107 823	107 823	125 131	129 157	132 243
Minorities' interests	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 538 691	3 529 496	3 727 401	3 731 532	3 800 007	3 800 007	4 034 243	4 124 281	4 169 222

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 148) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 29 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	203 570	239 617	278 249	313 500	325 953	325 953	359 300	393 062	429 126
Service charges	1 200 605	1 369 810	1 617 726	1 684 011	1 594 965	1 594 965	1 775 388	1 895 123	2 056 112
Other revenue	30 647	156 697	99 273	39 285	48 395	48 395	49 537	52 347	55 318
Government - operating	182 413	202 114	236 770	260 509	246 226	246 226	257 953	267 925	285 143
Government - capital	49 130	51 659	109 208	119 456	225 469	225 469	159 878	117 531	127 384
Interest	5 652	14 667	21 113	12 147	18 244	18 244	23 540	24 282	25 048
Payments									
Suppliers and employees	(1 395 345)	(1 659 241)	(1 883 468)	(2 023 834)	(1 994 250)	(1 994 250)	(2 151 396)	(2 241 027)	(2 405 478)
Finance charges	(82 481)	(79 985)	(71 145)	(77 614)	(77 614)	(77 614)	(79 806)	(78 062)	(74 619)
Transfers and Grants	(1 177)	(2 091)	(3 022)	(2 999)	(4 339)	(4 339)	(8 883)	(9 372)	(9 869)
NET CASH FROM/(USED) OPERATING ACTIVITIES	193 014	293 248	404 704	324 461	383 049	383 049	385 509	421 808	488 165
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	2 193	7 530	10 000	40 000	40 000	10 000	10 000	10 000
Decrease (increase) in non-current debtors	-	136	267	-	-	-	-	-	-
Decrease (increase) other non-current receivables	155	-	-	226	226	226	230	240	250
Payments									
Capital assets	(75 311)	(115 036)	(250 889)	(251 917)	(398 646)	(398 646)	(314 145)	(297 644)	(299 562)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(75 156)	(112 708)	(243 092)	(241 691)	(358 420)	(358 420)	(303 915)	(287 404)	(289 312)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	78 000	-	100 000	85 500	85 500	-	185 500	100 000	100 000
Increase (decrease) in consumer deposits	2 360	860	5 129	2 548	2 548	2 548	500	650	800
Payments									
Repayment of borrowing	(80 563)	(95 839)	(105 007)	(122 938)	(122 938)	(122 938)	(140 619)	(141 292)	(158 629)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(203)	(94 979)	122	(34 890)	(34 890)	(120 390)	45 381	(40 642)	(57 829)
NET INCREASE/ (DECREASE) IN CASH HELD	117 655	85 561	161 734	47 880	(10 261)	(95 761)	126 975	93 762	141 024
Cash/cash equivalents at the year begin:	39 559	157 214	242 775	399 897	404 509	404 509	308 748	435 723	529 485
Cash/cash equivalents at the year end:	157 214	242 775	404 509	447 777	394 248	308 748	435 723	529 485	670 509

Table 30 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	157 214	242 775	404 509	447 777	394 248	308 748	435 723	529 485	670 509
Other current investments > 90 days	(0)	0	0	(23 727)	-	85 500	-	-	-
Cash and investments available:	157 214	242 775	404 509	424 050	394 248	394 248	435 723	529 485	670 509
Application of cash and investments									
Unspent conditional transfers	47 516	113 803	92 231	116 357	116 357	116 357	105 801	105 801	105 801
Unspent borrowing	55 116	22 193	52 940	25 650	25 650	-	47 911	30 000	30 000
Statutory requirements	(7 717)	(16 014)	(9 557)	(21 483)	(21 483)	(21 483)	2 763	3 752	4 225
Other working capital requirements	26 477	(31 555)	(9 979)	(8 188)	(8 764)	(8 764)	(18 415)	(25 481)	(36 832)
Other provisions	20 270	23 317	20 391	26 395	26 394	26 394	21 288	22 523	23 784
Reserves to be backed by cash/investments	-	-	-	107 823	107 823	107 823	73 000	74 000	74 000
Total Application of cash and investments:	141 661	111 744	146 026	246 554	245 977	220 327	232 348	210 595	200 978
Surplus(shortfall)	15 552	131 031	258 483	177 496	148 271	173 921	203 374	318 890	469 531

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the City improved significantly over the 2011/12 to 2015/16 period and the years thereafter owing directly to a myriad of cash flow interventions introduced over the past years.
4. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R 436 million as at the end of the 2015/16 financial year and escalates to R 670 million by 2016/17.

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

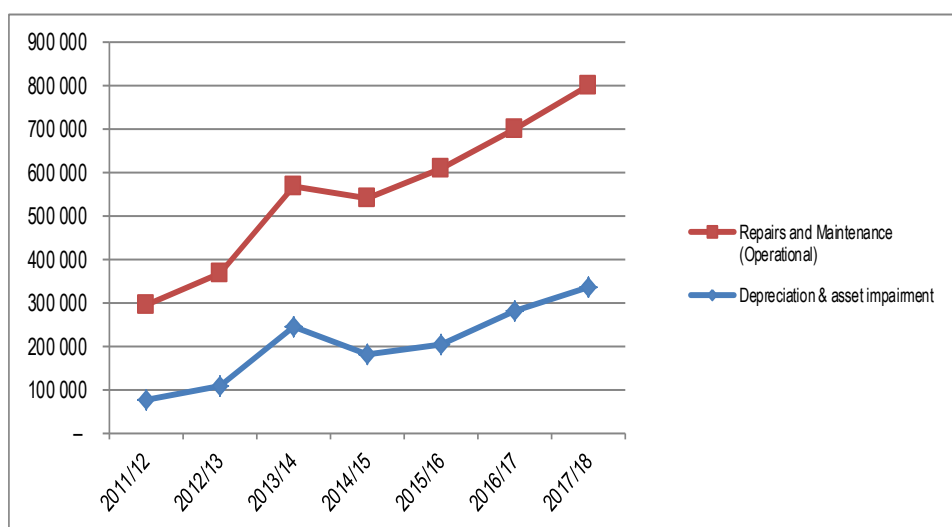
1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2011/12 to 2015/16 the surplus improved from R15 million to R203 million.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 31 MBRR Table A9 - Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	61 855	52 847	190 840	241 273	276 326	276 326	182 499	161 129	163 546
Infrastructure - Road transport	2 615	6 782	18 333	7 296	10 486	10 486	16 288	15 000	15 000
Infrastructure - Electricity	(2 542)	3 993	27 958	45 055	54 482	54 482	13 136	10 270	6 770
Infrastructure - Water	3 471	3 412	69 561	68 706	84 656	84 656	69 137	59 344	62 553
Infrastructure - Sanitation	41 507	32 115	53 835	73 718	65 638	65 638	50 436	54 344	57 053
Infrastructure - Other	-	-	-	3 220	2 320	2 320	1 670	-	-
Infrastructure	45 050	46 301	169 687	197 995	217 582	217 582	150 666	138 958	141 375
Community	-	167	6 970	31 903	38 269	38 269	15 680	2 218	2 218
Other assets	16 212	6 318	14 183	9 876	18 976	18 976	16 154	19 953	19 953
Intangibles	593	61	-	1 500	1 500	1 500	-	-	-
Total Renewal of Existing Assets	25 187	62 189	113 536	178 589	221 981	221 981	266 279	129 443	136 838
Infrastructure - Road transport	(79)	964	15 375	14 930	14 134	14 134	26 621	23 289	23 289
Infrastructure - Electricity	10 800	12 599	30 667	21 646	20 563	20 563	19 400	2 500	2 500
Infrastructure - Water	1 227	10 834	8 625	19 125	31 993	31 993	59 293	10 921	18 357
Infrastructure - Sanitation	408	3 629	7 328	2 558	2 960	2 960	29 251	27 435	27 435
Infrastructure	12 356	28 026	61 995	58 258	69 649	69 649	134 564	64 145	71 581
Community	1 352	9 865	16 032	54 197	52 280	52 280	72 787	24 981	24 981
Heritage assets	-	-	235	-	-	-	-	-	-
Investment properties	8 309	2 258	-	-	-	-	300	-	-
Other assets	1 600	16 677	31 674	65 607	99 939	99 939	56 380	40 317	40 276
Intangibles	1 570	5 363	3 599	526	113	113	2 248	-	-
Total Capital Expenditure	2 536	7 746	33 708	22 226	24 620	24 620	42 909	38 289	38 289
Infrastructure - Road transport	8 258	16 592	58 625	66 701	75 045	75 045	32 536	12 770	9 270
Infrastructure - Electricity	4 697	14 246	78 186	87 831	116 649	116 649	128 429	70 265	80 910
Infrastructure - Water	41 915	35 743	61 163	76 275	68 598	68 598	79 686	81 779	84 488
Infrastructure - Sanitation	-	-	-	3 220	2 320	2 320	1 670	-	-
Infrastructure	57 407	74 327	231 682	256 253	287 231	287 231	285 230	203 103	212 956
Community	1 352	10 032	23 001	86 099	90 549	90 549	88 467	27 199	27 199
Heritage assets	-	-	235	-	-	-	-	-	-
Investment properties	8 309	2 258	-	-	-	-	300	-	-
Other assets	17 812	22 995	45 858	75 483	118 915	118 915	72 534	60 270	60 229
Intangibles	2 163	5 424	3 599	2 026	1 613	1 613	2 248	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	1 196 016	1 116 603	1 074 918	1 020 543	1 022 937	1 022 937	981 066	941 284	900 103
Infrastructure - Electricity	321 393	353 183	388 594	424 516	432 860	432 860	435 842	440 548	439 210
Infrastructure - Water	1 244 190	1 043 190	1 058 728	1 074 334	1 103 152	1 103 152	1 141 327	1 127 076	1 115 924
Infrastructure - Sanitation	599 705	612 600	635 705	667 154	660 476	660 476	666 919	672 690	675 256
Infrastructure - Other	551 280	540 666	541 523	541 062	541 062	541 062	539 869	538 971	538 325
Infrastructure	3 912 584	3 666 242	3 699 468	3 727 609	3 760 487	3 760 487	3 765 023	3 720 570	3 668 818
Community	202 075	196 246	204 113	253 960	256 027	256 027	280 826	305 208	325 222
Heritage assets	69	69	2 724	2 724	2 724	2 724	2 724	2 724	2 724
Investment properties	132 532	135 312	134 574	132 054	134 022	134 022	133 599	133 177	132 760
Other assets	235 042	243 750	295 145	257 247	299 778	299 778	313 294	316 793	316 270
Intangibles	6 779	11 188	12 160	9 448	11 528	11 528	11 466	9 521	7 598
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	4 489 080	4 252 807	4 348 183	4 383 041	4 464 566	4 464 566	4 506 932	4 487 992	4 453 392
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	78 242	108 389	244 340	182 390	182 390	182 390	205 014	281 661	337 173
Repairs and Maintenance by Asset Class	216 531	258 480	325 411	344 780	359 348	359 348	405 481	417 665	465 358
Infrastructure - Road transport	41 967	58 242	78 340	88 799	88 631	88 631	107 799	107 282	120 758
Infrastructure - Electricity	39 211	42 715	60 448	66 048	72 514	72 514	81 991	90 799	95 573
Infrastructure - Water	39 004	46 869	58 269	51 156	53 859	53 859	58 562	61 014	67 490
Infrastructure - Sanitation	23 588	25 976	30 896	33 744	36 502	36 502	43 060	42 685	49 326
Infrastructure - Other	1 421	3 517	-	1 216	1 211	1 211	1 308	1 177	1 519
Infrastructure	145 192	177 319	227 954	240 963	252 717	252 717	292 719	302 957	334 666
Community	43 195	50 821	61 803	60 930	60 311	60 311	63 869	66 296	73 276
Other assets	28 144	30 340	35 655	42 888	46 321	46 321	48 892	48 413	57 416
TOTAL EXPENDITURE OTHER ITEMS	294 774	366 869	569 752	527 170	541 738	541 738	610 495	699 326	802 531
Renewal of Existing Assets as % of total capex	28.9%	54.1%	37.3%	42.5%	44.5%	44.5%	59.3%	44.5%	45.6%
Renewal of Existing Assets as % of deprecn"	32.2%	57.4%	46.5%	97.9%	121.7%	121.7%	129.9%	46.0%	40.6%
R&M as a % of PPE	5.0%	6.2%	7.8%	8.0%	8.1%	8.1%	8.8%	9.1%	10.4%
Renewal and R&M as a % of PPE	5.0%	8.0%	10.0%	12.0%	13.0%	13.0%	15.0%	12.0%	14.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The City meets both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the City’s strategy to address the maintenance backlog.



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Depreciation & asset impairment	78 242	108 389	244 340	182 390	205 014	281 661	337 173
Repairs and Maintenance (Operational)	216 531	258 480	325 411	359 348	405 481	417 665	465 358

Figure 5 Depreciation in relation to repairs and maintenance over the MTREF

Table 32 MBRR Table A10 - Basic Service Delivery Measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	35 752	35 752	35 752	35 752	35 752	35 752	35 752	35 752	35 752
Piped water inside yard (but not in dwelling)	34 087	35 619	35 619	41 619	41 619	41 619	41 619	41 619	41 619
Using public tap (at least min.service level)	2 010	1 039	1 039	1 039	1 039	1 039	1 039	1 039	1 039
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	71 849	72 410	72 410	78 410	78 410	78 410	78 410	78 410	78 410
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	2 609	14 199	8 199	8 199	8 199	8 199	8 199	8 199	8 199
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	2 609	14 199	8 199	8 199	8 199	8 199	8 199	8 199	8 199
Total number of households	74 458	86 609	80 609	86 609	86 609	86 609	86 609	86 609	86 609
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	32 605	32 605	32 605	32 605	32 605	32 605	32 605	32 605	32 605
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	15 445	33 152	33 152	33 152	33 152	33 152	33 152	33 152	336 152
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	48 050	65 757	65 757	65 757	65 757	65 757	65 757	65 757	368 757
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	26 219	20 852	20 852	20 852	20 852	20 852	20 852	20 852	20 852
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	26 219	20 852	20 852	20 852	20 852	20 852	20 852	20 852	20 852
Total number of households	74 269	86 609	86 609	86 609	86 609	86 609	86 609	86 609	389 609
Energy:									
Electricity (at least min.service level)	2 200	2 200	2 200	2 200	2 200	2 200	2 200	2 200	2 200
Electricity - prepaid (min.service level)	30 000	32 000	32 000	32 000	32 000	32 000	32 000	32 000	32 000
<i>Minimum Service Level and Above sub-total</i>	32 200	34 200	34 200	34 200	34 200	34 200	34 200	34 200	34 200
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	62 000	67 000	67 000	76 000	76 000	76 000	76 000	76 000	76 000
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	62 000	67 000	67 000	76 000	76 000	76 000	76 000	76 000	76 000
Total number of households	94 200	101 200	101 200	110 200	110 200	110 200	110 200	110 200	110 200
Refuse:									
Removed at least once a week	58 562	60 000	60 000	64 000	64 000	64 000	64 000	64 000	64 000
<i>Minimum Service Level and Above sub-total</i>	58 562	60 000	60 000	64 000	64 000	64 000	64 000	64 000	64 000
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	27 438	26 000	26 000	22 000	22 000	22 000	22 000	22 000	22 000
<i>Below Minimum Service Level sub-total</i>	27 438	26 000	26 000	22 000	22 000	22 000	22 000	22 000	22 000
Total number of households	86 000	86 000	86 000	86 000	86 000	86 000	86 000	86 000	86 000
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	74 269	86 609	86 609	58 395	58 395	58 395	58 822	63 528	68 670
Sanitation (free minimum level service)	5 046	5 104	3 100	34 168	34 168	34 168	34 535	37 298	40 281
Electricity/other energy (50kwh per household per week)	497	597	600	540	540	540	540	545	547
Refuse (removed at least once a week)	5 046	5 104	3 100	17 456	17 456	17 456	17 823	19 249	20 789
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	33 251	41 032	48 813	56 901	56 901	56 901	70 373	76 003	82 083
Sanitation (free sanitation service)	6 520	6 670	6 900	7 987	7 987	7 987	20 302	21 926	23 680
Electricity/other energy (50kwh per household per week)	710	719	751	857	857	857	822	887	958
Refuse (removed once a week)	18 200	18 486	19 846	20 282	20 282	20 282	15 267	16 489	17 808
Total cost of FBS provided (minimum social p	58 681	66 907	76 310	86 027	86 027	86 027	106 764	115 305	124 529
Highest level of free service provided									
Property rates (R value threshold)	75 000	75 000	110 000	110 000	110 000	110 000	110 000	110 000	110 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	20	20	20	20	20	20	20	20	20
Sanitation (Rand per household per month)	103	116	135	135	135	135	146	146	146
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	2 648	3 005	2 905	3 255	3 255	3 255	3 523	3 805	4 110
Property rates (other exemptions, reductions and rebates)	23 601	25 799	31 109	30 216	30 216	30 216	30 820	33 286	35 949
Water	-	-	-	148	148	148	356	384	415
Sanitation	2 365	2 707	2 175	2 175	2 175	2 175	2 175	2 349	2 537
Electricity/other energy	-	-	-	235	235	235	252	272	294
Refuse	1 593	1 822	1 576	1 576	1 576	1 576	1 577	1 703	1 839
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)	30 206	33 333	37 765	37 605	37 605	37 605	38 703	41 799	45 143

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The City continues to make progress with the eradication of backlogs:
 - a. Water services –
 - b. Sanitation services –
 - c. Electricity services –
 - d. Refuse services –
3. The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2015/16 MTREF. The cost of free basic services amounts to R 106.7million. It needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges. This implies that the values reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the following Councillors and officials:

- Mayor
- Deputy Mayor
- Speaker
- Chief Whip
- Municipal Manager
- Chief Financial Officer – Chairperson
- Deputy Municipal Managers
- Any other official on invitation

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled at the Finance Portfolio Committee the required the budget time schedule on 17 July 2014. The report was subsequently adopted by Council on 26 August 2014. Key dates applicable to the process were:

- **July 2014** – Joint strategic planning session of the Financial Services Management team and the Budget Office. Aim: to assess Council's 2013/14 Financial Statements and current year's (2014/15) revised results and capacity, to determine the impact on future strategies and budgets;
- **July 2014** – Issuing of the 2015/16 Medium Term Revenue and Expenditure Framework (MTREF) guideline addressing various budget assumptions, internal budget processes, policies and requirements in terms of the Municipal Budgeting and Reporting Regulations etc.;
- **October 2014** - Submission of the Adjusted Capital and Operating Budget for the 2013/ 2014 Medium Term Revenue and Expenditure Framework Plan (MTTREF),

- analysed according to activities aligned to Council's strategic objectives, as set out in the draft IDP as well as the Capital and Operating Budget for the 2014/ 2015 Medium Term Revenue and Expenditure Framework Plan (MTREF);
- **21 January 2014** – Budget Steering Committee to discuss the 2014/15 Adjustment Budget proposals and the proposed 2015/16 Budget tariff increases;
 - **23 January 2015** - Council considers the 2014/15 Mid-year Review;
 - **23 to 24 February 2015** – National Treasury's Mid-year Budget and Performance Assessment Visit;
 - **24 March 2015** - Tabling in Council of the draft 2015/16 IDP and 2015/16 MTREF for public consultation;
 - **April 2015** – Public consultation;
 - **20 May 2015** – National Treasury's 2015/16 Tabled MTREF Engagement and Municipal Benchmarking Exercise;
 - **14 May 2015** - Closing date for written comments;
 - **15 to 21 May 2015** – finalisation of the 2015/16 IDP and 2015/16 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
 - **26 May 2015** - Tabling of the 2015/16 MTREF before Council for consideration and approval.

Although challenges have been experienced during the Budget Participation process, there have been no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as Tabled by Council in May 2011. It started in October 2014 after the tabling of the IDP Process Plan for the 2015/16 MTREF on 28 October 2014 (**DMS 978581**).

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

uMhlathuze's Integrated Development Plan is a super plan for the organisation which gives an overall framework for development, it's a strategic tool that guides and informs planning, budgeting and managing. Our IDP aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in our jurisdiction. It takes into account the existing conditions and problems and resources available for development. The plan looks at economic and social development for the area as a whole. Amongst other things it also sets a framework for how land should be used (SDF), what infrastructure and services are needed and provided.

This is the last IDP Review in the third cycle of IDP Generations. This IDP Review is outcome based and built on the foundations of Government Priorities which includes national Development Plan, Provincial Development Plan, Cabinet Legotla, State of the Nation Address, State of the Province Address and other important government priorities.

Through the IDP these priorities are translated in our STRATEGIC FRAMEWORK and escalated to Strategic Goals, Strategic Objectives, Strategies, Key Performance indicators, which are then further developed into programs and projects. This directly informs the municipal Service Delivery and Budget Implementation Plan.

Key issues to be addressed in the Last IDP Review includes:-

- Overall Summary of key achievements since the adoption of the five year IDP IN 2011,
- Alignment of Municipal Framework with Back to Basics program.
- Revised Municipal Turn Around Strategy
- Cabinet Lekgotla Resolutions
- Comments from MEC on 2014/2016 IDP Review
- Refined Strategic Framework including new KPI and targets
- Financial Planning and Budgeting
- Public Participation, Needs analysis

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjusted budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and second quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 74 and 75 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The 2015/16 MTREF that will be tabled before Council on 24 March 2015 will be presented to the community for consultation.

An insert will be included in the local newspapers highlighting the Tabled 2015/16 Medium Term Revenue and Expenditure Framework (MTREF) thereby inviting comments from the public.

Furthermore, the Executive Committee will approve a schedule of public meetings to be held at various locations to provide an opportunity for the public to comment on the budget.

A meeting is also scheduled with the AmaKhosi and their leadership in order to strengthen Council's relationship with traditional leaders.

The dual approach that provides for the engagement of Ward Committees firstly and thereafter the broad community, proved to be a success in the previous years' budget public participation processes. It created a sense of ownership and belonging to the Ward Committees and allowed them to assist in various ways during the process of broader community participation.

The administrative planning process also took into consideration the cluster approach that was used in the previous years' budget public participation. The advantage and benefit for the use of clusters is that it creates a shared sense of belonging amongst the citizens as well as an understanding of the diverse issues and needs amongst the community of the Municipality.

The following table set out the meetings that were proposed and prepared by the Community Facilitation section for the 2015/16 budget public participation meetings:

CLUSTER	WARDS	VENUE	PROPOSED DATES	TIME
	Amakhosi	R/Bay Civic Centre (Auditorium)	09 April 2015 (Thursday)	10:00
10 & 11	24, 25, 27, 28, 29	Ngwelezane Community Hall	12 April 2015 (Sunday)	14:00
1	Ward Committees	R/Bay Civic Centre (Auditorium)	12 May 2015 (Tuesday)	17:00
12	All Stakeholders	Stakeholders	13 May 2015 (Wednesday)	11:00
6	9, 23, portion 24	Empangeni Community Hall	14 May 2015 (Thursday)	17:00
4, 7, 8 & 9	10, 11, 12,13,14, 15, 16, 17, 18, 19, 20 21, 22 & 30	eSikhaleni College	16 May 2015 (Saturday)	10:00
2, 3 & 5	1, 2, 3, 4, 5, 6,7 ,8 & 26	Veldenvlei Sportsfield (Tent)	17 May 2015 (Sunday)	10:00

Table 33 Dates for the 2015/16 budget public participation meetings

The programme is an endeavour to ensure maximum participation, particularly by Council's role-players. The programme is rigorous, extensive and gruelling due to time constraints as previously mentioned, largely exacerbated by public holidays that in the main create extended weekends that would make it difficult to hold meetings on those days, i.e. Easter Weekend, Freedom Day and Workers' Day etc.

The Tabled Budget was also published on the municipality's website, and detailed copies of the 2015/16 Medium Term Revenue and Expenditure Framework (MTREF) were made available for inspection at all municipal offices and libraries within the City of uMhlatuze.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions that were received during the community consultation process have been addressed, and where relevant, considered as part of the finalisation of the 2014/15 MTREF. Feedback and responses to the submissions received will be available.

The following pertinent issues were raised during the community consultation process. Minutes of the various meetings have been prepared and have been included as **Annexure M (DMS 1059356)**.

- Maintenance of Madlanzini road
- Pedestrian bridges
- Pensioner gym equipment
- Water losses – community reporting issues- delays in resolving issues
- Bursaries provision for children from uMhlatuze
- Delays in issuing title deeds
- Richards Bay SPCA service level agreement
- Rural sports facilities
- Streetlights in high crime areas
- Improved communication with regards to water interruption etc.
- High water tariff increases for high end users are a concern.
- Sponsorship for agricultural projects
- Taxi ranks requisition
- Rebates for churches
- Multi-purpose centres to be fully utilised
- Electricity supply in Eskom supply areas
- Pensioner rebates
- Provision of halls and clinics.
- Provision of community sportfields

2.2 Overview of alignment of annual budget with IDP

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

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

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

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a

coherent plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. The Municipality's budget is influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual report.

Below is the table which shows the link between IDP, Budget and National and Provincial objectives.

