

**ANNEXURE A
(DMS 1402411)**

ANNUAL BUDGET OF
CITY OF
uMHLATHUZE

2020/21 TO 2022/23
MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS (ADOPTED - FINAL)



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Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Mayor's Report

NAVIGATING THROUGH ROUGH SEAS-SERVICE DELIVERY DURING CORONAVIRUS EPOCH

It is during this tough time that we ought to dig deep as responsible citizens and reflect on the journey that is to be travelled.

Our political will and resolve needs to be channelled towards making our country and our city safe again by defeating this pandemic as it has threatened our very livelihoods.

We need to care for one another, come together as a country and overcome this pandemic by abiding to what we have been directed to do.

As citizens of the City of uMhlathuze, we need to play our part in ensuring that we abide by the directives from the National Government and to ensure that we respect the rule of law by staying at home and preventing any further spread of the COVID-19 virus.

In his book, A New Earth - Awakening to your life's purpose, German-born writer, public speaker, and spiritual teacher Eckhart Tolle writes: "When faced with a radical crisis, when the old way of being in the world, of interacting with each other and with the realm of nature doesn't work anymore, when survival is threatened by seemingly insurmountable problems, an individual life-form - or a species - will either die or become extinct or rise above the limitations of its condition through an evolutionary leap."

The President of the Republic, His Excellency Cyril Ramaphosa addressed the nation on the 15 March 2020, declaring a National State of Disaster in terms of the Disaster Management Act; he directed the nation to be vigilant on the looming crisis that had gripped the country, the COVID-19 virus crisis.

We welcome the announcement by the State President to lockdown the country as this is a necessary destruction of the Coronavirus to spread to local citizens. In the beginning of this scourge, the case definition was mainly on people who have a travel history but now we have seen a change of the case definition to everyone who has engaged with the infected person.

We have endured and persevered until now with our lives firstly at a complete standstill and later had to re-adjust to level 4 with some risk measured opening of some economic activities.

We are called upon to adhere to the stringent regulations to arrest the virus spread and contribute to the flattening of the curve. This will assist the nation to drop to lower risk levels and urgently put back all the economic activities into operation in full force. Failure to comply will easily drag us back to level 5, which is a full lockdown again.

Our management team is working on all the risks associated with the Level 4 requirements of phasing in the opening of municipal offices taking into cognisance, the disinfection of municipal offices, depots and all other facilities to ensure safety of our employees and our visitors.

Upon testing all our systems and fully compliant with all regulations, we will begin opening our offices at an appropriate level that will be determined by the national government.

Under these trying circumstances, the City continues with navigating through rough seas and strive at all times to provide efficient and uninterrupted basic services to the community we serve. We continue to be a beacon of hope to our people and we encourage them to work with us as we are all faced with a new phenomenon. We are all in this together.

We have maintained and continue with the supply of water, electricity, refuse removal with the best of our ability during this period. We also appreciate all those customers and community members who call us and report where there are problems and our standby team have been assisting continuously.

We should brace ourselves with the “New Normal”, ways of conducting council business. The regulations stipulates that everyone must now wear a facemask when in public and this will apply to all community members and customers who will be visiting our offices. Hand sanitisation of all persons who will enter our offices will be compulsory, as well as social distancing at all our facilities will be systematically maintained.

We are encouraging our customers to familiarise themselves with the online and technological methods of paying for municipal services, buying of pre-paid electricity, obtaining proof of residents and to utilise our call-centre numbers to make general inquiries and for service delivery defaults instead of personally visiting the municipal offices.

As we table this budget, our economy as the country is in ICU and it is not yet clear when will it be resuscitated back on its feet. Nevertheless, we have to put the plight of the people we serve in the forefront of everything we do knowing how severely affected they are during this hardships in the world. On the other hand, we ought to be creative on how do we generate capital funding for the sustained service delivery. The State President His Excellency Cyril Ramaphosa said, “Coronavirus will be the thing of the past, it is up to us to determine when it shall pass.”

Stay Home, Stay Healthy, Stay safe, Stay Alert and Stay informed!

Thank you

Mayor Mdu Mhlongo

1.2 Council Resolutions

On 27th May 2020, the Council of the City of uMhlathuze will meet in the Council Chambers to adopt the budget of the Municipality for the financial year 2020/21. The Council will approve and adopt the following resolutions:

1. the Adopted Multi-year Medium Term Revenue and Expenditure Framework (MTREF) of the Municipality for the Financial Year 2020/21 and indicative for the projected outer years 2021/22 and 2022/23 be approved as set out in the Budget Report (**DMS 1402411**) and in the Budget tables A1 - A10 (**Annexure B1 - B13**) (**DMS 1402205**);
2. the Final Integrated Development Plan (IDP) Review for 2020/2120 (**DMS 1344570**) be incorporated into the Adopted 2020/21 Multi-year Medium Term Revenue and Expenditure Framework (MTREF);
3. the Adopted 2020/21 Medium Term Revenue and Expenditure Framework aligned with the IDP's Developmental Objectives and Goals and the Municipal Regulation on Standard Chart of Accounts (mSCOA) (Government Gazette 37577 dated 22 April 2014) for the City of uMhlathuze be approved as follows:

Description	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Adopted Budget 2020/21	Adopted Budget 2021/22	Adopted Budget 2022/23
R thousands				
Total Operating Revenue	3 198 114	3 430 794	3 636 785	3 877 900
Total Operating Expenditure	3 292 395	3 485 274	3 673 862	3 852 144
Surplus/ (Deficit) for the year	(94 280)	(54 480)	(37 077)	25 756
Total Capital Expenditure	622 906	671 834	593 789	654 376
TOTAL OPERATING & CAPITAL BUDGET	3 915 301	4 157 108	4 267 650	4 506 520

It be further noted that this Budget in as far as the Municipal's administration ability and financial system capability allowed, is Project based.

4. the following table setting out the surplus/(deficit) across the services be approved:

Description R thousand	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Electricity and Energy Sources				
Surplus/(Deficit) for the year	225 590	241 066	263 957	297 640
Water Management				
Surplus/(Deficit) for the year	16 615	27 667	32 604	41 346
Waste water management				
Surplus/(Deficit) for the year	(48 462)	(43 305)	(35 636)	(28 118)
Waste management				
Surplus/(Deficit) for the year	26 529	29 695	35 359	43 324
Other Services				
Surplus/(Deficit) for the year	(314 552)	(309 603)	(333 360)	(328 436)
Total				
Surplus/(Deficit) for the year	(94 280)	(54 480)	(37 077)	25 756

5. the Adopted Service Delivery and Budget Implementation Plan (SDBIP) 2020/21 (**DMS 1402412**) as submitted be approved;
6. in terms of Section 2(3) of the Local Government: Municipal Property Rates Act the following property rates for the 2020/2021 financial year be approved:

Category	Proposed tariff (from 1 July 2020)	Ratio to Residential Tariff
	C	