Table 34 Link between Budget and National and Provincial Macroeconomic Objectives

National KPA	uMhlatuze Strategies	uMhlatuze Mission	MDG	National Plan Priorities	12 National Outcomes	5 National Priorities	PGDS Goals	
Good Governance and Public Participation	Good Governance		Develop a Global Partnership for Development	Inclusive Planning	Responsive, accountable, effective and efficient local government system	Nation Building and Good Governance	Governance and Policy	
				Unite the Nation Fight Corruption				
Basic Service Delivery and Infrastructure Provision	Sustainable Infrastructure and Service Delivery			Expand Infrastructure	An efficient, competitive and responsive infrastructure network		Strategic Infrastructure	
					Planned Rural Development Interventions			Vibrant, equitable, sustainable rural communities contributing towards food security for all
					Maintaining Consistent Spatial Development			Sustainable human settlements and improved quality of household life
		Commitment to Sustainable Environmental Management	Ensure environmental sustainability		Protect and enhance our environmental assets and natural resources		Response to Climate Change	
Local Economic Development	Social and Economic Development	Job Creation through Economic Development	Eradicate extreme Poverty and Hunger	Create Jobs		Job Creation	Job Creation	
		Improve Citizens Skills Levels and Education	Achieve Universal Primary Education	Quality Education	Skilled and capable workforce to support an inclusive growth path Quality basic education	Education		
		Improve Quality of Citizens Health	Combat HIV/Aids, malaria and other diseases Reduce Child Mortality	Quality Healthcare	A long and healthy life for all South Africans	Health		
		Planned Rural Development Interventions			Decent employment through inclusive economic growth	Rural development, food security and land reform		
		Creation of Secure and Friendly City through Fighting Crime	Promote Gender Equality and Empower Women		All people in South Africa are and feel safe	Fighting crime and corruption		
Municipal Institutional Development and Transformation	Institutional Development			Build a Capable State	Create a better South Africa, a better Africa, and a better world		Human Resource Development	
					An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship			Human and Community Development
Municipal Financial Viability and Management	Sound Financial Management			Use Resources Properly				

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 35 MBRR SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Good Governance	Office of the Municipal Manager	–	2 452	2 655	2 138	3 158	3 158	3 018	3 255	3 512
	Risk Management (Internal Audit)	–	–	320	–	100	100	–	–	–
	Corporate Services	1 459	1 568	1 663	1 553	1 778	1 778	1 874	1 981	2 089
	Councillors	268	228	991	165	165	165	2 955	1 134	1 220
	Councillors support and Public participation	3 509	–	–	–	–	–	–	–	–
	Fire and Rescue Services	1 149	1 464	786	581	581	581	628	664	700
	Licensing (Vehicles)	9 449	9 919	10 367	10 057	10 307	10 307	10 828	11 423	12 051
	Traffic Operations and Administration	3 440	11 136	60 206	9 146	10 696	10 696	11 565	12 201	12 872
Security Services (Crime prevention and CCTV	381	–	–	–	–	–	–	–	–	
Sustainable Infrastructure and Service Provision	Water and sanitation	338 602	431 049	419 285	578 409	590 692	590 692	565 414	602 759	647 571
	Scientific Services	4 887	5 980	7 846	8 425	8 815	8 815	5 306	5 571	5 850
	Water Demand Management and Strategy	–	582	687	–	–	–	–	–	–
	Electricity Supply Services	973 729	1 132 792	1 330 788	1 400 658	1 309 708	1 309 708	1 393 890	1 488 982	1 608 243
	Transport,Roads and Stormwater	1 133	1 183	2 036	1 826	1 068	1 068	1 071	1 135	1 199
	Solid Waste Management	61 270	69 333	88 037	103 275	101 523	101 523	114 206	122 784	131 943
	Primary Health (Clinic Services)	4 812	4 842	9 645	7 296	5 453	5 453	6	6	6
	Public Health and pollution control	4 345	4 401	4 861	4 871	417	417	7	7	7
	Engineering support services	127	60	35	32	42	42	48	50	53
	Fleet management services	327	85	111	234	30 885	30 885	245	258	273
	Process Control System	–	–	29	11	11	11	12	12	13
	Municipal Buildings and Structures	–	6	–	–	–	–	–	–	–
	Biodiversity (Cemeteries) and Conservation	434	444	457	507	527	527	497	524	550
	Sport and recreation development	4 380	5 905	6 211	2 311	9 237	9 237	3 593	3 790	4 000
	Public Libraries	3 578	3 619	6 656	7 055	7 090	7 090	7 587	7 990	8 395
	Museums	127	136	289	307	307	307	174	183	192
	Community halls and Thusong centres	503	354	366	338	388	388	426	449	474
Social and Economic	Marketing and Tourism	542	497	538	441	841	841	596	626	656
	Urban and Rural Planning	19 417	13 407	19 755	2 645	6 084	6 084	1 834	1 932	2 036
	Human Settlement Programme	2 286	2 997	6 406	8 226	33 090	33 090	2 147	2 197	2 247
	Public Transport facilities and operations	–	27	–	5	3 005	3 005	6	6	6
Institutional Development	Human Resources and Industrial Relation Services	3 837	3 433	2 535	1 842	1 842	1 842	1 512	1 596	1 683
	Information communication and Technology	29	518	1 087	1 426	16 489	16 489	297	312	331
Sound Financial Management	Revenue	220 187	280 009	322 090	335 480	358 890	358 890	394 207	429 295	466 798
	Supply chain management	228	568	709	755	755	755	357	376	397
Total Revenue (excluding capital transfers and contributions)		1 664 435	1 988 995	2 307 447	2 490 015	2 513 946	2 513 946	2 524 301	2 701 497	2 915 368

Table 36 MBRR SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand											
Good Governance	Office of the Municipal Manager	2 776	13 280	18 532	11 382	10 028	10 028	14 180	12 014	12 852	
	Risk Management (Internal Audit)	–	–	2 704	32	193	193	16	17	18	
	Intergrated Dev elopment Planning	–	77	96	117	150	150	150	158	167	
	Performance Management	1 166	475	92	148	148	148	87	92	96	
	Corporate Services	6 085	7 370	34 282	5 925	5 710	5 710	7 321	5 606	4 310	
	Councillors	7 057	15 514	64 194	266	3 838	3 838	1 284	1 245	1 328	
	Councillors support and Public participation	14 537	–	–	–	–	–	–	–	–	
	Fire and Rescue Services	33 675	36 240	33 719	46 223	49 416	49 416	57 635	64 248	71 297	
	Licensing (Vehicles)	7 163	8 128	6 758	9 957	9 638	9 638	11 119	11 884	12 644	
	Traffic Operations and Administration	23 678	30 272	76 567	36 122	38 893	38 893	46 799	49 582	52 920	
	Security Services (Crime prevention and CCTV)	503	257	911	4 030	3 730	3 730	4 828	5 273	5 727	
	Disaster Management	719	739	340	1 461	904	904	1 317	1 625	1 955	
	Sustainable Infrastructure and Service Provision	Water and sanitation	323 131	370 655	374 062	443 263	483 075	483 075	534 894	576 382	634 679
Scientific Services		9 088	13 540	11 504	21 335	21 501	21 501	18 400	19 183	21 178	
Water Demand Management and Strategy		–	4 193	4 220	4 765	4 754	4 754	4 988	5 362	5 656	
Electricity Supply Services		943 872	954 591	1 066 981	1 204 958	1 138 183	1 138 183	1 198 840	1 271 355	1 340 967	
Streetlights, Operations and LV networks		16 317	18 807	3 571	25 692	26 042	26 042	29 468	31 260	32 045	
Transport,Roads and Stormwater		75 899	101 516	163 999	147 305	140 615	140 615	185 052	204 446	236 016	
Solid Waste Management		74 889	82 319	59 644	96 593	96 344	96 344	105 667	113 710	122 963	
Primary Health (Clinic Services)		15 665	16 800	16 399	23 696	17 116	17 116	2 272	2 432	2 595	
Public Health and pollution control		8 388	9 502	8 640	14 376	9 526	9 526	9 492	10 727	11 673	
Engineering support services		14 927	13 372	6 677	12 563	11 897	11 897	13 235	14 431	15 644	
Fleet management services		327	85	50 750	9 933	1 656	1 656	3 643	6 430	7 858	
Process Control System		0	5 592	6 175	10 078	15 253	15 253	12 666	12 147	14 316	
Municipal Buildings and Structures		(0)	6	6 732	–	340	340	–	–	–	
Biodiversity (Cemeteries) and Conservation		6 418	6 139	38 222	8 354	5 543	5 543	9 672	10 056	10 982	
Sport and recreation development		76 405	90 872	49 952	118 074	116 735	116 735	125 566	135 289	148 671	
Public Libraries		11 356	12 954	12 129	16 908	16 878	16 878	18 572	20 102	21 511	
Museums		1 127	1 217	869	1 648	1 632	1 632	6 672	7 040	7 420	
Community halls and Thusong centres		8 719	10 200	8 422	15 296	15 871	15 871	18 304	21 052	24 483	
Social and Economic		Marketing and Tourism	72	269	740	903	903	903	736	781	807
		Urban and Rural Planning	21 370	31 151	31 160	43 581	48 183	48 183	44 609	47 893	51 138
	Human Settlement Programme	3 780	7 607	6 256	15 313	15 601	15 601	16 410	17 898	18 908	
	Property Evaluations	1 289	–	–	–	–	–	–	–	–	
	Public Transport facilities and operations	949	1 093	1 134	1 735	1 753	1 753	1 556	1 474	1 326	
Institutional Development	Human Resources and Industrial Relation Services	5 453	4 779	20 710	7 171	7 494	7 494	5 735	6 133	6 578	
	Information communication and Technology	(100)	947	26 281	2 552	3 189	3 189	3 043	3 244	3 492	
Sound Financial Management	Expenditure	(39 438)	(7 665)	36 397	674	2 955	2 955	2 203	2 247	2 402	
	Revenue	(39 438)	(7 665)	36 397	674	2 955	2 955	2 203	2 247	2 402	
	Supply chain management	371	(80)	10 191	144	(702)	(702)	733	768	820	
Total Expenditure		1 638 196	1 855 148	2 296 407	2 363 247	2 327 940	2 327 940	2 519 364	2 695 830	2 909 844	

Table 37 MBRR SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand											
Good Governance	Office of the Municipal Manager	–	–	220	49	49	49	–	–	–	
	Risk Management (Internal Audit)	60	–	–	–	–	–	–	–	–	
	Intergrated Development Planning	271	219	86	168	107	107	–	–	–	
	Public Communications	76	70	–	–	–	–	–	–	–	
	Corporate Services	34	368	78	729	2 751	2 751	3 629	3 327	3 327	
	Councillors	–	–	132	119	119	119	93	–	–	
	Public Safety and Security Services	–	272	–	–	–	–	–	–	–	
	Fire and Rescue Services	82	983	2 074	16 559	15 269	15 269	11 620	–	–	
	Licensing (Vehicles)	–	6	636	590	84	84	2 030	2 218	2 218	
	Traffic Operations and Administration	7	–	207	–	111	111	11	–	–	
	Security Services (Crime prevention and CCTV System)	–	–	–	64	18	18	–	–	–	
Sustainable Infrastructure and Service Provision	Water and sanitation	46 770	48 608	142 273	164 596	186 321	186 321	206 332	152 044	165 397	
	Scientific Services	–	1 209	1 514	1 300	1 300	1 300	–	–	–	
	Water Demand Management and Strategy	–	1 814	–	681	–	–	–	–	–	
	Electricity Supply Services	8 277	15 575	61 607	56 697	64 615	64 615	26 435	9 500	6 000	
	Streetlights, Operations and LV networks	–	1 937	2 832	11 060	10 797	10 797	7 745	3 270	3 270	
	Transport,Roads and Stormwater	2 237	7 034	31 946	24 185	22 954	22 954	43 097	38 330	38 289	
	Solid Waste Management	53	239	1 604	6 058	5 005	5 005	2 039	–	–	
	Primary Health (Clinic Services)	13	226	918	3 483	1 601	1 601	859	–	–	
	Public Health and pollution control	4	27	37	5 632	5 499	5 499	3 614	–	–	
	Engineering support services	–	20	633	24	2 256	2 256	3 830	2 551	2 551	
	Fleet management services	15 483	7 493	16 085	25 683	68 245	68 245	37 967	32 180	32 180	
	Process Control System	39	2 060	5 037	2 089	548	548	1 617	–	–	
	Biodiversity (Cemeteries) and Conservation	3	766	675	2 100	2 100	2 100	2 017	–	–	
	Recreational facilities Management	–	231	–	–	–	–	–	–	–	
	Sport and recreation development	929	2 164	9 348	23 273	28 342	28 342	35 303	15 000	15 000	
	Public Libraries	136	770	604	9 410	9 187	9 187	3 973	–	–	
	Community halls and Thusong centres	–	1 621	3 284	9 872	7 437	7 437	15 638	9 981	9 981	
	Social and Economic	Local Economic development	9	–	–	44	–	–	4 800	5 323	5 323
		Development and Support of markets	–	–	5 380	3 542	3 000	3 000	7 000	14 630	14 630
Marketing and Tourism		8 406	2 370	–	9 258	4 475	4 475	300	–	–	
Urban and Rural Planning		532	1 024	2 766	2 873	2 802	2 802	3 000	–	–	
Human Settlement Programme		623	6 046	5 756	22 442	24 824	24 824	18 000	–	–	
Institutional Development	Human Resources and Industrial Relation Services	8	16	17	94	1 676	1 676	2 598	–	–	
	Information communication and Technology services	2 382	11 372	8 590	9 927	25 593	25 593	4 764	2 218	2 218	
Sound Financial Management	Expenditure	235	268	84	5 464	–	–	–	–	–	
	Revenue	25	180	205	1 799	1 180	1 180	469	–	–	
	Supply chain management	347	51	18	–	43	43	–	–	–	
Total Capital Expenditure		87 042	115 036	304 648	419 862	498 307	498 307	448 778	290 572	300 384	

2.3 Measurable performance objectives and indicators

Legislative requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore point out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

"Annual performance reports

46. (1) *A municipality must prepare for each financial year a performance report reflecting -*
 - (a) *the performance of the municipality and of each external service provider during that financial year;*
 - (b) *a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
 - (c) *measures taken to improve performance.*
- (2) *An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."*

Performance Management framework

The first performance management framework was Tabled by the uMhlatuze Municipality on 28 May 2002. The framework was reviewed and amended during 2006/2007 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of Kwazulu-Natal.

The Performance Management function of uMhlatuze Municipality was previously outsourced to an external service provider and Council resolved during the 2009/2010 financial year to create an internal Performance Management Unit within the Office of the Municipal Manager. The Performance Management unit was capacitated during the 2010/2011 financial year as from 1 October 2010 by the appointment of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist. During the 2010/2011 Financial year, the Performance Management Unit prepared a new

Performance Management Framework and Policy which was Tabled for 2011/2012 financial year by Council item RPT 150202 and policy on DMS 692062.

The Performance Management Framework and Policy review for the 2012/2013 financial year was Tabled by Council per item RPT 152031 and Council resolution 8593 and is available on Councils official website (www.umhlathuze.gov.za under the “Performance Management” quick link).

Performance indicators and benchmarks

Key performance indicators have been refined in support of the municipality’s development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council’s priorities) for the new five year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives are established and reflect on the Organisational Performance Management Scorecard OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans are prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act.

The following diagram illustrates a summary of the newly developed performance management framework for the City of uMhlatuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:

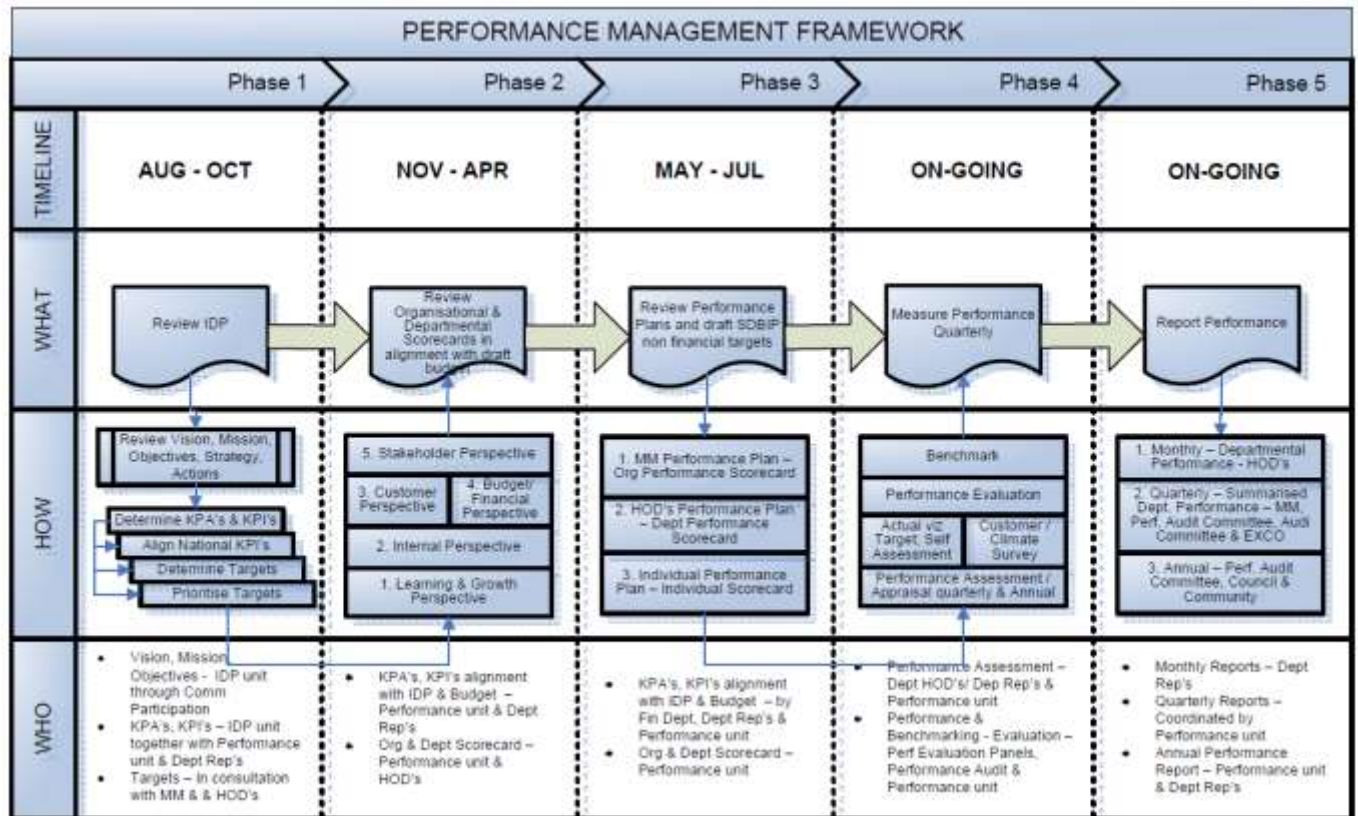


Figure 6 Performance Management Framework

Performance Audit Committee

The Performance Audit Committee was re-affirmed in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 per Council item RPT 157413, Resolution 9858 dated 23 January 2015 and the members are as follow:

- Dr E M S Ntombela – Chairperson (external member)
- Mr B S Ndaba (external member)
- Mrs N M C Zulu (external member)
- Cllr E F Mbatha (Mayor)
- Cllr N V Gumbi (Deputy Mayor)

The Performance Audit Committee has meet quarterly to consider the reported annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan. The minutes of meetings are documented and made available on the GroupWise electronic document management system.

Performance Evaluation Panels

Performance Evaluation Panels have been re-confirmed for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution CR9082 of 28 February 2014. Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons was established -

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
- (iv) Mayor and/or Municipal Manager from another Municipality; and
- (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor.”

Clr E F Mbatha	Mayor/Chairperson
Clr N V Gumbi	Deputy Mayor
Dr EMS Ntombela	Chairperson of the Performance Audit Committee
Clr T Mchunu	A Mayor from another Municipality (uThungulu)
Mr V N Khuzwayo	Ward Committee member (nominated by the Mayor)

For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- (iv) Municipal Manager from another Municipality.”

Dr N J Sibeko	Chairperson
Clr E F Mbatha	Mayor
Clr N V Gumbi	Deputy Mayor
Dr EMS Ntombela	Chairperson of the Performance Audit Committee
Mr M Nkosi	A Municipal Manager from another Municipality (uThungulu)

Performance Evaluation sessions are conducted at the end of each quarter. The first and the third quarter assessment are informal assessments. Formal assessments are conducted on the Second and Fourth quarter. The final(Fourth) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the financial year are performed in November to allow sufficient time for validation and auditing of information reported on the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee to the Executive Committee and Council before submission of the Annual Financial Statements and the Annual Report.

Auditing of Performance Information

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001 (Regulation 796).

Council has during 2012 created an internal post of Internal Audit Executive within the office of the Municipal Manager to coordinate and manage the Internal Audit function within the municipality. Business Innovation Groups has been appointed by uMhlatuze municipality as the Internal Auditors. As part of their scope, auditing of the Performance Management System and Audit of Performance Information is performed and reports received for each quarter.

Customer Satisfaction

Council appointed Urban Econ Development Economists to conduct the 2013 Customer Satisfaction Survey. The Comprehensive feedback and analysis report was communicated to Council via the Performance Audit Committee per Council Resolution 9014; RPT 155166 dated 3 December 2013. The comprehensive analysis feedback report is available on Council's official website. (www.umhlatuze.gov.za under the "Performance Management" quick link)

Annual Organisational Performance Information

The annual Organisational Performance Targets are compiled in a table format (as prescribed by KZN CoGTA) and reported on a quarterly basis to track performance. The Organisational Performance report is presented to the Auditor General for auditing together with the Annual Financial Statements by 30 August of each year.

The Organisational Performance Scorecard (Tables) once finalized and approved is read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance Information.

The number of households served with basic services as reflected in the table below also includes the performance of external service providers delivering basic services to the community as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000). Water distribution to the community by uMhlathuze is delivered through water purification by WSSA and through purified water purchased from the Mhlathuze Water Board. Electricity is distributed to communities by uMhlathuze municipality through purchasing electricity from Eskom. The remainder of basic services to communities, i.e. solid waste removal (refuse collection) and sanitation is delivered in-house by the uMhlathuze municipality. The uMhlathuze municipality is fortunate not to be reliant on external service providers, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 38 MBRR SA7 - Measurable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 -Water and Sanitation Services										
Function 1 - Delivery of Basic Water										
Sub-function 1 - House Connection										
Connection	% of Household	47.9%	43.4%	51.0%	50.0%	51.0%	51.0%	51.0%	51.0%	51.0%
Sub-function 2 -Yard Connection										
Connection	% of Household	43.0%	42.9%	44.6%	44.0%	46.9%	46.9%	49.0%	51.0%	52.0%
Sub-function 3 - Communal Supply										
Water Connection	% of Household	3.4%	2.2%	4.3%	1.0%	4.3%	4.3%	0.0%	0.0%	0.0%
Function 2 - Basic Sanitation Services										
Sub-function 1 - Waterborne Sewerage										
Sewerage Services	% of Household	43.9%	39.3%	50.0%	50.0%	52.0%	52.0%	54.0%	55.0%	56.0%
Sub-function 2 - VIP's										
Sewerage	% of Household	16.0%	25.4%	27.0%	40.6%	35.0%	35.0%	45.0%	50.0%	55.0%
Vote 2 -Electricity Supply										
Function 1 - Electricity Connection										
Sub-function 1 - Household										
Municipality Household Connection	% of Household	99.0%	93.0%	93.0%	95.0%	95.0%	95.0%	99.0%	99.0%	99.0%
Sub-function 2 - Free Household										
Free Connections	% of Household	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Sub-function 3 - Eskom Supply										
Household Connections	% of Household	70.0%	70.0%	87.0%	90.0%	90.0%	90.0%	93.0%	94.0%	95.0%
Vote 3 - Solid Waste Removal										
Function 1 - Weekly Refuse Removal										
Sub-function 1 - Urban 240 litre Bin										
Litre Refuse Bin Services	% of household	55.0%	56.0%	71.0%	71.0%	74.0%	74.0%	74.0%	74.0%	74.0%
Sub-function 2 - Free Basic Refuse										
Insert measure/s description	% of Household	13.0%	16.0%	18.0%	21.0%	21.0%	21.0%	24.0%	25.0%	26.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

Table 39 MBRR SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Borrowing Management</u>										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	10.0%	9.5%	7.7%	8.5%	8.6%	8.6%	8.7%	8.1%	8.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	11.0%	9.8%	8.5%	9.5%	9.8%	9.8%	9.7%	9.0%	8.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	224.5%	0.0%	86.6%	34.0%	32.2%	0.0%	68.8%	57.8%	57.8%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	20.7%	17.7%	16.1%	18.4%	18.1%	18.1%	16.0%	15.0%	13.8%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.0	1.1	1.3	1.4	1.3	1.3	1.4	1.5	1.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	1.1	1.3	1.4	1.3	1.3	1.4	1.5	1.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.4	0.5	0.7	0.7	0.7	0.7	0.7	0.9	1.0
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		98.2%	99.0%	98.7%	97.2%	97.2%	0.0%	97.3%	97.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		98.2%	99.0%	98.7%	97.1%	97.2%	97.2%	97.3%	97.1%	97.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.0%	14.2%	15.5%	11.9%	12.3%	12.3%	12.1%	12.2%	12.2%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		151.2%	103.1%	83.9%	59.2%	67.2%	85.9%	63.8%	55.6%	46.3%
<u>Other Indicators</u>										
	Total Volume Losses (kW)	257369799	144883099	159686916	43778391	43778391	43778391	43778391	43778391	43778391
	Total Cost of Losses (Rand '000)	123 538	85 481	93 102	35 367	35 367	35 367	38 022	40 882	40 882
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	16.66%	10.10%	9.97%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Table 39 MBRR SA8 - Performance indicators and benchmarks (continued)

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other Indicators										
Water Distribution Losses (2)	Total Volume Losses (kℓ)	13 485	14 345	17 504	14 345	14 345	14 345	14 345	14 345	14 345
	Total Cost of Losses (Rand '000)	16046563	20370474	25087109	23261913	23261913	23261913	24505864	26765153	26765153
	% Volume (units purchased and generated less units sold)/units purchased and generated	33.22%	32.77%	38.30%	30%	30%	30%	30%	30%	30%
Employee costs	Employee costs/(Total Revenue - capital revenue)	23.8%	22.0%	20.8%	24.6%	24.5%	24.5%	24.4%	24.8%	24.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	24.7%	23.0%	21.8%	25.6%	25.5%	25.5%	25.4%	25.8%	25.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	13.0%	13.0%	14.1%	14.5%	15.7%	15.7%	16.1%	15.5%	16.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.7%	9.5%	13.7%	11.0%	11.4%	11.4%	11.3%	13.3%	14.1%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	13.4	14.2	15.4	14.9	14.9	14.9	13.7	13.2	14.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	15.0%	17.2%	18.5%	13.6%	14.2%	14.2%	13.8%	13.9%	13.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.3	1.9	2.7	2.8	2.5	2.0	2.6	3.0	3.6

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, City of uMhlatuze's borrowing strategy is primarily informed by the Finance charges to Operating Expenditure. The structure of the City's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- **Finance Charges and redemption to Operating Expenditure and to own Revenue** is a measure of the cost of borrowing in relation to the operating expenditure and own revenue. It can be seen that the cost of borrowing has remained constant from 10 to 8 per cent in 2011/12 to 2017/18. In addition the mix of capital funding for the MTREF is remaining constant whereby borrowed funds over capital expenditure excluding grant expenditure, remains at a favourable average level of 59 per cent. While borrowing is considered a prudent financial instrument in financing capital infrastructure development such funding will be confined to assets with a useful life exceeding 10 years as well as limiting such financing to assets that generate revenue.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. During the 2011/12 financial year this ratio peaked at 21 per cent and then stabilised to between 16.7 and 14 per cent over the MTREF.

2.3.1.3 Liquidity

- **Current ratio** is a measure of the current assets divided by the current liabilities and as a benchmark the City has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 1.4:1 and 1.5:1 and 1,7:1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- **The liquidity ratio** is a measure of the ability of the municipality to utilize cash and cash equivalents to meet its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2011/12 financial year the ratio was 0.4 and as part of the financial planning strategy it has been increased to 0.7 in the 2015/16 financial year. This amounts to vast improvement over the period. As the debtors' collection rate is at 97.3 per cent it is envisaged that cash will be available to meet its monthly current liabilities.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been continued from previous years to maintain cash inflow. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection with specific focus in the “traditional areas”.

2.3.1.5 Creditors Management

- The City has managed to ensure that creditors are settled within the legislated 30 days of invoice. By maintaining stringent cash flow recovery interventions introduced in 2009/10, the Municipality has managed to this legislative obligation.

2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue increases slightly over the MTREF. Although the ratio is 24.4 per cent for the 2015/16 MTREF, this may appear favourable however needs to be read in conjunction with the comments under section 1.5 – Operating Expenditure Framework as well as the comments under the Executive Summary.
- Repairs and maintenance as percentage of operating revenue remains constant over the MTREF owing directly to continued effort to ensure that resources in the repairs and maintenance cost centres are maximised.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. These are done in a universal and targeted approach. The universal approach is through the tariff structures and provides for 6kl free water and 50 kwh electricity free for users below a threshold. In addition, no rates and no refuse removal and no sewer are debited against consumers that have a property valued below the prescribed threshold.

The targeted approach is where individual customers are found that despite the universal approach still cannot afford their accounts. These customers’ accounts are then written off.

Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 32 MBRR A10 (Basic Service Delivery Measurement) on page 75.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Credit Control & Debt Collection Policy was reviewed and approved by Council in July 2012 and is still in place and very effective. The Tabled policy is credible, sustainable, and manageable and informed by affordability and value for money, hence there is no need to review any components of the policy.

The 2015/16 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 98 per cent on current billings.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. Over the next three years, there is a decrease in investment on new assets in order to give effect to priority of renewing existing assets. In addition to the renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was Tabled by Council on the 4 October 2005. The Fourth amendment of the Supply Chain Management Policy was done in terms of Supply Chain Management Regulations clause 3(1)(b) and was Tabled by Council on 31 July 2013.

The slow spend on the 2013/14 Adjusted Capital Budget was of serious concern to Administration, however procurement plan was been prepared to expedite the implementation of the procurement process for the 2014/15 MTREF. Monthly monitoring of the procurement plan is being undertaken through the Capital Spend Project Team.

2.4.5 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the City's system of delegations. The Virement Policy was approved by Council via resolution 6737 on 6 July 2010 and was subsequently amended on 4 October 2011 and again on 28 May 2013.

In light of the imminent implementation of SCOA a review of the virement policy will be undertaken in the 2015/16 financial year.

2.4.6 Investment, Working Capital and Capital Replacement Reserves Policy

The City's Investment, Working Capital and Capital Replacement Reserves Policy was amended by Council on 10 October 2013. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.7 Tariff of Charges Policy

The City's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy is amended and approved annually with the MTREF.

All the above policies are available on the City's website, as well as the following budget related policies:

- Property Rates Policy; and
- Fraud Prevention policy.

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the City's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro-economic targets as per MFMA circular 74 and 75;
- The general inflationary outlook and the impact on City's residents and businesses;

- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 24.4 per cent of total operating expenditure in the 2015/16 MTREF.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2015/16 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (98 per cent) of annual billings. Cash flow is assumed to be 98 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

2.5.6 Salary increases

The Salary and Wage Collective Agreement for the period 01 July 2012 to 30 June 2015 has come to an end.

In terms of the MFMA Circular no. 75, National Treasury has advised municipalities to budget for a 5.8 per cent cost-of-living increase adjustment to be implemented with effect from 01 July 2015. However, in light of the salary increases being demanded by the unions, Council has budgeted for a 7 per cent for the 2015/16 financial year. An annual increase of 6.5 and 7 per cent has been included in the two outer years of the MTREF.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;

- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives. See relevant section in the Integrated Development Plan.

2.5.8 Ability of the municipality to spend and deliver on the programmes

The slow spend on the 2013/14 Adjusted Capital Budget was of serious concern to Administration, however procurement plan was been prepared to expedite the implementation of the procurement process for the 2014/15 MTREF. Monthly monitoring of the procurement plan is being undertaken through the Capital Spend Project Team.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table 40 Breakdown of the operating revenue over the medium-term

Description R thousand	2015/16 Medium Term Revenue & Expenditure Framework					
	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source						
Property rates	360 000	14%	393 800	15%	429 904	15%
Service charges	1 833 272	73%	1 963 144	73%	2 119 956	73%
Interest earned - external investments	21 982	1%	22 641	1%	23 320	1%
Transfers recognised - operational	257 953	10%	267 925	10%	285 143	10%
Other own revenue	51 094	2%	53 987	2%	57 046	2%
Total Operating Revenue	2 524 301	100%	2 701 497	100%	2 915 368	100%
(excluding capital transfers and						
Total Operating Expenditure	2 519 364		2 695 829		2 909 844	
Surplus/(Deficit)	4 937		5 668		5 524	

The following graph is a breakdown of the operational revenue per main category for the 2015/16 financial year.

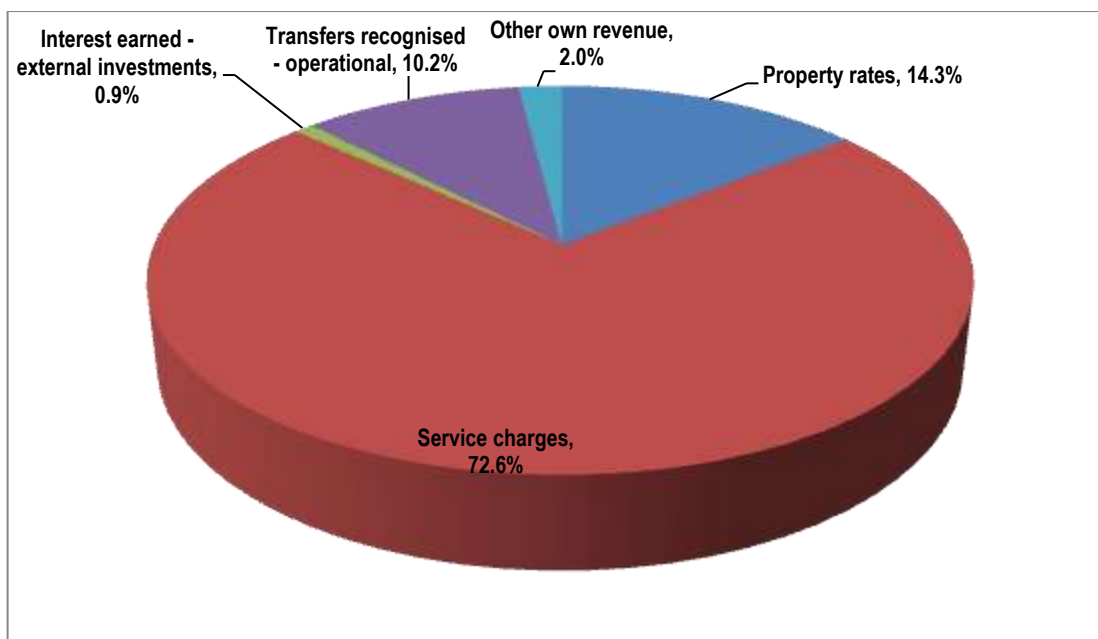


Figure 7 Breakdown of operating revenue over the 2015/16 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure an above 98 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this had to be adjusted to cater for affordable tariffs;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs where economically possible;
- Revenue enhancement, investment and cash management;
- Pricing risk strategy to ensure that rates and general grows to a level that can sustain the municipality;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City which has been extensively reviewed to ensure that customer are clear on how the municipality will raise revenue

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2015/16 MTREF on the different revenue categories are:

Table 41 Proposed tariff increases over the medium-term

Revenue category	2014/15 proposed revenue increase	2015/16 proposed revenue increase	2016/17 proposed revenue increase	2015/16 additional revenue for each 1% increase	2015/16 additional revenue per service	2015/16 Total Budgeted revenue
	%	%	%	R'000	R'000	R'000
Property rates	10.28	9.39	9.17	3 600	33 547	360 000
Sanitation	11.33	8.00	8.00	840	8 550	84 000
Solid Waste	0.13	8.00	8.00	678	7 600	67 800
Water	36.35	7.94	7.95	2 816	75 065	281 565
Electricity	7.34	7.07	8.00	13 900	95 000	1 390 000
TOTAL				21 834	219 762	2 183 365

Revenue to be generated from property rates is R360 million in the 2015/16 financial year and increases to R394 million by 2016/17 which represents 14 per cent of the operating revenue base of the City. It remains relatively constant over the medium-term.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R1.8 billion for the 2015/16 financial year and increasing to R1.9 billion by 2016/17 and then R2.1 billion by 2017/18. For the 2015/16 financial year services charges amount to 73 per cent of the total revenue base and remains constant over the medium-term.

Operational grants and subsidies amount to R258 million, R267 million and R 285 million for each of the respective financial years of the MTREF, or 10, 10 and 10 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 3.9 per cent and drops by 6.4 per cent for the two outer years.

Investment revenue contributes negligibly to the revenue base of the City with a budget allocation of R21 million, R23 million and R23 million for the respective three financial years of the 2015/16 MTREF. It needs to be noted that whilst a healthy working capital is important for a Municipality, the practise in this Municipality comes from a historical trend of utilising cash reserves to fund service delivery initiatives instead of generating interest returns.

The tables below provide detail investment information and investment particulars by maturity.

Table 42 MBRR SA15 – Detail Investment Information

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Parent municipality									
Deposits - Bank	80 000	40 000	40 000	150 000	150 000	150 000	200 000	300 000	400 000
Municipality sub-total	80 000	40 000	40 000	150 000	150 000	150 000	200 000	300 000	400 000

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

Table 43 Sources of capital revenue over the MTREF

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Funded by:									
National Government	39 679	40 345	110 841	119 456	189 588	189 588	159 878	117 531	127 384
Provincial Government	9 452	11 087	15 246	37 765	34 702	34 702	18 000	-	-
District Municipality	-	97	110	-	-	-	-	-	-
Other transfers and grants	7	131	133	-	-	-	-	-	-
Transfers recognised - capital	49 138	51 659	126 329	157 221	224 290	224 290	177 878	117 531	127 384
Public contributions & donations	3 165	4 531	62 602	11 182	8 523	8 523	1 115	-	-
Borrowing	22 907	33 829	69 347	144 738	142 572	142 572	159 702	100 000	100 000
Internally generated funds	11 833	25 017	46 097	106 721	122 922	122 922	110 082	73 041	73 000
Total Capital Funding	87 042	115 036	304 375	419 862	498 307	498 307	448 778	290 572	300 384

The above table is graphically represented as follows for the 2015/16 financial year.

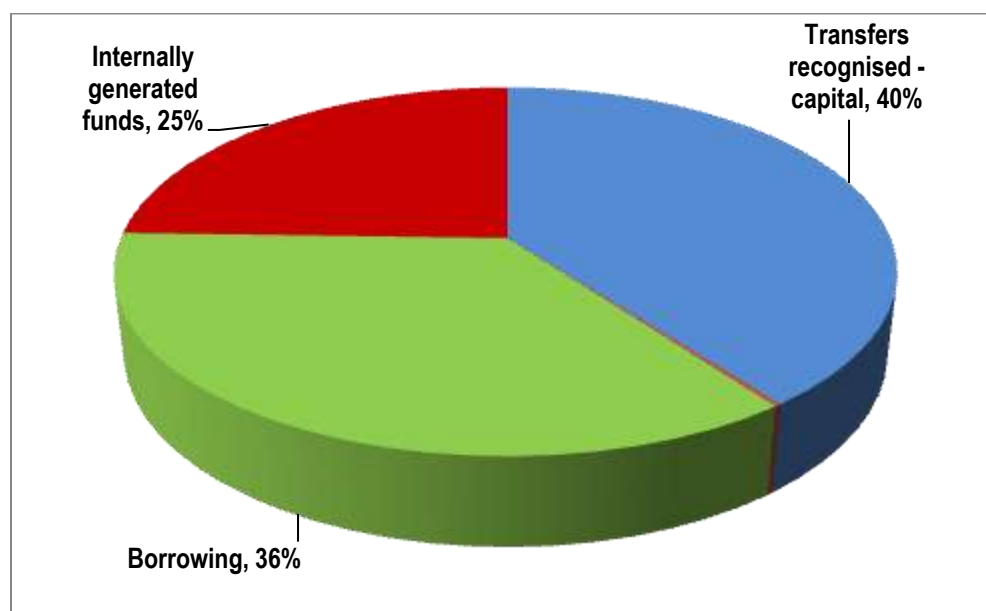


Figure 8 Sources of capital revenue for the 2015/16 financial year

Capital grants and receipts equates to 40 per cent of the total funding source which represents R178 million for the 2015/16 financial year and decreases to R117.5 million or 34 per cent by 2016/17.

Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R300 million to be raised for each of the respective financial years totalling 29 (Tabled) 36 (Adopted), 34 (Tabled) and 33 (Tabled) per cent of the total funding of the capital budget for each of the respective financial years of the MTREF.

The following table is a detailed analysis of the City's borrowing liability.

Table 44 MBRR SA17 - Detail of borrowings

Borrowing - Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Long-Term Loans (annuity/reducing balance)	732 522	625 250	601 727	686 594	686 594	686 594	645 473	619 181	575 552
Total Borrowing	732 522	625 250	601 727	686 594	686 594	686 594	645 473	619 181	575 552
Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	55 116	22 193	52 940	25 650	25 650	-	47 911	30 000	30 000
Total Unspent Borrowing	55 116	22 193	52 940	25 650	25 650	-	47 911	30 000	30 000

The following graph illustrates the growth in outstanding borrowing for the 2011/12 to 2017/18 period.

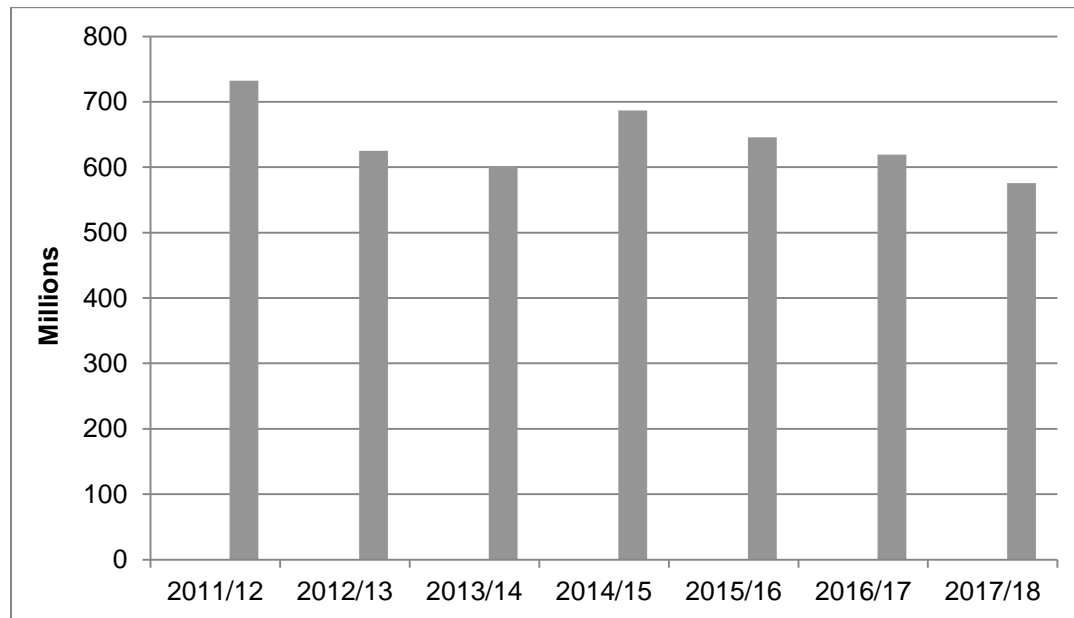


Figure 9 Growth in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R56 million in 2015/16, R73 million in 2015/16 and R73 million in 2016/17.

Table 45 MBRR SA18 - Capital transfers and grant receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital Transfers and Grants									
National Government:	66 531	93 492	106 670	119 456	189 588	219 588	159 878	117 531	127 384
Municipal Infrastructure Grant (MIG)	69 481	84 492	84 595	88 106	86 290	116 290	88 496	92 110	97 527
Municipal Infrastructure Grant (Roll-Over)	-	-	-	-	45 652	45 652	-	-	-
Electrification Projects	(3 950)	-	-	8 000	8 000	8 000	9 000	9 500	6 000
Electricity Demand Site	-	8 000	-	-	-	-	-	-	-
Extended Public Works Programme	-	1 000	-	-	-	-	-	-	-
Water Conservation and Demand Management	1 000	-	-	-	-	-	-	-	-
Infrastructure Water Projects	-	-	17 547	18 850	18 850	18 850	50 882	7 921	8 357
Infrastructure Water Projects (Roll- Over)	-	-	-	-	12 234	12 234	-	-	-
Rural Households Infrastructure	-	-	4 000	4 500	4 500	4 500	4 500	5 000	5 500
Sport and recreation	-	-	528	-	-	-	-	-	-
Finance Managent	-	-	-	-	64	64	-	-	-
Department of Water Affairs	-	-	-	-	14 000	14 000	7 000	3 000	10 000
Provincial Government:	10 170	28 011	1 378	-	34 702	34 702	-	-	-
Housing	562	20 748	1 378	-	-	-	-	-	-
Housing (Roll-Over)	-	-	-	-	24 824	24 824	-	-	-
Sport and Recreation	-	3 500	-	-	-	-	-	-	-
Libraries	136	-	-	-	-	-	-	-	-
Massification Grant	-	2 000	-	-	-	-	-	-	-
Upgrade of Airport	9 472	1 764	-	-	-	-	-	-	-
Urban Development Framework Plan (Roll-over) CBD South Extension Guide	-	-	-	-	2 702	2 702	-	-	-
Urban Development Framework Plan Tourism Development	-	-	-	-	3 000	3 000	-	-	-
Urban Development Framework Plan (Roll-over) Tourism Development	-	-	-	-	1 175	1 175	-	-	-
Corridor Development - New and Upgrading informal Trading Stalls	-	-	-	-	3 000	3 000	-	-	-
District Municipality:	-	207	-	-	-	-	-	-	-
Bus Shelters and Laybys	-	207	-	-	-	-	-	-	-
Other grant providers:	7	-	60 536	-	1 115	1 115	-	-	-
Dischem - Camera	7	-	-	-	-	-	-	-	-
John Ross Interchange	-	-	60 536	-	-	-	-	-	-
Lotto Funding Sigisi Field	-	-	-	-	1 115	1 115	-	-	-
Total Capital Transfers and Grants	76 708	121 710	168 583	119 456	225 405	255 405	159 878	117 531	127 384

2.6.3 Cash Flow Management

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

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

Table 46 MBRR Table A7 - Budget cash flow statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	203 570	239 617	278 249	313 500	325 953	325 953	359 300	393 062	429 126
Service charges	1 200 605	1 369 810	1 617 726	1 684 011	1 594 965	1 594 965	1 775 388	1 895 123	2 056 112
Other revenue	30 647	156 697	99 273	39 285	48 395	48 395	49 537	52 347	55 318
Government - operating	182 413	202 114	236 770	260 509	246 226	246 226	257 953	267 925	285 143
Government - capital	49 130	51 659	109 208	119 456	225 469	225 469	159 878	117 531	127 384
Interest	5 652	14 667	21 113	12 147	18 244	18 244	23 540	24 282	25 048
Payments									
Suppliers and employees	(1 395 345)	(1 659 241)	(1 883 468)	(2 023 834)	(1 994 250)	(1 994 250)	(2 151 396)	(2 241 027)	(2 405 478)
Finance charges	(82 481)	(79 985)	(71 145)	(77 614)	(77 614)	(77 614)	(79 806)	(78 062)	(74 619)
Transfers and Grants	(1 177)	(2 091)	(3 022)	(2 999)	(4 339)	(4 339)	(8 883)	(9 372)	(9 869)
NET CASH FROM/(USED) OPERATING ACTIVITIES	193 014	293 248	404 704	324 461	383 049	383 049	385 509	421 808	488 165
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	2 193	7 530	10 000	40 000	40 000	10 000	10 000	10 000
Decrease (increase) in non-current debtors	–	136	267	–	–	–	–	–	–
Decrease (increase) other non-current receivable	155	–	–	226	226	226	230	240	250
Payments									
Capital assets	(75 311)	(115 036)	(250 889)	(251 917)	(398 646)	(398 646)	(314 145)	(297 644)	(299 562)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(75 156)	(112 708)	(243 092)	(241 691)	(358 420)	(358 420)	(303 915)	(287 404)	(289 312)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	78 000	–	100 000	85 500	85 500	–	185 500	100 000	100 000
Increase (decrease) in consumer deposits	2 360	860	5 129	2 548	2 548	2 548	500	650	800
Payments									
Repayment of borrowing	(80 563)	(95 839)	(105 007)	(122 938)	(122 938)	(122 938)	(140 619)	(141 292)	(158 629)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(203)	(94 979)	122	(34 890)	(34 890)	(120 390)	45 381	(40 642)	(57 829)
NET INCREASE/ (DECREASE) IN CASH HELD	117 655	85 561	161 734	47 880	(10 261)	(95 761)	126 975	93 762	141 024
Cash/cash equivalents at the year begin:	39 559	157 214	242 775	399 897	404 509	404 509	308 748	435 723	529 485
Cash/cash equivalents at the year end:	157 214	242 775	404 509	447 777	394 248	308 748	435 723	529 485	670 509

The above table shows that cash and cash equivalents of the City. It can be seen that the cash levels of the City improved significantly over the 2011/12 to 2015/16 period and the years thereafter owing directly to a myriad of cash flow interventions introduced over the past years. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents is projected to total R 308 million as at the end of the 2014/15 financial year and escalating to R 670 million by 2017/18.

For the 2015/16 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R 436 million by 2015/16 and steadily increasing to R 529 million by 2016/17.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 47 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	157 214	242 775	404 509	447 777	394 248	308 748	435 723	529 485	670 509
Other current investments > 90 days	(0)	0	0	(23 727)	-	85 500	-	-	-
Cash and investments available:	157 214	242 775	404 509	424 050	394 248	394 248	435 723	529 485	670 509
Application of cash and investments									
Unspent conditional transfers	47 516	113 803	92 231	116 357	116 357	116 357	105 801	105 801	105 801
Unspent borrowing	55 116	22 193	52 940	25 650	25 650	-	47 911	30 000	30 000
Statutory requirements	(7 717)	(16 014)	(9 557)	(21 483)	(21 483)	(21 483)	2 763	3 752	4 225
Other working capital requirements	26 477	(31 555)	(9 979)	(8 188)	(8 764)	(8 764)	(18 415)	(25 481)	(36 832)
Other provisions	20 270	23 317	20 391	26 395	26 394	26 394	21 288	22 523	23 784
Reserves to be backed by cash/investments	-	-	-	107 823	107 823	107 823	73 000	74 000	74 000
Total Application of cash and investments:	141 661	111 744	146 026	246 554	245 977	220 327	232 348	210 595	200 978
Surplus(shortfall)	15 552	131 031	258 483	177 496	148 271	173 921	203 374	318 890	469 531

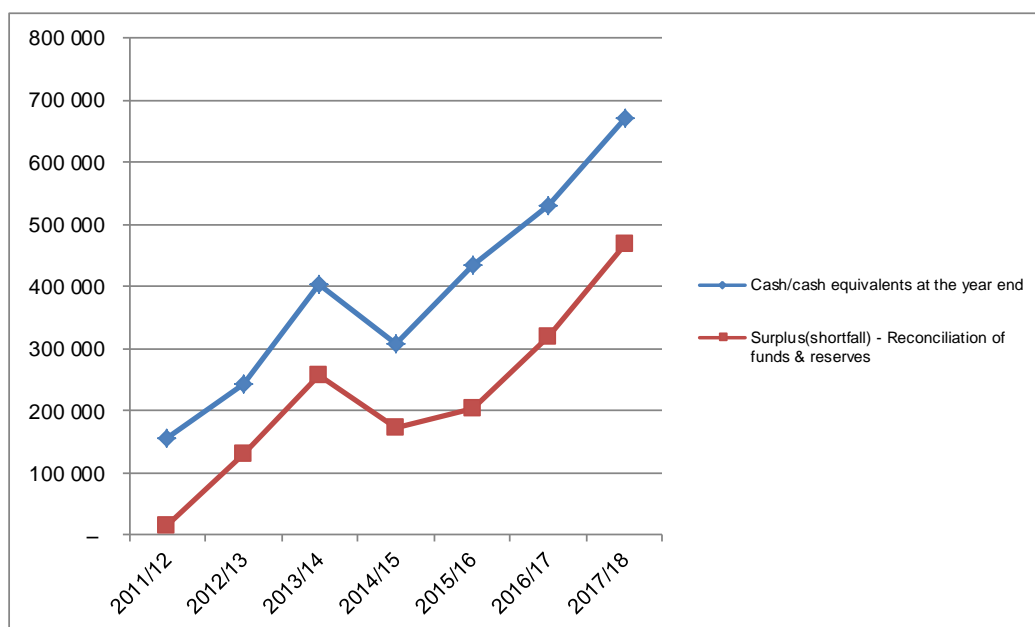
From the above table it can be seen that the cash and investments available total R 436 million in the 2015/16 financial year and progressively increase to R 529 million by 2016/17, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business. Based on the current expenditure patterns and the awarded tenders in which constructed has not commenced the municipality will have to approach National Treasury for a roll-over of funds in terms of the DORA requirements.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations. The asset in this regard totalled R2.7 million for the 2015/16 financial year.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any

- underperformance in relation to collections could place upward pressure on the ability of the City to meet its creditor obligations.
- Against other provisions an amount R21 million has been provided for the 2015/16 financial year and this increases to R22.5 million by 2016/17.

It can be concluded that the City has a surplus against the cash backed and accumulated surpluses reconciliation. The level of non-cash-backing progressively improved over the period 2011/12 to 2015/16 escalating from R15 million to R203 million in 2015/16. The 2015/16 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. **Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible.** The challenge for the City will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Cash/cash equivalents at the year end	157 214	242 775	404 509	308 748	435 723	529 485	670 509
Surplus(shortfall) - Reconciliation of funds & reserves	15 552	131 031	258 483	173 921	203 374	318 890	469 531

Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.5 Funding compliance measurement

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

Table 48 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	157 214	242 775	404 509	447 777	394 248	308 748	435 723	529 485	670 509
Cash + investments at the yr end less applications - R'000	18(1)b	15 552	131 031	258 483	177 496	148 271	173 921	203 374	318 890	469 531
Cash year end/monthly employee/supplier payments	18(1)b	1.3	1.9	2.7	2.8	2.5	2.0	2.6	3.0	3.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(147 281)	(51 420)	197 906	126 767	186 006	186 006	164 816	123 199	132 908
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	7.7%	12.1%	1.1%	(9.9%)	(6.0%)	5.0%	1.5%	2.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	97.5%	99.7%	97.5%	97.0%	97.2%	97.2%	97.3%	97.1%	97.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.2%	0.2%	3.5%	0.1%	0.2%	0.2%	0.1%	0.1%	0.1%
Capital payments % of capital expenditure	18(1)c;19	86.5%	100.0%	82.4%	60.0%	80.0%	80.0%	70.0%	102.4%	99.7%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	205.8%	0.0%	56.2%	32.6%	31.2%	0.0%	68.5%	57.8%	57.8%
Grants % of Govt. legislated/gazetted allocations	18(1)a							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	30.6%	26.8%	(21.4%)	0.0%	0.0%	8.1%	8.2%	8.3%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(20.0%)	(55.4%)	4.4%	0.0%	0.0%	(14.1%)	5.5%	5.3%
R&M % of Property Plant & Equipment	20(1)(vi)	5.0%	6.2%	7.8%	8.0%	8.1%	8.1%	8.8%	9.1%	10.4%
Asset renewal % of capital budget	20(1)(vi)	28.9%	54.1%	37.3%	42.5%	44.5%	44.5%	59.3%	44.5%	45.6%

2.6.5.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2015/16 MTREF shows R436 million, R529 million and R670 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 30, on page 30. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the City to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has improved significantly for the period 2015/16 MTREF the municipality's improving cash position causes the ratio to at 2.6 and then improves to 3.6 for the outer years. As indicated above the City the Investment, Working Capital and Capital Replacement Reserves Policy requires a ratio of two months coverage. The target has been achieved.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year.

For the 2015/16 MTREF the indicative outcome is a surplus of R165 million, R123 million and R133 million. This however is **not a true reflection** of the Operating performance as this figure includes capital revenues (Transfers recognised – capital).

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 5.1.5 and 2.2 per cent for the respective financial year of the 2015/16 MTREF. This is not a reflection of economic growth in the area but rather a reflection of cost drives which have increased more than inflation targets such as bulk water and electricity and employee related costs.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 95 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 98 per cent performance target, it either implies that the Municipality must either increase its' credit control endeavours in the Rural Areas or alternatively lower its collection rate target of 97.3 per cent to be more realistic. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 0,1 per cent over the MTREF which is a reflection of the high standard of credit and debt control for the City. Given the comments mentioned above regarding the debtors situation within the rural environment these provisions may need to be reviewed in the next budget cycle.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. This indicator clearly illustrates the lack of capital spending in the 2013/14 Adjusted budget but does assume that with improved procurement and project management plans, spending will accelerate in the 2015/16 financial year.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 68.5, 57.8 and 57.8 per cent of own funded capital. This is both consistent and a good funding mix.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

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

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Only one indicator is reflected above which illustrates a stable trend in that debtors are only increase by the equivalent increase in revenue not by deterioration in collection rate. The changes in Long term receivables is immaterial and thus no comments are necessary.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the City's strategy pertaining to asset management and repairs and maintenance is contained in Table 64 MBRR SA34c on page 131.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 63 MBRR SA34b on page 130.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 49 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Capital expenditure of Transfers and Grants									
National Government:	39 679	40 345	110 859	119 456	189 588	219 589	159 878	117 531	127 384
Municipal Infrastructure Grant (MIG)	40 948	37 158	87 355	88 106	86 290	116 290	88 496	92 110	97 527
Municipal Infrastructure Grant (Roll-Over)	-	-	-	-	45 652	45 652	-	-	-
Electrification Projects	(2 775)	1 141	7 094	8 000	8 000	8 000	9 000	9 500	6 000
Electricity Demand Site	-	1 004	3 319	-	-	-	-	-	-
Extended Public Works Programme	-	-	-	-	-	-	-	-	-
Water Conservation and Demand Management	-	-	-	-	-	-	-	-	-
Infrastructure Water Projects	-	-	5 313	18 850	18 850	18 850	50 882	7 921	8 357
Infrastructure Water Projects (Roll- Over)	-	-	-	-	12 234	12 234	-	-	-
Rural Households Infrastructure	-	-	-	4 500	4 500	4 500	4 500	5 000	5 500
Sport and recreation	-	-	-	-	-	-	-	-	-
Finance Management	228	232	1 022	-	64	64	-	-	-
Department of Water Affairs	1 373	351	6 695	-	14 000	14 000	7 000	3 000	10 000
Municipal Systems Improvement	(94)	185	61	-	-	-	-	-	-
Infrastructure Skills Development Grant	-	273	-	-	-	-	-	-	-
Provincial Government:	9 452	11 087	15 227	-	34 702	34 702	-	-	-
Housing	623	6 046	7 239	-	-	-	-	-	-
Housing (Roll-Over)	-	-	-	-	24 824	24 824	-	-	-
Sport and Recreation	-	112	2 099	-	-	-	-	-	-
Libraries	136	-	6	-	-	-	-	-	-
Massification Grant	-	1 887	113	-	-	-	-	-	-
Upgrade of Airport	8 309	2 258	-	-	-	-	-	-	-
Urban Development Framework Plan (Roll-over) CBD South Extension Guldengracht	-	-	-	-	2 702	2 702	-	-	-
Urban Development Framework Plan	-	-	-	-	3 000	3 000	-	-	-
Tourism Development	-	-	-	-	1 175	1 175	-	-	-
Urban Development Framework Plan (Roll-over) Tourism Development	-	-	-	-	3 000	3 000	-	-	-
Corridor Development - New and Upgrading informal Trading Stalls	238	97	5 380	-	3 000	3 000	-	-	-
Cleanest Town	-	20	-	-	-	-	-	-	-
Urban Development Framework Plan	50	666	223	-	-	-	-	-	-
Recycling Project	96	-	-	-	-	-	-	-	-
Traffic Calming	-	-	167	-	-	-	-	-	-
District Municipality:	-	97	110	-	-	-	-	-	-
<i>Bus Shelters and Laybys</i>	-	97	110	-	-	-	-	-	-
Other grant providers:	7	131	60 669	-	1 115	1 115	-	-	-
<i>Dischem - Camera</i>	7	-	-	-	-	-	-	-	-
<i>John Ross Interchange</i>	-	-	60 536	-	-	-	-	-	-
<i>Lotto Funding Sigisi Field</i>	-	-	-	-	1 115	1 115	-	-	-
<i>Briardale Trading - Practical Interventions</i>	-	131	-	-	-	-	-	-	-
<i>Vuna Awards - Esikhaleni Mall Road Safety</i>	-	-	13	-	-	-	-	-	-
<i>National Lotto - Sports Development</i>	-	-	120	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	49 138	51 659	186 865	119 456	225 405	255 406	159 878	117 531	127 384
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	232 188	253 774	418 951	379 965	471 631	501 632	417 831	385 456	412 527

SA19 - Expenditure on transfers and grant programmes – (continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
EXPENDITURE:									
Capital expenditure of Transfers and Grants									
National Government:	39 679	40 345	110 859	119 456	189 588	219 589	159 878	117 531	127 384
Municipal Infrastructure Grant (MIG)	40 948	37 158	87 355	88 106	86 290	116 290	88 496	92 110	97 527
Municipal Infrastructure Grant (Roll-Over)	-	-	-	-	45 652	45 652	-	-	-
Electrification Projects	(2 775)	1 141	7 094	8 000	8 000	8 000	9 000	9 500	6 000
Electricity Demand Site	-	1 004	3 319	-	-	-	-	-	-
Infrastructure Water Projects	-	-	5 313	18 850	18 850	18 850	50 882	7 921	8 357
Infrastructure Water Projects (Roll- Over)	-	-	-	-	12 234	12 234	-	-	-
Rural Households Infrastructure	-	-	-	4 500	4 500	4 500	4 500	5 000	5 500
Sport and recreation	-	-	-	-	-	-	-	-	-
Finance Managent	228	232	1 022	-	64	64	-	-	-
Department of Water Affairs	1 373	351	6 695	-	14 000	14 000	7 000	3 000	10 000
Municipal Systems Improvement	(94)	185	61	-	-	-	-	-	-
Infrastructure Skills Development Grant	-	273	-	-	-	-	-	-	-
Provincial Government:	9 452	11 087	15 227	-	34 702	34 702	-	-	-
Housing	623	6 046	7 239	-	-	-	-	-	-
Housing (Roll-Over)	-	-	-	-	24 824	24 824	-	-	-
Sport and Recreation	-	112	2 099	-	-	-	-	-	-
Libraries	136	-	6	-	-	-	-	-	-
Massification Grant	-	1 887	113	-	-	-	-	-	-
Upgrade of Airport	8 309	2 258	-	-	-	-	-	-	-
Urban Development Framework Plan (Roll-over) CBD South Extension Guldengracht	-	-	-	-	2 702	2 702	-	-	-
Urban Development Framework Plan	-	-	-	-	-	-	-	-	-
Tourism Development	-	-	-	-	3 000	3 000	-	-	-
Urban Development Framework Plan (Roll-over) Tourism Development	-	-	-	-	1 175	1 175	-	-	-
Corridor Development - New and Upgrading informal Trading Stalls	238	97	5 380	-	3 000	3 000	-	-	-
Cleanest Town	-	20	-	-	-	-	-	-	-
Urban Development Framework Plan	50	666	223	-	-	-	-	-	-
Recycling Project	96	-	-	-	-	-	-	-	-
Traffic Calming	-	-	167	-	-	-	-	-	-
District Municipality:	-	97	110	-	-	-	-	-	-
<i>Bus Shelters and Laybys</i>	-	97	110	-	-	-	-	-	-
Other grant providers:	7	131	60 669	-	1 115	1 115	-	-	-
Dischem - Camera	7	-	-	-	-	-	-	-	-
John Ross Interchange	-	-	60 536	-	-	-	-	-	-
Lotto Funding Sigisi Field	-	-	-	-	1 115	1 115	-	-	-
Briardale Trading - Practical Interventions	-	131	-	-	-	-	-	-	-
Vuna Awards - Esikhaleni Mall Road Safety	-	-	13	-	-	-	-	-	-
National Lotto - Sports Development	-	-	120	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	49 138	51 659	186 865	119 456	225 405	255 406	159 878	117 531	127 384
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	232 188	253 774	418 951	379 965	471 631	501 632	417 831	385 456	412 527

Table 50 MBRR SA20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	1 578	3 800	515	5 606	5 606	5 606	5 606	5 606	5 606
Current year receipts	171 244	183 679	209 798	233 951	226 367	226 368	249 431	259 006	275 826
Conditions met - transferred to revenue	169 022	186 964	204 707	233 951	226 367	226 368	249 431	259 006	275 826
Conditions still to be met - transferred to liabilities	3 800	515	5 606	5 606	5 606	5 606	5 606	5 606	5 606
Provincial Government:									
Balance unspent at beginning of the year	1 665	823	5 757	8 534	8 534	8 534	8 534	8 534	8 534
Current year receipts	8 176	15 197	24 576	21 701	19 859	19 859	8 522	8 919	9 317
Conditions met - transferred to revenue	9 018	10 262	21 799	21 701	19 859	19 859	8 522	8 919	9 317
Conditions still to be met - transferred to liabilities	823	5 757	8 534	8 534	8 534	8 534	8 534	8 534	8 534
District Municipality:									
Balance unspent at beginning of the year	229	205	34	32	32	32	32	32	32
Current year receipts	4 348	4 603	4 911	4 856	-	-	-	-	-
Conditions met - transferred to revenue	4 372	4 774	4 913	4 856	-	-	-	-	-
Conditions still to be met - transferred to liabilities	205	34	32	32	32	32	32	32	32
Other grant providers:									
Balance unspent at beginning of the year	2 208	3 001	2 528	2 519	2 519	2 519	2 519	2 519	2 519
Current year receipts	1 430	105	657	-	-	-	-	-	-
Conditions met - transferred to revenue	637	113	667	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	3 001	2 528	2 519	2 519	2 519	2 519	2 519	2 519	2 519
Total operating transfers and grants revenue	183 049	202 114	232 086	260 509	246 226	246 226	257 953	267 925	285 143
Total operating transfers and grants - CTBM	7 829	8 834	16 691	16 691	16 691	16 691	16 691	16 691	16 691
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	4 064	25 183	72 960	68 771	68 771	68 771	68 771	68 771	68 771
Current year receipts	66 531	93 492	106 670	119 456	189 588	219 588	159 878	117 531	127 384
Conditions met - transferred to revenue	45 412	45 715	110 859	119 456	189 588	219 588	159 878	117 531	127 384
Conditions still to be met - transferred to liabilities	25 183	72 960	68 771	68 771	68 771	68 771	68 771	68 771	68 771
Provincial Government:									
Balance unspent at beginning of the year	16 813	17 531	34 455	20 606	20 606	20 606	20 606	20 606	20 606
Current year receipts	10 170	28 011	1 378	-	34 702	34 702	-	-	-
Conditions met - transferred to revenue	9 452	11 087	15 227	-	34 702	34 702	-	-	-
Conditions still to be met - transferred to liabilities	17 531	34 455	20 606	20 606	20 606	20 606	20 606	20 606	20 606
District Municipality:									
Balance unspent at beginning of the year	(19)	(19)	91	(19)	(19)	(19)	(19)	(19)	(19)
Current year receipts	-	207	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	97	110	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	(19)	91	(19)	(19)	(19)	(19)	(19)	(19)	(19)
Other grant providers:									
Balance unspent at beginning of the year	17	17	(114)	(247)	(247)	(247)	(247)	(247)	(247)
Current year receipts	7	-	60 536	-	1 115	1 115	-	-	-
Conditions met - transferred to revenue	7	131	60 669	-	1 115	1 115	-	-	-
Conditions still to be met - transferred to liabilities	17	(114)	(247)	(247)	(247)	(247)	(247)	(247)	(247)
Total capital transfers and grants revenue	54 871	57 030	186 864	119 456	225 405	255 405	159 878	117 531	127 384
Total capital transfers and grants - CTBM	42 712	107 392	89 111	89 111	89 111	89 111	89 111	89 111	89 111
TOTAL TRANSFERS AND GRANTS REVENUE	237 920	259 144	418 951	379 965	471 631	501 632	417 831	385 456	412 527
TOTAL TRANSFERS AND GRANTS - CTBM	50 541	116 226	105 802	105 802	105 802	105 802	105 802	105 802	105 802

Table 51 MBRR SA21 - Transfers and grants made by the municipality

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Cash Transfers to Organisations									
<i>Empangeni SPCA</i>	147	53	167	200	167	167	179	189	199
<i>Richards Bay SPCA</i>	147	53	167	200	167	167	179	189	199
<i>Zululand Expo</i>	23	-	-	-	-	-	-	-	-
<i>Richards Bay Tourism-UTA</i>	242	0	-	-	-	-	-	-	-
<i>Thuthukani Special School</i>	7	-	-	-	-	-	-	-	-
<i>Zululand Remedial School</i>	7	-	-	-	-	-	-	-	-
<i>School and Uthungulu Forum</i>	25	32	60	263	329	329	354	374	394
<i>Richards Bay Country Club</i>	-	350	310	388	388	388	415	438	461
<i>CANSA Fundraising Event</i>	3	-	-	-	-	-	-	-	-
<i>Other</i>	79	138	128	1 200	38	38	-	-	-
<i>Museums</i>	-	-	-	250	232	232	5 000	5 275	5 555
<i>Dolos Festival</i>	-	70	50	-	-	-	-	-	-
<i>Umlhlatuze Rangers</i>	-	70	(70)	-	-	-	-	-	-
<i>Mhlabufest</i>	-	70	-	-	-	-	-	-	-
<i>KZN Wildlife Gala Dinner</i>	-	33	-	-	-	-	-	-	-
<i>Zululand Spelling Bee</i>	-	30	-	-	20	20	21	22	23
<i>Youth gathering</i>	-	223	133	-	220	220	237	250	263
<i>Women Summit</i>	-	-	31	-	100	100	150	158	167
<i>Policy Formulation-People living with disability</i>	-	5	-	-	100	100	100	106	111
<i>Senior Citizens</i>	-	-	20	-	60	60	60	63	67
<i>World Aids Day</i>	-	61	47	-	100	100	108	113	119
<i>Children</i>	-	-	74	-	60	60	65	68	72
<i>Mens Summit</i>	-	-	10	-	90	90	97	102	108
<i>16 Days Activism</i>	-	1	0	-	130	130	160	169	178
<i>Freedom day</i>	-	-	-	-	-	-	100	106	111
<i>Community Outreach</i>	-	144	151	-	50	50	250	264	278
<i>Early Education centres</i>	-	-	300	-	-	-	-	-	-
<i>MTA invitation</i>	-	-	62	-	-	-	-	-	-
<i>Isigungu Samanxamalala Matomela Trust</i>	-	-	100	-	-	-	-	-	-
<i>Religious Sector</i>	-	-	-	-	30	30	33	35	37
<i>Operation Sukuma Sakhe Programmes</i>	-	-	-	-	180	180	198	209	220
<i>Disability Sector</i>	-	-	-	-	100	100	110	116	122
<i>Dewali Festival</i>	-	-	-	-	30	30	30	32	33
<i>Public Member Injury-Refuse</i>	-	-	-	-	10	10	-	-	-
<i>Last Dance</i>	-	-	-	-	650	650	-	-	-
<i>Community Outreach-Mayor</i>	-	-	-	-	90	90	-	-	-
<i>Thanda Royal Zulu</i>	-	-	-	-	500	500	-	-	-
<i>Univeersity Registrations</i>	-	-	-	-	-	-	500	528	556
Total Cash Transfers To Organisations	681	1 331	1 740	2 501	3 841	3 841	8 345	8 804	9 271
Groups of Individuals									
<i>Rates Rebates and Exemptions</i>	395	705	1 228	4 400	1 700	1 700	2 000	2 110	2 222
<i>Indigent Service-Rates</i>	(3)	(3)	476	500	500	500	700	739	778
<i>Indigent Service-Electricity</i>	222	212	849	1 381	1 381	1 381	1 500	1 583	1 666
<i>Indigent Services-Water</i>	(2)	(4)	539	619	619	619	800	844	889
<i>Indigent Services-Sewerage</i>	2 371	2 766	2 503	2 200	-	-	-	-	-
<i>Indigent Services-Refuse Removal</i>	1 596	1 814	1 697	1 650	-	-	-	-	-
<i>Suid-Afrikaanse Vrouefederasie (SAVF): Aged Care</i>	-	-	-	-	-	-	-	-	-
<i>Disaster Management</i>	101	54	53	118	118	118	128	135	142
<i>Indigent Burials</i>	183	301	388	380	380	380	410	433	456
<i>Burials-Councillor Requests</i>	-	-	1	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:	4 862	5 846	7 734	11 248	4 698	4 698	5 538	5 843	6 152
TOTAL TRANSFERS AND GRANTS	5 543	7 178	9 473	13 749	8 539	8 539	13 884	14 647	15 423

2.8 Councillor and employee benefits

Table 52 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	9 771	10 895	13 450	14 451	14 451	14 451	15 409	16 565	17 891
Pension and UIF Contributions	1 467	1 636	2 019	2 203	2 203	2 203	2 311	2 485	2 684
Medical Aid Contributions	424	650	830	920	920	920	1 112	1 196	1 291
Motor Vehicle Allowance	3 412	2 922	3 642	3 859	3 859	3 859	3 987	4 286	4 629
Cellphone Allowance	789	831	1 251	1 315	1 315	1 315	1 420	1 527	1 649
Housing Allowances	-	-	-	201	201	201	244	263	284
Other benefits and allowances	-	215	216	227	227	227	245	263	285
Sub Total - Councillors	15 863	17 148	21 408	23 176	23 176	23 176	24 729	26 584	28 711
% increase		8.1%	24.8%	8.3%	0.0%	-	6.7%	7.5%	8.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 443	4 740	4 893	5 475	4 805	4 805	8 842	9 417	9 982
Pension and UIF Contributions	340	467	457	657	697	697	720	766	812
Medical Aid Contributions	101	120	112	128	36	36	105	112	119
Performance Bonus	310	485	472	1 124	1 133	1 133	1 558	1 659	1 759
Motor Vehicle Allowance	1 329	1 476	1 466	1 383	918	918	1 145	1 220	1 293
Cellphone Allowance	100	120	113	129	114	114	187	199	211
Other benefits and allowances	194	288	278	398	1 689	1 689	331	353	374
Payments in lieu of leave	-	259	333	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 817	7 955	8 127	9 295	9 392	9 392	12 889	13 726	14 550
% increase		16.7%	2.2%	14.4%	1.0%	-	37.2%	6.5%	6.0%
Other Municipal Staff									
Basic Salaries and Wages	234 134	257 078	285 768	334 750	332 843	332 843	353 948	391 910	430 427
Pension and UIF Contributions	39 009	47 677	51 167	70 857	59 041	59 041	72 208	76 917	81 538
Medical Aid Contributions	19 734	22 103	24 794	36 163	27 196	27 196	31 524	33 576	35 594
Overtime	27 268	26 267	31 206	30 592	33 558	33 558	35 907	38 601	41 689
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	23 074	26 511	30 418	36 794	35 021	35 021	36 210	38 442	40 752
Cellphone Allowance	925	1 087	1 297	2 000	2 012	2 012	3 388	3 611	3 829
Housing Allowances	3 755	3 672	3 270	4 450	4 057	4 057	3 939	4 201	4 456
Other benefits and allowances	29 276	32 322	35 204	40 850	37 522	37 522	41 644	44 499	47 177
Payments in lieu of leave	9 196	12 280	6 388	17 391	17 391	17 391	20 390	21 718	23 024
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2 520	3 009	3 351	-	3 421	3 421	3 771	3 113	3 300
Sub Total - Other Municipal Staff	388 890	432 005	472 864	573 846	552 063	552 063	602 931	656 586	711 785
% increase		11.1%	9.5%	21.4%	(3.8%)	-	9.2%	8.9%	8.4%
Total Parent Municipality	411 570	457 108	502 398	606 317	584 632	584 632	640 548	696 897	755 046
		11.1%	9.9%	20.7%	(3.6%)	-	9.6%	8.8%	8.3%
TOTAL SALARY, ALLOWANCES & BENEFITS	411 570	457 108	502 398	606 317	584 632	584 632	640 548	696 897	755 046
% increase		11.1%	9.9%	20.7%	(3.6%)	-	9.6%	8.8%	8.3%
TOTAL MANAGERS AND STAFF	395 707	439 960	480 990	583 141	561 455	561 455	615 819	670 313	726 335

Table 53 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	605 389	142 628	27 760			775 777
Chief Whip	1	609 795	91 468	27 760			729 024
Executive Mayor	1	769 397	165 623	272 060			1 207 080
Deputy Executive Mayor	1	463 306	97 707	214 764			775 777
Executive Committee	10	3 842 078	856 393	1 815 997			6 514 468
Total for all other councillors	46	9 119 005	2 069 741	3 537 749			14 726 495
Total Councillors	60	15 408 970	3 423 560	5 896 090			24 728 620
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 580 707	257 871	415 820	311 608		2 566 006
Chief Finance Officer	1	1 200 059	1 889	310 721	207 767		1 720 436
Deputy Municipal Manager - Infrastructure and Technical Services	1	1 168 793	240 284	103 592	207 767		1 720 436
Deputy Municipal Manager - Corporate Services	1	1 251 780	54 156	206 733	207 767		1 720 436
Deputy Municipal Manager - City Development	1	1 251 780	54 156	206 733	207 767		1 720 436
Deputy Municipal Manager - Community Services	1	1 137 380	162 096	213 193	207 767		1 720 436
Deputy Municipal Manager - Specialised Services	1	1 251 780	54 156	206 733	207 767		1 720 436
Total Senior Managers of the Municipality	7	8 842 279	824 608	1 663 526	1 558 208		11 168 184
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	67	24 251 249	4 248 168	7 559 616	1 558 208		35 896 805

Table 54 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	2013/14			Current Year 2014/15			Budget Year 2015/16		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	60	60	-	60	60	-	60	60	-
Municipal employees	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	6	6	-	6	6	-	7	7	-
Other Managers	13	5	-	15	9	-	14	13	-
Professionals	262	244	-	311	227	-	322	239	-
<i>Finance</i>	32	30	-	52	29	-	45	27	-
<i>Spatial/town planning</i>	30	26	-	34	22	-	30	27	-
<i>Information Technology</i>	7	7	-	7	7	-	11	9	-
<i>Roads</i>	25	22	-	25	19	-	16	14	-
<i>Electricity</i>	18	18	-	27	21	-	24	20	-
<i>Water</i>	11	11	-	17	14	-	13	11	-
<i>Sanitation</i>	11	11	-	11	11	-	11	6	-
<i>Refuse</i>	8	8	-	11	10	-	10	9	-
<i>Other</i>	120	111	-	127	94	-	162	116	-
Technicians	364	344	-	501	335	-	424	357	-
<i>Finance</i>	28	27	-	32	12	-	28	21	-
<i>Spatial/town planning</i>	23	19	-	25	9	-	24	21	-
<i>Information Technology</i>	5	5	-	6	5	-	6	4	-
<i>Roads</i>	25	23	-	30	28	-	24	22	-
<i>Electricity</i>	51	44	-	58	38	-	57	42	-
<i>Water</i>	26	26	-	26	23	-	26	16	-
<i>Sanitation</i>	23	23	-	24	22	-	21	21	-
<i>Refuse</i>	5	5	-	5	2	-	6	6	-
<i>Other</i>	178	172	-	295	196	-	232	204	-
Clerks (Clerical and administrative)	293	273	-	509	427	-	277	231	-
Skilled agricultural and fishery workers	2	2	-	2	2	-	2	2	-
Craft and related trades	2	2	-	3	2	-	3	3	-
Plant and Machine Operators	69	69	-	81	63	-	84	74	-
Elementary Occupations	830	782	-	925	706	-	1 267	1 045	-
TOTAL PERSONNEL NUMBERS	1 901	1 787	-	2 413	1 837	-	2 460	2 031	-
% increase				26.9%	2.8%	-	1.9%	10.6%	-
Total municipal employees headcount	1 901	1 787	-	2 413	1 837	-	2 450	2 031	-
Finance personnel headcount	241	162	-	240	175	-	240	175	-
Human Resources personnel headcount	35	31	-	35	21	-	37	21	-

2.9 Monthly targets for revenue, expenditure and cash flow

Table 55 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand															
Revenue By Source															
Property rates	27 225	31 294	31 294	30 169	32 512	29 528	29 729	29 732	31 185	29 914	29 914	27 504	360 000	393 800	429 904
Property rates - penalties & collection charges													-	-	-
Service charges - electricity revenue	117 899	150 351	99 632	99 632	99 632	99 632	135 558	118 937	99 632	99 632	126 690	139 375	1 386 603	1 481 236	1 600 012
Service charges - water revenue	21 404	28 767	24 001	24 692	20 961	20 529	24 936	29 077	20 045	23 838	22 734	20 582	281 565	303 931	328 079
Service charges - sanitation revenue	6 844	7 243	7 196	7 069	6 459	7 144	6 900	7 005	7 083	7 285	7 285	6 486	84 000	90 720	97 978
Service charges - refuse revenue	5 704	5 698	5 703	5 701	5 520	5 520	5 519	5 517	5 528	5 528	5 528	6 333	67 800	73 224	79 082
Service charges - other	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	13 304	14 033	14 805
Rental of facilities and equipment	906	906	906	906	906	906	906	906	906	906	906	906	10 874	11 532	12 225
Interest earned - external investments	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	21 982	22 641	23 320
Interest earned - outstanding debtors	130	130	130	130	130	130	130	130	130	130	130	130	1 558	1 641	1 728
Fines	936	936	936	936	936	936	936	936	936	936	936	936	11 231	11 849	12 501
Licences and permits	147	147	147	147	147	147	147	147	147	147	147	147	1 765	1 861	1 964
Agency services	583	583	583	583	583	583	583	583	583	583	583	583	7 000	7 385	7 791
Transfers recognised - operational	82 278	1 688	13 014	-	2 426	76 642	166	5 098	76 642	-	-	(0)	257 953	267 925	285 143
Other revenue	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 555	18 666	19 719	20 837
Total Revenue (excluding capital transfers and	268 551	232 240	188 038	174 462	174 709	246 194	210 006	202 564	247 314	173 396	199 349	207 478	2 524 301	2 701 497	2 915 368
Expenditure By Type															
Employee related costs	51 318	51 318	51 318	51 318	51 318	51 489	51 290	51 290	51 290	51 290	51 290	51 290	615 819	670 313	726 335
Remuneration of councillors	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	24 729	26 584	28 711
Debt impairment	254	254	254	254	254	254	254	254	254	254	254	254	3 050	3 050	3 050
Depreciation & asset impairment	17 085	17 085	17 085	17 085	17 085	17 085	17 085	17 085	17 085	17 085	17 085	17 085	205 014	281 661	337 173
Finance charges	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	79 806	78 062	74 619
Bulk purchases	79 201	137 372	116 000	57 180	95 954	91 756	97 511	93 201	101 893	85 195	84 710	94 085	1 134 058	1 191 432	1 254 842
Other materials	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	45 366	38 792	48 740
Contracted services	16 680	16 680	16 680	16 680	16 680	16 680	16 680	16 680	16 680	16 680	16 680	21 362	204 840	188 763	215 591
Transfers and grants	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	13 884	14 647	15 423
Other expenditure	16 507	16 397	16 367	16 397	16 387	16 347	16 723	16 647	16 527	16 417	16 397	11 684	192 797	202 527	205 360
Total Expenditure	194 694	252 754	231 353	172 563	211 326	207 259	213 191	208 805	217 377	200 569	200 064	209 409	2 519 364	2 695 829	2 909 844
Surplus/(Deficit)	73 857	(20 515)	(43 315)	1 899	(36 617)	38 934	(3 186)	(6 240)	29 937	(27 173)	(714)	(1 931)	4 937	5 668	5 524
Transfers recognised - capital	30 999	19 294	3 000	-	30 999	22 294	-	-	53 293	-	-	0	159 878	117 531	127 384
Surplus/(Deficit)	104 856	(1 221)	(40 315)	1 899	(5 619)	61 228	(3 186)	(6 240)	83 230	(27 173)	(714)	(1 931)	164 816	123 199	132 908

Table 56 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand															
Revenue by Vote															
Vote 1 - CITY DEVELOPMENT	245	245	1 292	245	245	245	245	245	245	245	245	245	3 981	4 129	4 283
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	22 987	7 653	7 657	7 656	7 475	22 804	7 474	7 472	22 812	7 483	7 483	8 288	137 244	147 090	157 586
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	5 400	400	7 709	400	5 400	400	566	400	5 400	400	400	400	27 276	27 937	28 611
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	370	1 300	370	370	2 227	370	370	370	370	370	370	370	7 228	5 642	5 973
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	0	0	0	0	0	0	0	0	0	0	0	0	6	6	6
Vote 6 - FINANCIAL SERVICES	31 572	34 041	34 041	32 916	35 259	32 275	32 475	32 479	33 932	32 661	32 661	30 251	394 563	429 672	467 195
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	119 656	150 575	102 856	99 856	99 856	104 389	135 782	119 161	104 389	99 856	126 914	139 599	1 402 890	1 498 482	1 614 243
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	109 917	56 195	32 088	32 652	49 309	107 638	32 727	36 973	128 093	32 014	30 909	27 959	676 473	675 507	733 665
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORM	5 089	89	89	89	5 089	89	89	89	5 089	89	89	89	16 071	16 135	16 199
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICE	4 062	784	4 684	26	595	26	26	5 124	26	26	26	26	15 429	11 174	11 478
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	251	251	251	251	251	251	251	251	251	251	251	251	3 018	3 255	3 512
Total Revenue by Vote	299 550	251 534	191 038	174 462	205 708	268 488	210 006	202 564	300 607	173 396	199 349	207 478	2 684 179	2 819 029	3 042 752
Expenditure by Vote to be appropriated															
Vote 1 - CITY DEVELOPMENT	5 085	5 085	5 085	5 085	5 085	5 095	5 083	5 083	5 083	5 083	5 083	5 083	61 019	65 790	70 046
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	20 057	20 057	20 057	20 057	20 057	20 093	20 051	20 051	20 051	20 051	20 051	20 051	240 684	260 954	283 100
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	14 899	14 899	14 899	14 899	14 899	14 924	14 895	14 895	14 895	14 895	14 895	14 895	178 786	193 538	213 067
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	1 189	1 189	1 189	1 189	1 189	1 200	1 188	1 188	1 188	1 188	1 188	1 188	14 273	12 898	12 104
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	378	268	238	268	258	222	593	517	397	287	267	237	3 933	4 203	4 507
Vote 6 - FINANCIAL SERVICES	428	428	428	428	428	445	425	425	425	425	425	425	5 138	5 262	5 624
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	87 487	147 614	124 508	65 406	103 623	99 901	107 023	101 816	110 677	94 462	94 462	103 976	1 240 955	1 314 741	1 387 305
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	45 398	43 442	45 177	45 458	46 015	45 570	44 168	45 063	44 895	44 412	43 927	43 789	537 313	583 289	642 703
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORM	15 421	15 421	15 421	15 421	15 421	15 435	15 419	15 419	15 419	15 419	15 419	15 419	185 052	204 446	236 016
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICE	3 156	3 156	3 156	3 156	3 156	3 165	3 154	3 154	3 154	3 154	3 154	3 154	37 867	38 521	42 335
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	1 195	1 195	1 195	1 195	1 195	1 209	1 193	1 193	1 193	1 193	1 193	1 193	14 345	12 189	13 037
Total Expenditure by Vote	194 694	252 754	231 353	172 563	211 326	207 259	213 191	208 804	217 377	200 569	200 064	209 410	2 519 364	2 695 830	2 909 844
Surplus/(Deficit)	104 856	(1 221)	(40 315)	1 899	(5 619)	61 228	(3 186)	(6 239)	83 230	(27 173)	(714)	(1 932)	164 816	123 199	132 908

Table 57 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand															
Revenue - Standard															
<i>Governance and administration</i>	32 097	35 496	34 566	33 441	37 641	32 800	33 000	33 004	34 457	33 186	33 186	30 776	403 650	437 348	475 399
Executive and council	14	944	14	14	1 871	14	14	14	14	14	14	14	2 955	1 134	1 220
Budget and treasury office	31 542	34 011	34 011	32 886	35 229	32 245	32 446	32 449	33 902	32 632	32 632	30 221	394 207	429 295	466 798
Corporate services	541	541	541	541	541	541	541	541	541	541	541	541	6 489	6 919	7 382
<i>Community and public safety</i>	6 665	1 665	10 021	1 665	6 665	1 665	1 831	1 665	6 665	1 665	1 665	1 665	43 507	44 997	46 539
Community and social services	257	257	7 566	257	257	257	423	257	257	257	257	257	10 562	11 133	11 706
Sport and recreation	5 299	299	299	299	5 299	299	299	299	5 299	299	299	299	18 593	18 790	19 000
Public safety	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	12 193	12 865	13 572
Housing	92	92	1 139	92	92	92	92	92	92	92	92	92	2 147	2 197	2 247
Health	1	1	1	1	1	1	1	1	1	1	1	1	12	13	14
<i>Economic and environmental services</i>	6 061	1 061	1 061	1 061	6 061	1 061	1 061	1 061	6 061	1 061	1 061	1 061	27 733	28 430	29 166
Planning and development	153	153	153	153	153	153	153	153	153	153	153	153	1 834	1 932	2 036
Road transport	5 908	908	908	908	5 908	908	908	908	5 908	908	908	908	25 899	26 498	27 131
<i>Trading services</i>	254 677	213 261	145 340	138 245	155 291	232 911	174 063	166 784	253 374	137 434	163 387	173 927	2 208 694	2 307 627	2 490 991
Electricity	119 656	150 575	102 856	99 856	99 856	104 389	135 782	119 161	104 389	99 856	126 914	139 599	1 402 890	1 498 482	1 614 243
Water	62 232	49 177	27 066	25 428	33 231	67 383	25 672	32 363	78 149	24 574	23 470	21 318	470 063	451 603	492 785
Waste water management	51 722	7 777	9 680	7 224	16 648	40 255	7 055	9 709	49 944	7 440	7 440	6 641	221 534	234 758	252 019
Waste management	21 067	5 733	5 738	5 736	5 556	20 884	5 554	5 552	20 892	5 563	5 563	6 369	114 206	122 784	131 943
<i>Other</i>	50	50	50	50	50	50	50	50	50	50	50	50	596	626	656
Total Revenue - Standard	299 550	251 534	191 038	174 462	205 708	268 488	210 006	202 564	300 607	173 396	199 349	207 478	2 684 179	2 819 028	3 042 752
Expenditure - Standard															
<i>Governance and administration</i>	4 360	4 250	4 220	4 250	4 240	4 252	4 568	4 492	4 372	4 262	4 242	4 212	51 721	54 316	59 454
Executive and council	281	281	281	281	281	295	279	279	279	279	279	279	3 371	1 336	1 424
Budget and treasury office	367	367	367	367	367	380	365	365	365	365	365	365	4 406	4 494	4 804
Corporate services	3 712	3 602	3 572	3 602	3 592	3 577	3 924	3 848	3 728	3 618	3 598	3 568	43 945	48 487	53 226
<i>Community and public safety</i>	29 436	29 436	29 436	29 436	29 436	29 482	29 428	29 428	29 428	29 428	29 428	29 430	353 232	380 822	412 783
Community and social services	5 110	5 110	5 110	5 110	5 110	5 117	5 109	5 109	5 109	5 109	5 109	5 109	61 319	64 522	69 172
Sport and recreation	10 464	10 464	10 464	10 464	10 464	10 483	10 461	10 461	10 461	10 461	10 461	10 461	125 570	135 293	148 676
Public safety	11 670	11 671	11 671	11 671	11 671	11 688	11 668	11 668	11 668	11 668	11 668	11 668	140 046	151 988	163 945
Housing	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 367	1 369	16 410	17 898	18 908
Health	824	824	824	824	824	826	823	823	823	823	823	823	9 886	11 122	12 082
<i>Economic and environmental services</i>	19 697	19 697	19 697	19 697	19 697	19 721	19 693	19 693	19 693	19 693	19 693	19 693	236 361	259 755	294 879
Planning and development	3 445	3 445	3 445	3 445	3 445	3 453	3 444	3 444	3 444	3 444	3 444	3 444	41 343	44 432	47 521
Road transport	16 251	16 251	16 251	16 251	16 251	16 268	16 249	16 249	16 249	16 249	16 249	16 249	195 018	215 322	247 358
<i>Trading services</i>	141 139	199 310	177 938	119 118	157 892	153 741	159 441	155 131	163 823	147 125	146 640	156 015	1 877 314	2 000 155	2 141 922
Electricity	85 031	145 158	122 052	62 950	101 168	97 446	104 567	99 360	108 221	92 006	92 006	101 521	1 211 487	1 283 481	1 355 260
Water	33 630	31 918	33 413	33 958	34 506	34 079	32 664	33 572	33 410	32 426	32 224	31 888	397 688	427 442	465 994
Waste water management	13 673	13 428	13 668	13 404	13 413	13 397	13 408	13 396	13 388	13 889	13 606	13 803	162 473	175 521	197 705
Waste management	8 806	8 806	8 806	8 806	8 806	8 819	8 803	8 803	8 803	8 803	8 803	8 803	105 667	113 710	122 963
<i>Other</i>	61	61	61	61	61	61	61	61	61	61	61	61	736	781	807
Total Expenditure - Standard	194 694	252 754	231 353	172 563	211 326	207 257	213 192	208 805	217 377	200 569	200 064	209 411	2 519 364	2 695 829	2 909 844
Surplus/(Deficit)	104 856	(1 221)	(40 315)	1 899	(5 619)	61 231	(3 186)	(6 241)	83 230	(27 173)	(714)	(1 933)	164 816	123 199	132 908

Table 58 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand															
Multi-year expenditure to be appropriated															
Vote 1 - CITY DEVELOPMENT	2 500	2 500	2 500	2 500	2 500	2 500	2 500	500	-	-	-	-	18 000	-	-
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	2 500	3 000	2 500	2 567	1 500	2 000	1 500	1 446	500	1 000	1 000	500	20 013	16 848	16 848
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	5 844	4 250	2 500	2 250	2 500	3 000	1 250	3 000	500	2 000	3 000	500	30 594	24 981	24 981
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	1 089	1 500	1 000	1 500	500	1 000	1 000	1 300	1 500	800	500	504	12 193	13 419	13 419
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	1 750	2 000	2 000	2 000	2 000	2 000	2 050	2 000	1 903	500	600	300	19 103	5 770	9 270
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	10 150	12 650	17 650	17 150	19 150	15 150	17 319	21 650	15 900	13 000	19 000	19 461	198 230	149 044	165 397
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORM	2 000	-	2 000	1 100	3 250	3 300	1 050	4 000	1 750	3 000	4 750	9 800	36 000	38 289	38 289
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERV	500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	3 000	2 526	28 526	20 166	20 166
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	26 333	28 400	32 650	31 567	33 900	31 450	29 169	36 396	24 553	22 800	31 850	33 592	362 660	268 517	288 370
Single-year expenditure to be appropriated															
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	3 375	2 338	701	525	625	599	330	268	250	250	186	-	9 447	-	-
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	15 963	5 931	1 655	400	400	-	-	-	-	-	-	-	24 350	-	-
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	3 106	2 087	1 285	928	750	500	500	1 000	250	750	1 250	500	12 906	-	-
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	18	-	-	-	-	-	-	-	-	-	-	-	18	-	-
Vote 6 - FINANCIAL SERVICES	-	15	-	-	-	-	-	-	-	-	-	-	15	-	-
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	4 435	3 840	2 500	2 324	391	-	250	250	250	250	250	350	15 090	7 000	-
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	2 426	1 993	1 353	500	500	500	518	-	-	-	-	-	7 790	3 000	-
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORM	970	1 329	1 350	1 300	850	476	300	377	-	-	-	-	6 953	41	-
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERV	1 727	2 176	3 150	-	2 500	-	-	-	-	-	-	-	9 552	12 014	12 014
Capital single-year expenditure sub-total	32 020	19 708	11 994	5 977	6 016	2 076	1 897	1 895	750	1 250	1 686	850	86 119	22 055	12 014
Total Capital Expenditure	58 353	48 108	44 644	37 544	39 916	33 526	31 066	38 292	25 303	24 050	33 536	34 442	448 778	290 572	300 384

Table 59 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard															
Governance and administration	4 487	5 943	6 150	3 000	5 000	2 500	2 500	3 000	2 500	3 000	3 500	3 026	44 606	34 398	34 398
Executive and council	93	-	-	-	-	-	-	-	-	-	-	-	93	-	-
Budget and treasury office	-	15	-	-	-	-	-	-	-	-	-	-	15	-	-
Corporate services	4 394	5 928	6 150	3 000	5 000	2 500	2 500	3 000	2 500	3 000	3 500	3 026	44 498	34 398	34 398
Community and public safety	34 279	22 674	12 561	11 044	8 725	9 549	6 825	6 765	2 750	4 050	5 250	1 504	125 977	56 300	56 300
Community and social services	10 276	6 293	2 624	3 328	2 150	2 500	2 000	2 800	2 250	2 550	2 750	1 004	40 526	29 158	29 158
Sport and recreation	14 501	7 422	3 816	1 750	2 500	2 500	1 250	2 500	500	1 500	2 500	500	41 239	21 654	21 654
Public safety	4 368	4 446	3 525	3 416	1 525	2 025	1 075	965	-	-	-	-	21 345	5 488	5 488
Housing	2 500	2 500	2 500	2 500	2 500	2 500	2 500	500	-	-	-	-	18 000	-	-
Health	2 633	2 013	96	50	50	24	-	-	-	-	-	-	4 867	-	-
Economic and environmental services	2 970	1 329	3 380	2 400	4 100	3 776	1 350	4 377	1 750	3 000	4 750	9 800	42 983	38 330	38 289
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	2 970	1 329	3 380	2 400	4 100	3 776	1 350	4 377	1 750	3 000	4 750	9 800	42 983	38 330	38 289
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	16 318	18 161	22 553	21 100	22 091	17 700	20 391	24 150	18 303	14 000	20 036	20 111	234 914	161 544	171 397
Electricity	3 318	3 219	3 000	3 000	1 891	1 500	2 250	2 250	2 153	750	850	650	24 831	9 500	6 000
Water	9 313	10 663	14 366	8 650	10 650	11 150	8 819	13 150	11 900	9 000	10 000	10 839	128 499	70 265	80 910
Waste water management	3 363	3 980	4 888	9 250	9 250	4 750	9 268	8 750	4 250	4 250	9 186	8 622	79 807	81 779	84 488
Waste management	323	300	300	200	300	300	55	-	-	-	-	-	1 778	-	-
Other	300	-	-	-	-	-	-	-	-	-	-	-	300	-	-
Total Capital Expenditure - Standard	58 353	48 108	44 644	37 544	39 916	33 526	31 066	38 292	25 303	24 050	33 536	34 442	448 778	290 572	300 384
Funded by:															
National Government	11 650	8 150	15 150	11 650	16 650	12 650	12 400	19 900	10 150	7 750	16 850	16 928	159 878	117 531	127 384
Provincial Government	2 500	2 500	2 500	2 500	2 500	2 500	2 500	500	-	-	-	-	18 000	-	-
Transfers recognised - capital	14 150	10 650	17 650	14 150	19 150	15 150	14 900	20 400	10 150	7 750	16 850	16 928	177 878	117 531	127 384
Public contributions & donations	1 115	-	-	-	-	-	-	-	-	-	-	-	1 115	-	-
Borrowing	18 761	16 523	17 733	14 050	12 961	12 900	12 536	12 123	10 903	10 500	11 000	9 713	159 702	100 000	100 000
Internally generated funds	24 327	20 935	9 261	9 344	7 805	5 476	3 630	5 768	4 250	5 800	5 686	7 800	110 082	73 041	73 000
Total Capital Funding	58 353	48 108	44 644	37 544	39 916	33 526	31 066	38 292	25 303	24 050	33 536	34 442	448 778	290 572	300 384

Table 60 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand															
Cash Receipts By Source															
Property rates	29 942	29 942	29 942	29 942	29 942	29 942	29 942	29 915	29 942	29 942	29 942	29 969	359 300	393 062	429 126
Service charges - electricity revenue	111 838	111 838	111 838	111 838	111 838	111 838	111 838	111 838	111 838	111 838	111 838	111 838	1 342 061	1 428 498	1 550 990
Service charges - water revenue	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	272 226	292 850	317 712
Service charges - sanitation revenue	6 815	6 815	6 815	6 815	6 815	6 815	6 815	6 815	6 815	6 815	6 815	6 815	81 785	88 395	95 512
Service charges - refuse revenue	5 501	5 501	5 501	5 501	5 501	5 501	5 501	5 501	5 501	5 501	5 501	5 501	66 012	71 347	77 092
Service charges - other	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	1 109	13 304	14 033	14 805
Rental of facilities and equipment	906	906	906	906	906	906	906	906	906	906	906	906	10 874	11 532	12 225
Interest earned - external investments	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	1 832	21 982	22 641	23 320
Interest earned - outstanding debtors	130	130	130	130	130	130	130	130	130	130	130	130	1 558	1 641	1 728
Fines	936	936	936	936	936	936	936	936	936	936	936	936	11 231	11 849	12 501
Licences and permits	147	147	147	147	147	147	147	147	147	147	147	147	1 765	1 861	1 964
Agency services	583	583	583	583	583	583	583	583	583	583	583	583	7 000	7 385	7 791
Transfer receipts - operational	21 496	21 496	21 496	21 496	21 496	21 496	21 496	21 496	21 496	21 496	21 496	21 496	257 953	267 925	285 143
Other revenue	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	1 556	18 666	19 719	20 837
Cash Receipts by Source	205 476	205 476	205 476	205 476	205 476	205 476	205 476	205 449	205 476	205 476	205 476	205 503	2 465 717	2 632 738	2 850 747
Other Cash Flows by Source															
Transfer receipts - capital	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	159 878	117 531	127 384
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	10 000	10 000	10 000	10 000
Borrowing long term/refinancing	100 000	-	-	-	-	-	-	-	-	-	-	85 500	185 500	100 000	100 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	500	500	800
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	230	230	240	250
Total Cash Receipts by Source	318 800	218 800	218 800	218 800	218 800	218 800	218 800	218 773	218 800	218 800	218 800	315 057	2 821 825	2 861 159	3 089 181
Cash Payments by Type															
Employee related costs	50 292	50 292	50 292	50 292	50 292	50 292	50 292	50 292	50 292	50 292	50 292	50 292	603 503	656 906	711 808
Remuneration of councillors	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	24 729	26 584	28 711
Finance charges	147	-	1 173	-	-	40 489	-	-	1 035	-	-	36 962	79 806	78 062	74 619
Bulk purchases - Electricity	79 034	95 500	95 500	95 500	79 034	79 034	79 034	79 034	79 034	79 034	79 034	79 033	997 805	1 052 684	1 108 476
Bulk purchases - Water & Sewer	11 354	11 354	11 354	11 354	11 354	11 354	11 354	11 354	11 354	11 354	11 354	11 354	136 254	138 748	146 366
Other materials	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	3 781	45 366	38 792	48 740
Contracted services	16 679	16 679	16 679	16 679	16 679	16 679	16 679	16 679	16 679	16 679	16 679	16 688	200 157	188 763	215 591
Transfers and grants - other	740	740	740	740	740	740	740	740	740	740	740	740	8 883	9 372	9 869
Other expenditure	11 965	11 965	11 965	11 965	11 965	11 965	11 965	11 965	11 965	11 965	11 965	11 968	143 583	138 551	145 785
Cash Payments by Type	176 053	192 372	193 545	192 372	175 906	216 395	175 906	175 906	176 941	175 906	175 906	212 879	2 240 086	2 328 461	2 489 966
Other Cash Flows/Payments by Type															
Capital assets	19 000	19 500	20 000	22 600	25 000	26 900	27 000	28 400	29 800	30 200	31 500	34 245	314 145	297 644	299 562
Repayment of borrowing	6 459	-	2 202	-	-	63 196	-	-	2 341	-	-	66 421	140 619	141 292	158 629
Total Cash Payments by Type	201 512	211 872	215 747	214 972	200 906	306 491	202 906	204 306	209 081	206 106	207 406	313 545	2 694 850	2 767 397	2 948 156
NET INCREASE/(DECREASE) IN CASH HELD	117 287	6 928	3 052	3 828	17 894	(87 692)	15 894	14 467	9 718	12 694	11 394	1 512	126 975	93 762	141 024
Cash/cash equivalents at the month/year begin:	308 748	426 035	432 963	436 015	439 843	457 737	370 045	385 939	400 405	410 124	422 817	434 211	308 748	435 723	529 485
Cash/cash equivalents at the month/year end:	426 035	432 963	436 015	439 843	457 737	370 045	385 939	400 405	410 124	422 817	434 211	435 723	435 723	529 485	670 509

2.10 Contracts having future budgetary implications

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Table 61 MBRR SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value	
	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
Parent Municipality:														
<u>Expenditure Obligation By Contract</u>														
KwaZulu natal Sharks Board	1 720	1 892	2 166	1 852	2 480	2 604	2 760	2 940	3 145	3 381	3 652	3 962	32 554	
Richards Bay Country Club	–	368	415	438	461	484	513	547	585	629	679	737		
Various Contractors	–	1 736	3 848	3 290	4 405	4 626	4 903	5 222	5 587	6 006	6 487	7 038		
Various Contractors	–	524	713	609	816	857	908	967	1 035	1 112	1 201	1 303		
Lincor Services	–	973	1 010	864	1 156	1 214	1 287	1 371	1 466	1 576	1 703	1 847		
Nashua - MPS	–	2 112	2 250	2 374	2 574	2 703	2 865	3 051	3 265	3 510	3 790	4 113		
GWAVA	–	320	342	368	398	418	443	471	504	542	586	635		
SepSeam	18	116	169	182	197	206	219	233	249	268	289	314		
GWAVA Retain	–	320	342	368	398	418	443	471	504	542	586	635		
ESS (Fire and Rescue)	80	115	169	181	196	206	218	232	248	267	288	313		
Fujitsu	1 066	631	1 215	1 312	1 417	1 488	1 577	1 680	1 798	1 932	2 087	2 264		
Knowledge Base	361	212	1 232	1 324	1 430	1 502	1 592	1 695	1 814	1 950	2 106	2 285		
PayDay	334	224	354	381	411	432	458	488	522	561	606	657		
WatchGuard	20	29	31	33	36	38	40	43	46	49	53	57		
Microsoft	3 000	2 700	2 275	2 446	2 629	2 761	2 926	3 116	3 334	3 585	3 871	4 200		
ITRON	2 406	1 852	835	898	965	1 013	1 074	1 144	1 224	1 316	1 421	1 542		15 688
Total Operating Expenditure Implication	9 005	14 124	17 366	16 920	19 968	20 967	22 225	23 670	25 327	27 226	29 404	31 904		258 106

2.11 Capital expenditure details

The following three tables present details of the City's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 62 MBRR SA34a - Capital expenditure on new assets by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	45 050	46 301	169 687	197 995	217 582	217 582	150 666	138 958	141 375
Infrastructure - Road transport	2 615	6 782	18 333	7 296	10 486	10 486	16 288	15 000	15 000
<i>Roads, Pavements & Bridges</i>	2 615	6 782	18 333	7 296	10 486	10 486	16 288	15 000	15 000
Infrastructure - Electricity	(2 542)	3 993	27 958	45 055	54 482	54 482	13 136	10 270	6 770
<i>Transmission & Reticulation</i>	(2 542)	3 366	27 958	34 995	44 685	44 685	5 391	7 000	3 500
<i>Street Lighting</i>	-	627	-	10 060	9 797	9 797	7 745	3 270	3 270
Infrastructure - Water	3 471	3 412	69 561	68 706	84 656	84 656	69 137	59 344	62 553
<i>Reticulation</i>	3 471	3 412	69 561	68 706	84 656	84 656	69 137	59 344	62 553
Infrastructure - Sanitation	41 507	32 115	53 835	73 718	65 638	65 638	50 436	54 344	57 053
<i>Reticulation</i>	41 507	32 115	53 835	73 718	65 638	65 638	50 436	54 344	57 053
Infrastructure - Other	-	-	-	3 220	2 320	2 320	1 670	-	-
<i>Waste Management</i>	-	-	-	3 220	2 320	2 320	1 670	-	-
Community	-	167	6 970	31 903	38 269	38 269	15 680	2 218	2 218
Sportsfields & stadia	-	-	-	680	5 972	5 972	2 358	-	-
Community halls	-	-	-	500	500	500	1 808	-	-
Libraries	-	-	138	6 900	6 930	6 930	2 920	-	-
Recreational facilities	-	36	5 476	9 008	10 800	10 800	6 594	-	-
Fire, safety & emergency	-	-	1 355	14 264	13 447	13 447	-	-	-
Security and policing	-	131	-	-	-	-	2 000	2 218	2 218
Clinics	-	-	-	450	520	520	-	-	-
Cemeteries	-	-	-	100	100	100	-	-	-
Other assets	16 212	6 318	14 183	9 876	18 976	18 976	16 154	19 953	19 953
General vehicles	-	1 501	3 302	1 766	12 168	12 168	-	-	-
Specialised vehicles	15 456	-	1 465	-	557	557	-	-	-
Plant & equipment	61	788	2 979	-	347	347	1 458	-	-
Computers - hardware/equipment	31	1 024	703	500	1 006	1 006	157	-	-
Furniture and other office equipment	134	520	417	-	36	36	10	-	-
Civic Land and Buildings	76	2 480	5 317	4 024	1 849	1 849	2 012	-	-
Other Buildings	454	5	-	3 586	3 014	3 014	12 516	19 953	19 953
Intangibles	593	61	-	1 500	1 500	1 500	-	-	-
Computers - software & programming	593	61	-	1 500	1 500	1 500	-	-	-
Total Capital Expenditure on new assets	61 855	52 847	190 840	241 273	276 326	276 326	182 499	161 129	163 546
Specialised vehicles	15 456	-	1 465	-	557	557	-	-	-
Refuse	15 456	-	-	-	557	557	-	-	-
Fire	-	-	1 465	-	-	-	-	-	-

Table 63 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	12 356	28 026	61 995	58 258	69 649	69 649	134 564	64 145	71 581
Infrastructure - Road transport	(79)	964	15 375	14 930	14 134	14 134	26 621	23 289	23 289
<i>Roads, Pavements & Bridges</i>	(79)	964	15 375	14 930	14 134	14 134	26 621	23 289	23 289
Infrastructure - Electricity	10 800	12 599	30 667	21 646	20 563	20 563	19 400	2 500	2 500
<i>Transmission & Reticulation</i>	10 800	11 289	29 835	20 646	19 563	19 563	19 400	2 500	2 500
<i>Street Lighting</i>	-	1 310	832	1 000	1 000	1 000	-	-	-
Infrastructure - Water	1 227	10 834	8 625	19 125	31 993	31 993	59 293	10 921	18 357
<i>Reticulation</i>	1 227	10 834	8 625	19 125	31 993	31 993	59 293	10 921	18 357
Infrastructure - Sanitation	408	3 629	7 328	2 558	2 960	2 960	29 251	27 435	27 435
<i>Reticulation</i>	408	3 629	7 328	2 558	2 960	2 960	29 251	27 435	27 435
Community	1 352	9 865	16 032	54 197	52 280	52 280	72 787	24 981	24 981
Parks & gardens	-	-	1 941	2 029	1 256	1 256	6 849	6 654	6 654
Sportsfields & stadia	644	709	251	15 408	11 392	11 392	24 061	15 000	15 000
Swimming pools	85	487	506	1 163	1 048	1 048	600	-	-
Community halls	-	1 546	3 116	6 222	6 937	6 937	5 902	3 327	3 327
Libraries	-	485	444	2 428	2 199	2 199	929	-	-
Recreational facilities	-	125	2 929	398	285	285	40	-	-
Fire, safety & emergency	-	-	529	1 196	749	749	11 405	-	-
Security and policing	-	467	-	-	-	-	-	-	-
Clinics	-	-	148	895	1 587	1 587	2 984	-	-
Museums & Art Galleries	-	-	-	15	3	3	-	-	-
Cemeteries	-	-	675	2 000	2 000	2 000	2 017	-	-
Social rental housing	623	6 046	5 493	22 442	24 824	24 824	18 000	-	-
Heritage assets	-	-	235	-	-	-	-	-	-
Other	-	-	235	-	-	-	-	-	-
Investment properties	8 309	2 258	-	-	-	-	300	-	-
Housing development	8 309	2 258	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	300	-	-
Other assets	1 600	16 677	31 674	65 607	99 939	99 939	56 380	40 317	40 276
General vehicles	-	5 109	6 515	14 808	22 125	22 125	14 180	10 000	10 000
Specialised vehicles	28	872	-	11 308	9 864	9 864	3 448	-	-
Plant & equipment	265	3 086	10 992	17 955	35 140	35 140	21 372	22 180	22 180
Computers - hardware/equipment	644	4 897	5 669	9 715	23 340	23 340	2 463	2 218	2 218
Furniture and other office equipment	225	1 756	634	1 396	1 251	1 251	433	41	-
Civic Land and Buildings	424	152	7 665	8 225	5 258	5 258	1 851	-	-
Other Buildings	14	805	161	2 201	2 961	2 961	12 635	5 878	5 878
Other Land	-	-	40	-	-	-	-	-	-
Intangibles	1 570	5 363	3 599	526	113	113	2 248	-	-
Computers - software & programming	1 570	5 363	3 599	526	113	113	2 248	-	-
Total Capital Expenditure on renewal of existing	25 187	62 189	113 536	178 589	221 981	221 981	266 279	129 443	136 838
Specialised vehicles	28	872	-	11 308	9 864	9 864	3 448	-	-
Refuse	28	-	-	11 308	9 864	9 864	3 448	-	-
Fire	-	872	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex	28.9%	54.1%	37.3%	42.5%	44.5%	44.5%	59.3%	44.5%	45.6%
Renewal of Existing Assets as % of deprechn"	32.2%	57.4%	46.5%	97.9%	121.7%	121.7%	129.9%	46.0%	40.6%

Table 64 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	145 192	177 319	227 954	240 963	252 717	252 717	292 719	302 957	334 666
Infrastructure - Road transport	41 967	58 242	78 340	88 799	88 631	88 631	107 799	107 282	120 758
<i>Roads, Pavements & Bridges</i>	41 967	58 242	78 340	88 799	88 631	88 631	107 799	107 282	120 758
Infrastructure - Electricity	39 211	42 715	60 448	66 048	72 514	72 514	81 991	90 799	95 573
<i>Transmission & Reticulation</i>	31 217	33 221	47 682	52 206	58 322	58 322	64 823	72 575	76 818
<i>Street Lighting</i>	7 994	9 494	12 766	13 842	14 192	14 192	17 168	18 224	18 755
Infrastructure - Water	39 004	46 869	58 269	51 156	53 859	53 859	58 562	61 014	67 490
<i>Reticulation</i>	39 004	46 869	58 269	51 156	53 859	53 859	58 562	61 014	67 490
Infrastructure - Sanitation	23 588	25 976	30 896	33 744	36 502	36 502	43 060	42 685	49 326
<i>Reticulation</i>	23 588	25 976	30 896	33 744	36 502	36 502	43 060	42 685	49 326
Infrastructure - Other	1 421	3 517	-	1 216	1 211	1 211	1 308	1 177	1 519
<i>Waste Management</i>	-	0	-	3	6	6	3	2	3
<i>Transportation</i>	901	699	-	1 017	1 016	1 016	1 090	941	1 252
<i>Other</i>	520	2 818	-	197	190	190	215	234	265
Community	43 195	50 821	61 803	60 930	60 311	60 311	63 869	66 296	73 276
Parks & gardens	35 302	42 819	51 351	48 687	48 343	48 343	50 235	52 606	57 098
Sportsfields & stadia	1 227	1 430	1 678	1 741	1 909	1 909	1 807	1 803	2 137
Swimming pools	1 265	1 435	1 853	1 602	1 462	1 462	1 565	1 707	1 922
Community halls	1 003	1 218	1 643	1 965	1 957	1 957	2 123	2 221	2 527
Libraries	557	640	606	773	826	826	843	917	1 042
Recreational facilities	2 674	2 479	2 724	3 423	3 388	3 388	3 662	3 445	4 270
Fire, safety & emergency	-	-	60	222	136	136	593	591	713
Security and policing	-	-	-	204	180	180	215	235	267
Clinics	-	-	246	-	-	-	-	-	-
Museums & Art Galleries	35	6	32	48	45	45	55	59	67
Cemeteries	1 134	796	1 152	1 860	1 677	1 677	2 328	2 221	2 686
Social rental housing	-	-	457	404	390	390	443	490	548
Other assets	28 144	30 340	35 655	42 888	46 321	46 321	48 892	48 413	57 416
General vehicles	14 422	15 103	16 366	17 202	17 032	17 032	18 545	18 467	21 134
Plant & equipment	4 845	4 286	5 024	5 101	5 874	5 874	6 320	5 949	7 408
Furniture and other office equipment	5	7	5	-	7	7	29	24	33
Civic Land and Buildings	8 705	10 798	13 956	20 247	23 243	23 243	23 949	23 930	28 785
Other Buildings	167	147	303	338	164	164	50	43	58
Total Repairs and Maintenance Expenditure	216 531	258 480	325 411	344 780	359 348	359 348	405 481	417 665	465 358
R&M as a % of PPE	5.0%	6.2%	7.8%	8.0%	8.1%	8.1%	8.8%	9.1%	10.4%
R&M as % Operating Expenditure	13.2%	13.9%	14.2%	14.6%	15.4%	15.4%	16.1%	15.5%	16.0%

Table 65 MBRR SA34d – Depreciation by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Depreciation by Asset Class/Sub-class									
Infrastructure	60 670	77 503	96 525	121 705	121 705	121 705	145 566	205 720	253 173
Infrastructure - Road transport	11 499	12 646	22 305	24 398	24 398	24 398	37 941	58 347	74 554
<i>Roads, Pavements & Bridges</i>	10 916	11 817	22 305	24 398	24 398	24 398	37 941	58 347	74 554
<i>Storm water</i>	583	829	-	-	-	-	-	-	-
Infrastructure - Electricity	17 490	21 038	23 218	30 779	30 779	30 779	26 766	29 069	31 626
<i>Generation</i>	-	-	-	-	-	-	26 766	29 069	31 626
<i>Transmission & Reticulation</i>	16 251	19 705	23 218	30 779	30 779	30 779	-	-	-
<i>Street Lighting</i>	1 240	1 332	-	-	-	-	-	-	-
Infrastructure - Water	20 207	30 281	31 320	42 615	42 615	42 615	50 720	74 676	91 817
<i>Dams & Reservoirs</i>	1 758	1 950	31 320	42 615	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	50 720	74 676	91 817
<i>Reticulation</i>	18 449	28 331	-	-	42 615	42 615	-	-	-
Infrastructure - Sanitation	11 474	13 519	19 665	22 913	22 913	22 913	30 138	43 628	55 175
<i>Reticulation</i>	7 252	8 163	19 665	22 913	22 913	22 913	-	-	-
<i>Sewerage purification</i>	4 222	5 356	-	-	-	-	30 138	43 628	55 175
Infrastructure - Other	0	19	18	1 000	1 000	1 000	-	-	-
<i>Waste Management</i>	-	-	-	561	561	561	-	-	-
<i>Other</i>	0	19	18	439	439	439	-	-	-
Community	5 074	11 861	11 404	17 698	17 698	17 698	14 827	19 264	23 648
Parks & gardens	-	-	103	427	427	427	-	-	-
Sportsfields & stadia	537	2 745	3 433	4 573	4 573	4 573	-	-	-
Swimming pools	266	288	-	914	914	914	-	-	-
Community halls	84	330	669	776	776	776	-	-	-
Libraries	23	287	395	698	698	698	-	-	-
Recreational facilities	459	3 045	3 489	3 830	3 830	3 830	2 662	2 767	2 495
Fire, safety & emergency	-	10	92	455	455	455	-	-	-
Security and policing	3 377	3 873	-	21	21	21	-	-	-
Clinics	7	10	19	60	60	60	-	-	-
Cemeteries	131	161	640	653	653	653	-	-	-
Social rental housing	-	1 111	1 197	3 866	3 866	3 866	-	-	-
Other	189	-	1 367	1 425	1 425	1 425	12 166	16 497	21 153
Heritage assets	-	-	-	-	-	-	38	38	38
Buildings	-	-	-	-	-	-	38	38	38
Investment properties	-	32	738	551	551	551	2 116	2 612	2 606
Housing development	-	-	-	-	-	-	1 693	2 189	2 189
Other	-	32	738	551	551	551	424	422	416
Other assets	12 009	17 678	34 868	40 189	40 189	40 189	38 429	50 238	54 195
General vehicles	4 057	5 538	12 800	9 255	9 255	9 255	10 343	14 149	14 416
Specialised vehicles	529	2 885	-	1 410	1 410	1 410	-	-	-
Plant & equipment	1 618	1 873	4 541	7 633	7 633	7 633	7 431	12 648	9 207
Computers - hardware/equipment	1 550	2 399	-	6 920	6 920	6 920	-	-	-
Furniture and other office equipment	241	552	4 558	3 285	3 285	3 285	6 669	5 536	8 840
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	3 153	3 452	7 863	8 548	8 548	8 548	-	-	-
Other Buildings	860	980	5 105	2 332	2 332	2 332	11 691	15 632	19 525
Other Land	-	-	-	805	805	805	1 927	1 927	1 927
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	369	347	281
Intangibles	490	1 316	2 627	2 244	2 244	2 244	2 846	2 892	2 868
Computers - software & programming	490	1 316	2 627	2 244	2 244	2 244	2 846	2 892	2 868
Total Depreciation	78 242	108 390	146 163	182 388	182 388	182 388	203 821	280 763	336 527
Specialised vehicles	529	2 885	-	1 410	1 410	1 410	-	-	-
Refuse	350	2 585	-	672	672	672	-	-	-
Fire	179	300	-	739	739	739	-	-	-

Table 66 MBRR SA35 - Future financial implications of the capital budget

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21
R thousand						
Capital expenditure						
Vote 1 - CITY DEVELOPMENT	18 000	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES - HEALTH AND SOCIAL SERVICES	29 460	16 848	16 848	18 112	19 470	20 930
Vote 3 - COMMUNITY SERVICES - RECREATION AND CULTURE	54 944	24 981	24 981	26 855	28 869	31 034
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	25 099	13 419	13 419	14 425	15 507	16 670
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	18	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES	15	-	-	-	-	-
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES	34 193	12 770	9 270	9 965	10 712	11 515
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES	206 019	152 044	165 397	177 802	191 137	205 472
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES	42 953	38 330	38 289	41 161	44 248	47 567
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES	38 078	32 180	32 180	34 594	37 189	39 978
Total Capital Expenditure	448 778	290 572	300 384	322 914	347 132	373 166
Future operational costs by vote						
Vote 1 - CITY DEVELOPMENT	61 019	65 790	70 046	79 949	80 570	87 016
Vote 2 - COMMUNITY SERVICES - HEALTH AND SOCIAL SERVICES	240 684	260 954	283 100	302 917	325 636	351 687
Vote 3 - COMMUNITY SERVICES - RECREATION AND CULTURE	177 766	192 464	211 963	226 772	243 780	263 282
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	13 518	12 226	11 395	12 193	13 107	14 156
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	3 933	4 203	4 507	4 823	5 184	5 599
Vote 6 - FINANCIAL SERVICES	5 138	5 262	5 624	6 017	6 469	6 986
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES	1 240 955	1 314 741	1 387 305	1 484 416	1 595 747	1 723 407
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES	537 313	583 289	642 703	687 692	739 269	798 411
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES	185 052	204 446	236 016	252 537	271 477	293 196
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES	37 867	38 521	42 335	45 298	48 696	54 591
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	11 345	12 189	13 037	13 950	14 996	16 196
Total future operational costs	2 514 589	2 694 084	2 908 031	3 116 564	3 344 931	3 614 526
Future revenue by source						
Property rates	360 000	393 800	429 904	459 997	494 497	534 057
Service charges - electricity revenue	1 390 000	1 488 240	1 607 299	1 719 810	1 848 796	1 996 700
Service charges - water revenue	281 565	303 931	328 079	351 044	377 373	407 562
Service charges - sanitation revenue	84 000	90 720	97 978	104 836	112 699	121 715
Service charges - refuse revenue	67 800	73 224	79 082	84 618	90 964	98 241
Service charges - other	13 304	14 033	14 805	15 841	17 030	18 392
Rental of facilities and equipment	10 874	11 532	12 225	13 081	14 062	15 186
Total future revenue	2 207 543	2 375 480	2 569 371	2 749 227	2 955 419	3 191 853
Net Financial Implications	755 823	609 176	639 044	690 251	736 644	795 839

Table 67 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - CITY DEVELOPMENT				
1.1 - CITY DEVELOPMENT (013)	ESIKHALENI REFURBISH HOSTELS	18 000	-	-
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY				
2.1 - FIRE BRIGADE (005)	1x HYDRAULIC JACK	18	-	-
2.1 - FIRE BRIGADE (005)	ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	11 013	-	-
2.1 - FIRE BRIGADE (005)	FURNITURE	9	-	-
2.1 - FIRE BRIGADE (005)	RICHARDS BAY FIRE BRIGADE - STRUCTURAL UPGRADES, CARPOTS AND ACCESS GATE	64	-	-
2.1 - FIRE BRIGADE (005)	RICHARDS BAY FIRE BRIGADE - PLAN AND CONSTRUCT PHASE ONE	328	-	-
2.1 - FIRE BRIGADE (005)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	168	-	-
2.4 - HEALTH ADMINISTRATION (008)	AIR POLLUTION EQUIPMENT	1 428	-	-
2.5 - CLINICS (009)	ALARMS : ALL CLINICS	46	-	-
2.5 - CLINICS (009)	OCCUPATIONAL HEALTH CLINIC	2 580	-	-
2.5 - CLINICS (009)	PARK HOME R/BAY CLINIC - TB PATIENTS	588	-	-
2.5 - CLINICS (009)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	224	-	-
2.6 - CRIME PREVENTION (010)	SECURITY BICYCLE PROJECT	2 000	2 218	2 218
2.7 - LICENSING (012)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	30	-	-
2.8 - PUBLIC AMENITIES (029)	CONSTRUCTION OF TAXI RANKS (BUILDINGS AND SURROUNDING) - LOT 63, RICHARDS BAY AND	7 000	14 630	14 630
2.10 - REFUSE REMOVAL (033)	ESTABLISHMENT TRANSFER STATION ENSELENI FOR RECYCLING	1 655	-	-
2.10 - REFUSE REMOVAL (033)	ESTABLISHMENT TRANSFER STATION NGWELEZANE	15	-	-
2.10 - REFUSE REMOVAL (033)	REPLACEMENT OF DESKS AND CHAIRS	29	-	-
2.10 - REFUSE REMOVAL (033)	SKIPS	80	-	-
2.12 - PUBLIC CONVENIENCES (037)	ABLUTION FACILITIES AT NAVAL ISLAND	2 186	-	-
Vote 3 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY Total				
3.1 - CEMETARIES (002)	ESIKHALENI EXTENSION/DEVELOPMENT OF CEMETARY	17	-	-
3.1 - CEMETARIES (002)	R/BAY EXTENSION/DEVELOPMENT OF CEMETARY	2 000	-	-
3.2 - LIBRARIES (004)	AQUADENE LIBRARY	2 920	-	-
3.2 - LIBRARIES (004)	ESIK LIBRARY - EXTENSION	929	-	-
3.2 - LIBRARIES (004)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	125	-	-
3.3 - MUNICIPAL HALLS (016)	BHEJANE HALL - GUARD HOUSE, HALL BOOKINGS AND COUNCILLOR'S OFFICES AND REFURBISH	500	-	-
3.3 - MUNICIPAL HALLS (016)	ENSELENI HALL - UPGRADE (CONSTRUCT FENCING AND LIFT FOR DISABLED)	520	-	-
3.3 - MUNICIPAL HALLS (016)	HALLS	3 000	3 327	3 327
3.3 - MUNICIPAL HALLS (016)	MANDLANKALA HALL - REFURBISHMENT	126	-	-
3.3 - MUNICIPAL HALLS (016)	NEW HALL - EXTENSION	145	-	-
3.3 - MUNICIPAL HALLS (016)	NGWELEZANE HALL - EXTENSION	704	-	-
3.3 - MUNICIPAL HALLS (016)	NTUZE HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)	800	-	-
3.3 - MUNICIPAL HALLS (016)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	153	-	-
3.3 - MUNICIPAL HALLS (016)	UMSASANDLA THUSONG CENTRE - EXTENSION	959	-	-
3.3 - MUNICIPAL HALLS (016)	VELDENWLEI HALL - REFURBISHMENT	803	-	-

SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand				
Vote 3 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY Total				
3.5 - PARKS AND GARDENS (023)	BEAUTIFICATION (ALL AREAS)	5 000	5 545	5 545
3.5 - PARKS AND GARDENS (023)	EMPANGENI PARKS DEPT ABLUTATIONS - REFURBISHMENT	326	-	-
3.5 - PARKS AND GARDENS (023)	ESIKHALENI PARK (POOL AREA)	1 000	1 109	1 109
3.5 - PARKS AND GARDENS (023)	PARKS DEVELOPMENT	523	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	2 x TRAILERS WITH RAMPS	81	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	CONSTRUCTION OF COMBI COURT AT MANDLANZINI	688	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	ESIKHALENI COLLEGE COURTS UPGRADE	164	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	FLOODLIGHTS - OFFICE FURNITURE SPORTSFIELDS	3 266	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	FLOODLIGHTS - CENTRAL APORTSFIELDS	1 928	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	IRRIGATION SYSTEM AT CENTRAL SPORT COMPLEX	95	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	LIGHTING SPORTS GROUND	460	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	NEW FIELD COURTS - UPGRADE	670	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	NGWELEZANE STADIUM	1 000	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	PLAYGROUND EQUIPMENT	15	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	REFURBISHMENT OF STADIUM LEAKAGES	275	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	REPLACEMENT OF CRICKET NETS AND MATS AT SPORT COMPLEX	100	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	505	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	SPORTSFIELDS - SIGISI FIELD LOTTO FUNDING	1 115	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	SPORTS PROJECTS	15 000	15 000	15 000
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	SPORTSFIELDS EQUIPMENT	172	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	UPGRADE IRRIGATION SYSTEM AT MANDLANZINI	75	-	-
3.5 - SPORT DEVELOPMENT AND SPORTFIELDS (024)	UPGRADE RURAL SPORTFIELDS	811	-	-
3.6 - BEACHES (027)	BEACH DEVELOPMENTS (RESTAURANT)	40	-	-
3.6 - BEACHES (027)	BEACH EQUIPMENT	2	-	-
3.6 - BEACHES (027)	BEACH EQUIPMENT - MALIBU BOARDS	30	-	-
3.6 - BEACHES (027)	BEACH EROSION PROJECT	6 594	-	-
3.6 - BEACHES (027)	DESKS, CHAIRS & CUPBOARDS	6	-	-
3.6 - BEACHES (027)	FRIGDE, STOVE	1	-	-
3.6 - BEACHES (027)	OFFICE FURNITURE	-	-	-

SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project R thousand	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 3 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY Total				
3.7 - SWIMMING POOLS (042)	BA SETS : OFFICE FURNITURE POOLS	17	-	-
3.7 - SWIMMING POOLS (042)	CASH REGISTERS OFFICE FURNITURE POOLS	8	-	-
3.7 - SWIMMING POOLS (042)	FIRE EQUIPMENT OFFICE FURNITURE POOLS	9	-	-
3.7 - SWIMMING POOLS (042)	PA SYSTEM	0	-	-
3.7 - SWIMMING POOLS (042)	STAFF RESTY ROOMS - OFFICE FURNITURE POOLS	331	-	-
3.7 - SWIMMING POOLS (042)	SWIMMING POOLS - ANTI-TURBULANCE LANES	3	-	-
3.7 - SWIMMING POOLS (042)	SWIMMING POOLS EQUIPMENT	7	-	-
3.7 - SWIMMING POOLS (042)	SWIMMING POOLS - NEW AND REPLACEMENT CHLORINATORS	5	-	-
3.7 - SWIMMING POOLS (042)	SWIMMING POOLS - NEW AND REPLACEMENT FURNITURE	5	-	-
3.7 - SWIMMING POOLS (042)	SWIMMING POOLS - PUMPS	16	-	-
3.7 - SWIMMING POOLS (042)	SWIMMING POOLS - SIGNAGE	7	-	-
3.7 - SWIMMING POOLS (042)	SWIMMING POOLS - TOILET SYSTEM	11	-	-
3.7 - SWIMMING POOLS (042)	UPGRADE BAY HALL POOL	219	-	-
3.7 - SWIMMING POOLS (042)	UPGRADE FILTER - NSELENI POOL	8	-	-
3.8 - MUSEUMS (064)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	5	-	-
3.9 - PARKS DISTRIBUTION (073)	COMPONENTS FOR LAWNMOWER	3	-	-
3.9 - PARKS DISTRIBUTION (073)	FURNITURE FOR PARKS DEPOT	5	-	-
3.9 - PARKS DISTRIBUTION (073)	HAND MOWERS, CHAIN SAWS, BRUSH CUTTERS, POLE PRUNER	43	-	-
3.9 - PARKS DISTRIBUTION (073)	OFFICE CHAIRS FOR PARKS	3	-	-
3.9 - PARKS DISTRIBUTION (073)	REPLACEMENT RIDE-ON MOWERS	523	-	-
3.9 - PARKS DISTRIBUTION (073)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	78	-	-
Vote 4 - CORPORATE SERVICES - ADMINISTRATION				
4.1 - CORPORATE SERVICES - ADMIN (001)	ADMINISTRATION	17	-	-
4.2 - MUNICIPAL BUILDINGS (019)	AIRCONDITIONERS FOR PARK OFFICES IN ALTON PARKS	37	-	-
4.2 - MUNICIPAL BUILDINGS (019)	2 x AIRCONDITIONERS AT EMPANGENI OFFICE	20	-	-
4.2 - MUNICIPAL BUILDINGS (019)	6 x AIRCONDITIONERS FIRE STATION (R/BAY,VULINDLELA,ENSELENI)	20	-	-
4.2 - MUNICIPAL BUILDINGS (019)	AIRCON FOR HALLS BOOKING OFFICE	17	-	-
4.2 - MUNICIPAL BUILDINGS (019)	AIRCONDITIONERS FOR TRAFFIC EMPANGENI	11	-	-
4.2 - MUNICIPAL BUILDINGS (019)	CIVIC CENTRE	400	-	-
4.2 - MUNICIPAL BUILDINGS (019)	CIVIC CENTRE - ROOFING AND WATER PROOFING	435	-	-
4.2 - MUNICIPAL BUILDINGS (019)	CIVIC CENTRE CENTRAL COOLING UNIT	550	-	-
4.2 - MUNICIPAL BUILDINGS (019)	CIVIC CENTRE EMP 1 & 2 CENTRAL COOLING UNIT	150	-	-
4.2 - MUNICIPAL BUILDINGS (019)	CONSTRUCTION : CANTEN (EMPANGENI AND ESIKHALENI) (REFUSE)	162	-	-
4.2 - MUNICIPAL BUILDINGS (019)	CONSTRUCTION OF SMME RETAIL PARKS	4 800	5 323	5 323
4.2 - MUNICIPAL BUILDINGS (019)	ELECTRICITY CONNECTION - W & S OFFICES (A1227 NGWELEZANE)	50	-	-
4.2 - MUNICIPAL BUILDINGS (019)	EXTENSION OF EMPANGENI TRUCK WASH BAY (REFUSE)	50	-	-
4.2 - MUNICIPAL BUILDINGS (019)	EXTENSION OF TRUCK WASHER ROOM (REFUSE)	50	-	-

SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand				
Vote 4 - CORPORATE SERVICES - ADMINISTRATION				
4.2 - MUNICIPAL BUILDINGS (019)	IMPROVED SECURITY SATELITE OFFICES	32	-	-
4.2 - MUNICIPAL BUILDINGS (019)	MAYORAL RESIDENCE	3 000	-	-
4.2 - MUNICIPAL BUILDINGS (019)	RENOVATION AT ENSELENI SATELITE OFFICE	76	-	-
4.2 - MUNICIPAL BUILDINGS (019)	RENOVATION CFO SECRETARY OFFICE	36	-	-
4.2 - MUNICIPAL BUILDINGS (019)	RENOVATION ESIKHALENI SATELITE OFFICE	67	-	-
4.2 - MUNICIPAL BUILDINGS (019)	RENOVATIONS - CIVIC CENTRE	21	-	-
4.2 - MUNICIPAL BUILDINGS (019)	RENOVATIONS - ICT SECTION	40	-	-
4.2 - MUNICIPAL BUILDINGS (019)	RENOVATIONS AND IMPROVED SECURITY ACCESS EXPENDITURE SECTION	224	-	-
4.2 - MUNICIPAL BUILDINGS (019)	REPLACEMENT OF CENTRAL PLANT AIR CONDITIONER CIVIC CENTRE R/BAY UNIT B001	280	-	-
4.2 - MUNICIPAL BUILDINGS (019)	ROAD MARKING AND SIGNAGE STOREROOM	144	-	-
4.2 - MUNICIPAL BUILDINGS (019)	SATELITE OFFICES REFURBISHMENT	3 000	3 327	3 327
4.2 - MUNICIPAL BUILDINGS (019)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	5	-	-
4.2 - MUNICIPAL BUILDINGS (019)	SAVINGS ON OTHER CAPITAL PROJECTS (CORPORATE SERVICES)	1 928	-	-
4.2 - MUNICIPAL BUILDINGS (019)	STANDBY QUARTERS AT SERVICES CENTRE ELECTRICITY	1 500	-	-
4.2 - MUNICIPAL BUILDINGS (019)	STRUCTURAL INSPECTION OF MUNICIPAL BUILDINGS	2 304	2 551	2 551
4.2 - MUNICIPAL BUILDINGS (019)	UPGRADE LABORATORY	262	-	-
4.2 - MUNICIPAL BUILDINGS (019)	WESTERN SERVICES DEPOT - REFURBISHMENT	150	-	-
4.3 - COUNCIL GENERAL EXPENDITURE (030)	COUNCILLORS TOOLS OF TRADE	9	-	-
4.3 - COUNCIL GENERAL EXPENDITURE (030)	EXECUTIVE AND COUNCIL PROJECTS	84	-	-
4.4 - AIRPORT (058)	FENCING - AIRPORT	300	-	-
4.5 - IT SERVICES (082)	2 X LAPTOPS FOR FINANCIAL SERVICES	192	-	-
4.5 - IT SERVICES (082)	3 X DOCKING STATION AND SCREENS	13	-	-
4.5 - IT SERVICES (082)	3 X LAPTOPS FRO ELECTRICAL PROJECT MANAGEMENT	40	-	-
4.5 - IT SERVICES (082)	3 X NOTEBOOKS AND PC'S FOR WATER AND SANITATION	6	-	-
4.5 - IT SERVICES (082)	3 X WORKSTATIONS FOR COMMUNITY SERVICES	-	-	-
4.5 - IT SERVICES (082)	COMPUTER EQUIPMENT FOR WATER AND SANITATION	24	-	-
4.5 - IT SERVICES (082)	DIGITAL RECORDER FOR CITY DEVELOPMENT	10	-	-
4.5 - IT SERVICES (082)	FINANCIAL ERP SYSTEM (CONSULTANT)	2 000	-	-
4.5 - IT SERVICES (082)	ICT RESEARCH AND DEVELOPMENT (R&D)	70	-	-
4.5 - IT SERVICES (082)	IT EQUIPMENT FOR AIR QUALITY MANAGEMENT	23	-	-
4.5 - IT SERVICES (082)	IT EQUIPMENT FOR CITY DEVELOPMENT	18	-	-
4.5 - IT SERVICES (082)	LAPTOP FOR SECRETARY HOS ELECTRICAL SERVICES	20	-	-
4.5 - IT SERVICES (082)	LAPTOP FOR SNR ADMIN OFFICER - ELECTRICAL SUPPLY SERVICES	20	-	-
4.5 - IT SERVICES (082)	LAPTOP FOR SUKUMA SAKHE CO-ORDINATOR	12	-	-
4.5 - IT SERVICES (082)	LAPTOPS FOR CORPORATE SERVICES	27	-	-
4.5 - IT SERVICES (082)	MOBILE GIS DATABASE ENHANCEMENTS AND CAPTURING	248	-	-
4.5 - IT SERVICES (082)	NEW & REPLACEMENT OF IT RELATED EQUIPMENT	2 089	2 218	2 218

SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand				
Vote 4 - CORPORATE SERVICES - ADMINISTRATION				
4.5 - IT SERVICES (082)	PARKHOME CLINIC - NETWORK INFRASTRUCTURE SERVICES	20	-	-
4.5 - IT SERVICES (082)	SAVINGS ON OTHER CAPITAL PROJECTS (COMMUNITY SERVICES)	9	-	-
4.5 - IT SERVICES (082)	THREE DATA POINTS FOR RFID SYSTEM RICHARDS BAY LIBRARY	2	-	-
4.5 - IT SERVICES (082)	YOGA TABLET FOR DMM I&TS	24	-	-
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES				
5.1 - MANAGEMENT SERVICES (014)	OFFICE FURNITURE	2	-	-
5.2 - HUMAN RESOURCES AND LOSS CONTROL (021)	OFFICE FURNITURE	6	-	-
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	OFFICE FURNITURE	1	-	-
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	LION ALCOMETERS WITH SOFTWARE	3	-	-
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	SAFETY EQUIPMENT - EVACUATION CHAIRS	7	-	-
Vote 6 - FINANCIAL SERVICES				
6.1 - FINANCIAL SERVICES (040)	5 WORKSTATIONS FOR INCOME	15	-	-
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES				
7.1 - STREET LIGHTING (041)	EMPANGENI MAIN ROAD INTERSECTION STREETLIGHTING INSTALLATION	921	-	-
7.1 - STREET LIGHTING (041)	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	3 000	3 270	3 270
7.1 - STREET LIGHTING (041)	JOHNROSS/EMPANGENI MAIN STREETLIGHTING INSTALLATION	2 049	-	-
7.1 - STREET LIGHTING (041)	MANDLANKALA/MAHOLOHOLO STREETLIGHTING INSTALLATION	1 775	-	-
7.2 - PROCESS CONTROL SYSTEMS (050)	CITY OF UMLATHUZE SMART METER SOLUTION	400	-	-
7.2 - PROCESS CONTROL SYSTEMS (050)	OFFICE FURNITURE	5	-	-
7.2 - PROCESS CONTROL SYSTEMS (050)	MUNICIPAL ISSUE TRACKING SYSTEM	212	-	-
7.2 - PROCESS CONTROL SYSTEMS (050)	PROCESS CONTROL SIGNALLING SYSTEM	1 000	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	A1275 NGWELEZANE ELECTRIFICATION	2 280	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	CYGNUS MV SWITCHGEAR REPLACEMENT	268	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	DUMISANI MAKHAYE VILLAGE ELECTRIFICATION - PHASE 6	-	3 500	-
7.3 - ELECTRICITY DISTRIBUTION (055)	DUMISANI MAKHAYE VILLAGE ELECTRIFICATION - PHASE 8	-	3 500	-
7.3 - ELECTRICITY DISTRIBUTION (055)	ELECTRIFICATION ESIKHALENI	719	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	ELECTRIFICATION OF AQUADENE	-	-	3 500
7.3 - ELECTRICITY DISTRIBUTION (055)	ELECTRIFICATION OF MANDLAZINI AREA (564 STANDS)	4 300	1 500	1 500
7.3 - ELECTRICITY DISTRIBUTION (055)	ELECTRIFICATION OF MZINGAZI AREA (209 STANDS)	3 100	1 000	1 000
7.3 - ELECTRICITY DISTRIBUTION (055)	ELECTRIFICATION OF NGWELEZANE IDT (NEWTOWN)	1 600	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	ENERGY LOSS PROJECT	2 111	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	ESIKHALENI - REPLACE XLPE MEDIUM VOLTAGE CABLE WITH PAPER INSULATED CABLE	8 903	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	NETWORK MASTER PLAN	1 500	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	UNDERCOVER PARKING AT ELECTRICITY SUPPLY	10	-	-
7.4 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	ELECTRICAL TOOLS	40	-	-

SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand				
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES				
8.1 - ENGINEERING SERVICES (038)	ENGINEERING SUPPORT	1	-	-
8.1 - ENGINEERING SERVICES (038)	WHEELCHAIR	10	-	-
8.2 - PROJECT MANAGEMENT (065)	OFFICE FURNITURE	100	-	-
8.3 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	3 X CONCRETE MIXER : URBAN ROADS (WESTERN & SOUTHERN DEPOTS)	250	-	-
8.3 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	GRADER AIRCONDITIONER	30	-	-
8.3 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	HEAVY DUTY IMPACT TOOL	3	-	-
8.3 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	REPLACEMENT - ENGINEERING SERVICES (PNEUMATIC PUMPS - MECHANICAL WORKSHOP)	2	-	-
8.3 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	REPLACEMENT OF YELLOW PLANT	20 000	22 180	22 180
8.3 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	TRAILER FOR ROAD MARKING MACHINE	55	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	1X DOUBLE CAB 4X4 WITH RAISED BODY	372	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	1X DOUBLE CAB 4X4 WITH RAISED BODY WITH CANOPY	387	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	10 TON TIPPER TRUCK : URBAN ROADS (WESTERN DEPOT)	747	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	2 X DOUBLE CAB LDV (SPORTS)	773	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	3 X 4 DOOR HATCH BACK SEDANS	508	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	7 X TRAFFIC CONTROL SEDANS	108	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	MAYORAL FLEET X3	2 500	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	REFUSE TRUCKS	3 448	-	-
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	REPLACEMENT VEHICLES	8 526	10 000	10 000
8.4 - VEHICLE DISTRIBUTION ACCOUNT (071)	SEDAN FOR TRAFFIC LICENCING	259	-	-
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER				
9.1 - URBAN ROADS AND RAIL (022)	BUS SHELTERS & LAYBYES - ALL AREAS	379	-	-
9.1 - URBAN ROADS AND RAIL (022)	CIVIC SERVICES INFILL AREAS (J2 & H2 AREA)	1 000	-	-
9.1 - URBAN ROADS AND RAIL (022)	CIVIC SERVICES INFILL AREAS	90	-	-
9.1 - URBAN ROADS AND RAIL (022)	ESIKHALENI INTERSECTION	18 000	19 962	19 962
9.1 - URBAN ROADS AND RAIL (022)	ESIKHALENI MALL PARKING - TAXI LOADING & HOLDING AREAS	2 231	-	-
9.1 - URBAN ROADS AND RAIL (022)	ESIKHALENI MALL ROAD SAFETY	1 748	-	-
9.1 - URBAN ROADS AND RAIL (022)	PEDESTRIAN BRIDGES RURAL AREAS	198	-	-
9.1 - URBAN ROADS AND RAIL (022)	ROADS PROJECTS - MANDLANZINI ROAD (TARRING MAIN ROAD)	15 000	15 000	15 000
9.1 - URBAN ROADS AND RAIL (022)	ROADS SECTION - CIVIC CENTRE RICHARDS BAY	44	41	-
9.1 - URBAN ROADS AND RAIL (022)	STREET REHABILITATION - TANNER ROAD	428	-	-
9.1 - URBAN ROADS AND RAIL (022)	STRUCTURAL UPGRADE AND ROOFING - STORE ROOM WESTERN ROADS DEPOT	89	-	-
9.1 - URBAN ROADS AND RAIL (022)	TRAFFIC CALMING	1 000	1 109	1 109
9.1 - URBAN ROADS AND RAIL (022)	UPGRADE & SIGNALISE OF 1 INTERSECTION WITHIN THE CITY OF UMHATHUZE	604	-	-
9.1 - URBAN ROADS AND RAIL (022)	UPGRADE OF 2 INTERSECTIONS	143	-	-
9.1 - URBAN ROADS AND RAIL (022)	WALKWAYS AND BRIDGES	2 000	2 218	2 218

SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand				
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION				
10.1 - SEWERAGE NETWORKS (034)	AQUADENE BULK SERVICES (SANITATION)	21 000	23 289	23 289
10.1 - SEWERAGE NETWORKS (034)	IMPLEMENTATION OF UPGRADES TO EMPANGENI SEWER RETICULATION (ZIDEDELE, LOGANS, K)	2 518	-	-
10.1 - SEWERAGE NETWORKS (034)	REPLACEMENT SEWER (A NGWELEZANE)	324	-	-
10.1 - SEWERAGE NETWORKS (034)	REPLACEMENT SEWER RETICULATION & UPGRADE MANHOLE	26	-	-
10.1 - SEWERAGE NETWORKS (034)	RURAL SANITATION	29 248	31 055	33 764
10.1 - SEWERAGE NETWORKS (034)	RURAL SANITATION (COUNTER FUNDING)	188	-	-
10.1 - SEWERAGE NETWORKS (034)	UPGRADE - HILLVIEW SEWER RISING MAIN	120	-	-
10.1 - SEWERAGE NETWORKS (034)	UPGRADE - VULINDLELA SEWER PIPELINE	1 243	-	-
10.1 - SEWERAGE NETWORKS (034)	VELDENVLEI PUMP STATION	22 374	27 435	27 435
10.1 - SEWERAGE NETWORKS (034)	WATER AND SANITATION SECTION	51	-	-
10.2 - SEWERAGE PUMPSTATIONS (043)	STANDBY PUMPS	10	-	-
10.3 - WATER RURAL AREAS (046)	MKHWANAZI NORTH BULK WATER SUPPLY PHASE 5	133	-	-
10.3 - WATER RURAL AREAS (046)	NEW WATER METERS (RURAL) - KWA-DUBE TRADITIONAL AREAS	463	-	-
10.3 - WATER RURAL AREAS (046)	RURAL HOUSEHOLDS INFRASTRUCTURE	4 500	5 000	5 500
10.3 - WATER RURAL AREAS (046)	RURAL/SEMI-URBAN AREAS	29 248	31 055	33 764
10.4 - WATER AND SANITATION INFRASTRUCTURE PLANNING (049)	BULK MASTER PLAN	816	-	-
10.5 - WATER DISTRIBUTION (060)	5 JOJO TANKS	11	-	-
10.5 - WATER DISTRIBUTION (060)	AQUADENE BULK SERVICES (WATER)	21 000	23 289	23 289
10.5 - WATER DISTRIBUTION (060)	CONSTRUCTION OF 20ML RESERVOIR EMPANGENI RAIL (HILLTOP)	9 809	-	-
10.5 - WATER DISTRIBUTION (060)	EMPANGENI PIPE REPLACEMENT (MWIG)	15 000	2 000	2 000
10.5 - WATER DISTRIBUTION (060)	ESIKHALENI WASTE WATER TREATMENT WORKS	7 000	-	-
10.5 - WATER DISTRIBUTION (060)	ESIKHALENI WATER TREATMENT WORKS	-	3 000	-
10.5 - WATER DISTRIBUTION (060)	LEAK DETECTOR	1 400	-	-
10.5 - WATER DISTRIBUTION (060)	NGWELEZANE PIPE REPLACEMENT (MWIG)	8 000	-	-
10.5 - WATER DISTRIBUTION (060)	NGWELEZANE WATER TREATMENT WORKS - WSOG	-	-	10 000
10.5 - WATER DISTRIBUTION (060)	NSELENI PIPE REPLACEMENT (MWIG)	10 000	2 000	4 000
10.5 - WATER DISTRIBUTION (060)	REDUCTION OF NON-REVENUE	7 000	3 921	2 357
10.5 - WATER DISTRIBUTION (060)	RICHARDSBAY PIPE REPLACEMENT (MWIG)	10 882	-	-
10.5 - WATER DISTRIBUTION (060)	RICHARDSBAY WATER IMPROVEMENTS PHASE 1	3 169	-	-
10.6 - WATER AND SANITATION DISTRIBUTION ACCOUNT (074)	CLOCKING MACHINES	37	-	-
10.6 - WATER AND SANITATION DISTRIBUTION ACCOUNT (074)	PLUMBERS TOOL SETS	1	-	-
10.7 - SEWERAGE PUMPSTATIONS DISTRIBUTION ACCOUNT (087)	BRACKENHAM PUMPSTATION RISER MAIN	90	-	-
10.7 - SEWERAGE PUMPSTATIONS DISTRIBUTION ACCOUNT (087)	OFFICE FURNITURE	-	-	-
10.7 - SEWERAGE PUMPSTATIONS DISTRIBUTION ACCOUNT (087)	MS 10 DOUBLE PUMP PLUS ADDITIONAL PUMP	359	-	-
10.7 - SEWERAGE PUMPSTATIONS DISTRIBUTION ACCOUNT (087)	PUMPSTATIONS	2	-	-
Total Capital expenditure		448 778	290 572	300 384

Table 68 MBRR SA37 - Projects delayed from previous financial year

Municipal Vote/Capital project	Project name	Project number	Asset Class 3	Asset Sub-Class 3	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
					Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand								
Parent municipality: <i>None</i>								

2.12 Legislation compliance status

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

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.

2. Internship programme

The City is participating in the Municipal Financial Management Internship programme and has employed six interns undergoing training in various divisions of the Financial Services Department. From the onset of this programme, Council has appointed ten interns on a permanent basis.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Enterprise Risk Management Committee

A ERM committee has been established and is fully functional

6. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.

7. Annual Report

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

8. MFMA Training

The MFMA training module in electronic format is presented at the City's internal centre and training is ongoing.

2.13 Other supporting documents

Table 69 MBRR SA1 - Supporting detail to budgeted financial performance

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	204 614	238 007	279 679	343 953	360 453	360 453	394 344	430 891	469 962
less Revenue Foregone				29 953	34 000	34 000	34 344	37 091	40 058
Net Property Rates	204 614	238 007	279 679	314 000	326 453	326 453	360 000	393 800	429 904
Service charges - electricity revenue									
Total Service charges - electricity revenue	966 962	1 091 706	1 311 519	1 385 235	1 295 235	1 295 235	1 386 855	1 481 507	1 600 306
less Revenue Foregone				235	235	235	252	272	294
Net Service charges - electricity revenue	966 962	1 091 706	1 311 519	1 385 000	1 295 000	1 295 000	1 386 603	1 481 236	1 600 012
Service charges - water revenue									
Total Service charges - water revenue	134 008	158 637	176 552	204 748	206 648	206 648	281 921	304 315	328 494
less Revenue Foregone				148	148	148	356	384	415
Net Service charges - water revenue	134 008	158 637	176 552	204 600	206 500	206 500	281 565	303 931	328 079
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	59 702	66 946	71 241	80 175	77 625	77 625	86 175	93 069	100 515
less Revenue Foregone				2 175	2 175	2 175	2 175	2 349	2 537
Net Service charges - sanitation revenue	59 702	66 946	71 241	78 000	75 450	75 450	84 000	90 720	97 978
Service charges - refuse revenue									
Total refuse removal revenue	46 088	52 520	58 414	63 576	61 776	61 776	69 377	74 927	80 921
less Revenue Foregone	-	-	-	1 576	1 576	1 576	1 577	1 703	1 839
Net Service charges - refuse revenue	46 088	52 520	58 414	62 000	60 200	60 200	67 800	73 224	79 082
Other Revenue by source									
Refund Insurance Claims	359	148	146	1 229	1 229	1 229	1 291	1 356	1 438
Concession Fees	501	454	443	390	790	790	540	570	600
Extention Fees	10 098	72 889	24 596	9 444	9 750	9 750	9 900	10 445	11 019
Drivers Licence (Renewal)	1 852	2 023	2 130	2 100	2 100	2 100	2 200	2 321	2 449
Railway Sidings	1 133	1 008	965	1 000	1 000	1 000	1 000	1 060	1 120
Settlement Discount Fees	593	1 175	1 892	1 100	1 400	1 400	1 500	1 583	1 670
Skills Levies	2 077	1 755	992	340	340	340	-	-	-
Fees Sundries	(5 841)	14 981	13 180	848	1 247	1 247	901	942	994
Sale of Impounded Vehicles		-	-	1	1	1	1	1	1
Other revenue	2 357	13 882	81	101	246	246	1 333	1 442	1 547
Total 'Other' Revenue	13 129	108 315	44 425	16 553	18 102	18 102	18 666	19 719	20 837

Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	238 577	261 818	293 080	340 225	337 648	337 648	362 790	401 327	440 409
Pension and UIF Contributions	45 411	54 937	59 087	80 394	68 338	68 338	82 116	87 469	92 726
Medical Aid Contributions	19 835	22 223	24 906	32 470	27 232	27 232	31 629	33 688	35 712
Overtime	27 268	26 267	31 206	30 592	33 558	33 558	35 907	38 601	41 689
Performance Bonus	-	-	-	1 124	1 133	1 133	-	-	-
Motor Vehicle Allowance	24 402	27 988	31 884	38 178	35 939	35 939	37 355	39 661	42 045
Cellphone Allowance	1 025	1 207	1 410	2 128	2 127	2 127	3 575	3 810	4 041
Housing Allowances	3 755	3 672	3 270	4 450	4 057	4 057	3 939	4 201	4 456
Other benefits and allowances	23 717	26 301	28 493	32 368	30 611	30 611	34 346	36 725	38 934
Payments in lieu of leave	9 196	12 538	6 721	17 391	17 391	17 391	20 390	21 718	23 024
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2 520	3 009	3 351	3 821	3 421	3 421	3 771	3 113	3 300
sub-total	395 706	439 960	483 409	583 141	561 455	561 455	615 819	670 313	726 335
Less: Employees costs capitalised to PPE	-	2 834	2 419	-	-	-	-	-	-
Total Employee related costs	395 706	437 126	480 990	583 141	561 455	561 455	615 819	670 313	726 335
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	300 901	345 315	244 340	285 116	285 116	285 116	275 206	311 661	337 173
Depreciation resulting from revaluation of PPE	222 658	236 926	-	102 727	102 727	102 727	70 192	30 000	-
Total Depreciation & asset impairment	78 242	108 389	244 340	182 390	182 390	182 390	205 014	281 661	337 173
Bulk purchases									
Electricity Bulk Purchases	756 100	854 691	969 540	1 006 863	933 779	933 779	997 805	1 052 684	1 108 476
Water Bulk Purchases	77 960	82 555	82 086	89 640	132 140	132 140	136 254	138 748	146 366
Total bulk purchases	834 060	937 247	1 051 626	1 096 502	1 065 919	1 065 919	1 134 058	1 191 432	1 254 842

Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
EXPENDITURE ITEMS:									
<u>Transfers and grants</u>									
Cash transfers and grants	681	1 331	1 740	2 501	3 841	3 841	8 345	8 804	9 271
Non-cash transfers and grants	4 862	5 846	7 734	11 248	4 698	4 698	5 538	5 843	6 152
Total transfers and grants	5 543	7 178	9 473	13 749	8 539	8 539	13 884	14 647	15 423
<u>Contracted services</u>									
Cleaning services	1 907	1 877	2 397	1 821	2 090	2 090	2 853	3 010	3 169
Fire Services	4 332	4 566	2 345	-	-	-	-	-	-
IT Services	371	134	160	160	-	-	-	-	-
Medical Services	393	443	409	461	400	400	494	471	486
Meter Reading Services	4 907	6 770	8 205	8 860	9 383	9 383	10 040	10 592	11 154
Security	20 262	20 902	24 975	22 000	25 000	25 000	22 000	23 210	24 440
Sewerage and Purification Works	19 919	22 495	24 499	30 612	27 708	27 708	31 047	29 643	30 600
Sewerage Waste Disposal	7 058	8 063	8 344	9 467	9 464	9 464	10 132	10 689	11 256
Water Purification Works	19 847	21 776	23 925	23 537	19 951	19 951	25 891	24 721	25 518
Other	21 106	49 811	57 771	59 821	73 699	73 699	98 883	82 734	105 080
Rent Equipment and Vehicles	-	-	14 795	2 930	10 869	10 869	3 500	3 693	3 888
sub-total	100 102	136 837	167 825	159 669	178 565	178 565	204 840	188 763	215 591
Total contracted services	100 102	136 837	167 825	159 669	178 565	178 565	204 840	188 763	215 591

Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
EXPENDITURE ITEMS:									
Other Expenditure By Type									
Collection costs	57	118	2 529	100	100	100	173	182	192
Consultant fees	3 025	6 321	3 716	6 784	8 286	8 286	5 118	5 275	5 555
Audit fees	2 020	3 682	2 129	2 809	2 809	2 809	3 131	3 303	3 478
General expenses	751	680	36 878	100 053	94 131	94 131	96 763	101 296	98 606
Advertisement	1 041	1 755	2 468	2 326	2 161	2 161	2 298	2 424	2 553
Bank Charges	1 191	1 330	2 847	3 100	3 590	3 590	4 539	4 789	5 043
Bursaries	659	941	871	1 755	1 230	1 230	1 316	1 389	1 462
Community Facilitation	2 275	4 323	4 817	6 061	6 343	6 343	6 647	7 013	7 384
Entertainment	670	945	1 052	792	501	501	536	565	595
Environment Projects	181	234	325	110	50	50	200	211	222
Fuel and oil	12 486	14 607	17 228	16 489	16 676	16 676	17 934	18 920	19 923
General Training-External	881	933	788	656	896	896	1 000	1 055	1 111
Legal fees	2 385	1 600	13 488	1 100	5 374	5 374	1 327	1 400	1 474
Licences and Permits	1 429	1 577	1 853	1 516	1 516	1 516	1 790	1 889	1 989
Marketing and Social Development	350	565	541	664	725	725	702	741	780
Membership fees	2 065	3 831	4 680	5 664	5 654	5 654	6 605	6 943	7 433
Meter Audits	633	319	215	450	550	550	589	621	654
Postage	1 134	1 274	1 525	1 619	1 622	1 622	1 629	1 719	1 810
Printing and Stationery	2 327	3 994	5 532	6 398	6 109	6 109	6 163	6 502	6 847
Rent equipment Vehicles	2 904	7 984	-	-	-	-	-	-	-
Small tools	465	1 243	779	669	729	729	649	685	721
Sport Development	1 155	1 223	1 005	500	1 700	1 700	1 000	1 055	1 111
Stores and Material	984	1 232	1 145	1 307	1 599	1 599	1 687	1 780	1 874
Telephone	1 595	1 798	1 961	1 894	1 928	1 928	2 060	2 174	2 289
Post Employment Medical Benefit	28 941	32 580	28 913	-	-	-	-	-	-
Programming Material	4 425	4 541	6 929	9 451	9 088	9 088	9 960	10 508	11 065
Waste Disposal	-	-	3 730	4 099	4 020	4 020	4 322	4 560	4 801
Refuse Bags	379	468	521	652	652	652	704	743	782
Refuse Bins	416	899	530	681	681	681	735	776	817
Subsistence and Travelling	1 235	1 703	2 173	1 679	2 140	2 140	2 184	2 304	2 427
Uniforms	1 829	3 279	2 256	3 983	4 222	4 222	4 303	4 540	4 781
Valuation Roll	-	-	1 335	1 598	1 589	1 589	1 888	1 992	2 097
Skills Levy	-	-	4 130	4 297	4 621	4 621	4 844	5 174	5 484
Total 'Other' Expenditure	79 886	105 977	158 890	189 254	191 292	191 292	192 797	202 527	205 360

Table 70 MBRR SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - CITY DEVELOPMENT	Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	Vote 4 - CORPORATE SERVICES - ADMINISTRATI ON	Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	Vote 6 - FINANCIAL SERVICES	Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	Total
R thousand												
Revenue By Source												
Property rates	-	-	-	-	-	360 000	-	-	-	-	-	360 000
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	1 386 603	-	-	-	-	1 386 603
Service charges - water revenue	-	-	-	-	-	-	-	281 565	-	-	-	281 565
Service charges - sanitation revenue	-	-	-	-	-	-	-	84 000	-	-	-	84 000
Service charges - refuse revenue	-	67 800	-	-	-	-	-	-	-	-	-	67 800
Service charges - other	1 691	1 261	1 132	-	0	5 908	2 454	684	-	42	132	13 304
Rental of facilities and equipment	1 145	-	3 156	3 713	-	-	-	-	-	-	2 860	10 874
Interest earned - external investments	-	-	-	-	-	21 982	-	-	-	-	-	21 982
Interest earned - outstanding debtors	-	-	-	-	-	1 558	-	-	-	-	-	1 558
Fines	-	11 201	30	-	-	-	-	-	-	-	-	11 231
Licences and permits	87	1 620	-	-	-	58	-	-	-	-	-	1 765
Agency services	-	7 000	-	-	-	-	-	-	-	-	-	7 000
Other revenue	11	2 377	57	1 153	6	3 458	234	10 004	1 071	268	26	18 666
Transfers recognised - operational	1 047	45 985	7 475	2 787	-	1 600	4 598	179 342	-	15 119	-	257 953
Total Revenue (excluding capital transfers and contributions)	3 981	137 244	11 850	7 654	6	394 563	1 393 890	555 595	1 071	15 429	3 018	2 524 301
Expenditure By Type												
Employee related costs	37 629	142 895	89 924	41 777	14 308	56 670	54 510	71 847	47 884	35 280	23 095	615 819
Remuneration of councillors	-	-	-	24 729	-	-	-	-	-	-	-	24 729
Debt impairment	-	-	-	-	-	3 050	-	-	-	-	-	3 050
Depreciation & asset impairment	2 520	4 780	14 680	19 174	30	862	28 035	82 493	38 052	14 281	109	205 014
Finance charges	208	1 394	3 430	3 955	0	2	20 938	32 295	15 863	1 721	2	79 806
Bulk purchases	-	-	24	-	-	-	980 824	153 211	-	-	-	1 134 058
Other materials	13	42	2 656	683	-	-	11 274	7 665	17 681	5 353	-	45 366
Contracted services	2 161	7 656	16 875	7 769	-	11 471	18 392	96 490	34 999	4 003	5 024	204 840
Transfers and grants	-	538	5 415	2 218	-	2 700	1 500	800	-	-	713	13 883
Other expenditure	18 489	83 378	45 782	(86 030)	(10 405)	(69 617)	125 483	92 512	30 573	(22 771)	(14 597)	192 798
Total Expenditure	61 019	240 684	178 786	14 273	3 933	5 138	1 240 955	537 312	185 052	37 867	14 346	2 519 364
Surplus/(Deficit)	(57 038)	(103 439)	(166 936)	(6 619)	(3 927)	389 425	152 935	18 283	(183 981)	(22 438)	(11 328)	4 937
Transfers recognised - capital	-	-	15 000	-	-	-	9 000	120 878	15 000	-	-	159 878
Surplus/(Deficit) after capital transfers & contributions	(57 038)	(103 439)	(151 936)	(6 619)	(3 927)	389 425	161 935	139 161	(168 981)	(22 438)	(11 328)	164 816

Table 71 MBRR SA3 – Supporting detail to Statement of Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days	80 000	40 000	40 000	150 000	150 000	150 000	200 000	300 000	400 000
Total Call investment deposits	80 000	40 000	40 000	150 000	150 000	150 000	200 000	300 000	400 000
Consumer debtors									
Consumer debtors	205 250	262 463	402 752	284 510	284 510	284 510	307 271	331 852	358 401
Less: Provision for debt impairment	(19 500)	(23 000)	(86 223)	(28 125)	(28 125)	(28 125)	(31 175)	(34 225)	(37 275)
Total Consumer debtors	185 750	239 463	316 529	256 385	256 385	256 385	276 096	297 627	321 126
Debt impairment provision									
Balance at the beginning of the year	16 500	19 500	23 000	25 075	25 075	25 075	27 081	29 247	31 587
Contributions to the provision	3 000	3 647	67 969	3 050	3 050	3 050	3 050	3 050	3 050
Bad debts written off	-	(147)	(4 746)	-	-	-	-	-	-
Balance at end of year	19 500	23 000	86 223	28 125	28 125	28 125	30 131	32 297	34 637
Property, plant and equipment (PPE)									
PPE at cost/valuation (ex cl. finance leases)	10 850 649	10 948 763	11 245 996	11 746 673	11 742 690	11 742 690	12 188 920	12 479 492	12 699 876
Less: Accumulated depreciation	6 503 369	6 806 317	7 047 270	7 444 500	7 329 591	7 329 591	7 601 527	7 909 874	8 243 762
Total Property, plant and equipment (PPE)	4 347 280	4 142 445	4 198 726	4 302 173	4 413 099	4 413 099	4 587 393	4 569 618	4 456 114
LIABILITIES									
Current liabilities - Borrowing									
Current portion of long-term liabilities	94 791	106 224	124 739	122 938	122 938	122 938	140 619	141 292	158 629
Total Current liabilities - Borrowing	94 791	106 224	124 739	122 938	122 938	122 938	140 619	141 292	158 629
Trade and other payables									
Trade and other creditors	237 711	250 276	339 258	265 072	265 072	265 072	277 795	294 185	310 660
Unspent conditional transfers	47 516	113 803	92 231	116 357	116 357	116 357	105 801	105 801	105 801
VAT	-	-	-	-	-	-	2 763	3 752	4 225
Total Trade and other payables	285 226	364 078	431 489	381 429	381 429	381 429	386 360	403 738	420 686
Non current liabilities - Borrowing									
Borrowing	732 522	625 250	601 727	686 593	686 593	686 593	645 473	619 181	575 552
Total Non current liabilities - Borrowing	732 522	625 250	601 727	686 593	686 593	686 593	645 473	619 181	575 552
Provisions - non-current									
Retirement benefits	218 332	204 419	233 332	249 175	265 873	265 873	277 571	293 948	310 409
Total Provisions - non-current	218 332	204 419	233 332	249 175	265 873	265 873	277 571	293 948	310 409
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	3 498 168	3 481 844	3 479 189	3 707 704	3 677 468	3 677 468	3 692 184	3 909 112	3 995 124
GRAP adjustments	133 525	42 225	-	-	-	-	-	-	-
Restated balance	3 631 693	3 524 069	3 479 189	3 707 704	3 677 468	3 677 468	3 692 184	3 909 112	3 995 124
Surplus/(Deficit)	75 377	185 507	197 906	126 767	186 006	186 006	164 816	123 199	132 908
Appropriations to Reserves	(2 568)	6 541	373	(54 482)	(54 482)	(54 482)	(63 000)	(74 000)	(74 000)
Depreciation offsets	(222 658)	(236 927)	-	-	-	-	-	-	-
Other adjustments	-	-	-	(156 280)	(116 808)	(116 808)	115 113	36 813	(17 053)
Accumulated Surplus/(Deficit)	3 481 844	3 479 189	3 677 468	3 623 709	3 692 184	3 692 184	3 909 112	3 995 124	4 036 979
Reserves									
Housing Development Fund	56 848	50 306	49 934	53 341	53 341	53 341	52 131	55 157	58 243
Capital replacement	-	-	-	54 482	54 482	54 482	73 000	74 000	74 000
Total Reserves	56 848	50 306	49 934	107 823	107 823	107 823	125 131	129 157	132 243
TOTAL COMMUNITY WEALTH/EQUITY	3 538 691	3 529 496	3 727 401	3 731 532	3 800 007	3 800 007	4 034 243	4 124 281	4 169 222

Table 72 MBRR SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome	
Demographics												
Population	2011 Census	289	332	-	334	334	334	334	350	355	373	
Females aged 5 - 14	2011 Census	32	37	-	31	31	31	32	32	33	34	
Males aged 5 - 14	2011 Census	32	35	-	31	31	31	32	32	33	35	
Females aged 15 - 34	2011 Census	61	38	-	74	74	74	76	77	78	82	
Males aged 15 - 34	2011 Census	56	70	-	70	70	70	72	73	74	78	
Unemployment	Census	46	462	-	39	39	39	40	40	41	43	
Monthly household income (no. of households)												
No income	Income levels as per Census 2011 provided at	18 231	4 806	-	136 821	136 821	136 821	140 887	143 000	146 218	153 500	
R1 - R1 600	Income levels as per Census 2011 provided at	5 310	14 200	-	93 085	93 085	93 085	95 851	97 288	98 747	103 700	
R1 601 - R3 200	Income levels as per Census 2011 provided at	10 370	4 597	-	16 998	16 998	16 998	17 502	17 895	18 163	19 100	
R3 201 - R6 400	Income levels as per Census 2011 provided at	-	-	-	13 948	13 948	13 948	14 362	14 577	14 795	15 500	
R6 401 - R12 800	Income levels as per Census 2011 provided at	-	-	-	15 364	15 364	15 364	15 820	16 057	16 297	17 100	
R12 801 - R25 600	Income levels as per Census 2011 provided at	-	-	-	12 373	12 373	12 373	12 740	12 931	13 125	13 800	
R25 601 - R51 200	Income levels as per Census 2011 provided at	-	-	-	4 659	4 659	4 659	4 797	4 868	4 841	5 200	
R52 201 - R102 400	Income levels as per Census 2011 provided at	-	-	-	864	864	864	890	910	923	1 000	
R102 401 - R204 800	Income levels as per Census 2011 provided at	-	-	-	388	388	388	400	406	412	400	
R204 801 - R409 600	Income levels as per Census 2011 provided at	-	-	-	253	253	253	261	264	267	300	
R409 601 - R819 200	Income levels as per Census 2011 provided at	-	-	-	-	-	-	-	-	-	-	
> R819 200	Income levels as per Census 2011 provided at	-	-	-	-	-	-	-	-	-	-	
Poverty profiles (no. of households)												
< R2 060 per household per month	Income levels as per Census 2011 provided at	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Insert description												
Household/demographics (000)												
Number of people in municipal area		289 189	332 154	-	334	334	334	334	350	355	373	
Number of poor people in municipal area	Individual with no income and income below	250 709	267 418	-	202	202	202	208	211	214	225	
Number of households in municipal area	Increase of 1.45% projected	67 127	81 005	-	87	87	87	89	91	92	96	
Number of poor households in municipal area		-	-	-	52	52	52	54	54	55	58	
Definition of poor household (R per month)		>R1100/pmnt	>R1000/pmnt	-	-	-	-	-	-	-	-	
Housing statistics												
Formal	Included census figure not mentioned under	51 605	63 803	-	76 477	76 477	76 477	78 749	79 930	83 900	88 100	
Informal	Included census figure for traditional dwellings,	5 500	3 082	-	10 132	10 132	10 132	10 433	10 589	11 100	11 700	
Total number of households		57 105	66 885	-	86 609	86 609	86 609	89 182	90 519	95 000	99 800	
Dwellings provided by municipality	N/A. Funding streams from province	-	-	-	-	-	-	-	-	-	-	
Dwellings provided by province/s	As per government funded projects. Estimated	-	-	-	-	-	500	-	-	-	-	
Dwellings provided by private sector		-	-	-	-	-	-	-	-	-	-	
Total new housing dwellings		-	-	-	-	-	500	-	-	-	-	
Economic												
Inflation/inflation outlook (CPIX)					5.0%	5.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Interest rate - borrowing					11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	
Interest rate - investment					5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	
Remuneration increases					6.1%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Consumption growth (electricity)					1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.5%	
Consumption growth (water)					1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.5%	
Collection rates												
Property tax/service charges					98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	
Rental of facilities & equipment					98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Interest - debtors					8.5%	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	
Revenue from agency services					98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	

Table 73 MBRR SA32 – List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
KwaZulu natal Sharks Board	Mths	36	Meshing Fees	30 June 2016	2 166
Richards Bay Country Club	Mths	12	Annual Maintenance Subsidy	30 June 2016	415
Various Contractors	Mths	12	Grass Cutting	30 June 2016	3 848
Various Contractors	Mths	12	Grass Cutting - Cemeteries	30 June 2016	716
Lincor Services	Yrs	3	Railway Siding Consultant	27 August 2016	1 010
Nashua	Mths	36	Managed Printing Solution	31 December 2015	5 760
GWAVA	Mths	12	E-mail spam filtering	30 June 2016	190
SepSeam	Mths	12	Corporate backup solution	30 June 2016	169
GWAVA Retain	Mths	12	Mail archiving solution	30 June 2016	342
ESS	Mths	12	Emergency services system	30 June 2016	169
Fujitsu	Mths	12	ProMis Financial System Licenses	30 June 2016	1 215
Knowledge Base	Mths	12	CAD Software	30 June 2016	1 232
PayDay	Mths	12	HR and Payroll system	30 June 2016	354
WatchGuard	Mths	12	Firewall Management	30 June 2016	31
SITA	Mths	12	Novell software products	30 June 2016	2 250
Microsoft	Mths	12	Desktop and Server operating system, desktop software	30 June 2016	2 275
ITRON	Mths	12	Pre-payment electricity	30 June 2016	835

2.14 Municipal manager's quality certificate



Your ref: KZN 282
Contact: Municipal Manager

Our file ref: 5/1/1 - 2015/16
In response to DMS No: 1058249
Date: 21/05/2015

QUALITY CERTIFICATE

I, Nhlanhla Sibeko, Municipal Manager of the City of uMhlatuze, hereby certify that the Adopted Medium Term Revenue and Expenditure Framework Plan (MTREF) and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Adopted Medium Term Revenue and Expenditure Framework and supporting documentations are consistent with the Integrated Development Plan of the municipality.

DR NHLANHLA SIBEKO

MUNICIPAL MANAGER OF CITY OF uMHLATHUZE KZN282

SIGNATURE: _____

DATE: _____



ALL CORRESPONDENCE MUST BE ADDRESSED TO THE MUNICIPAL MANAGER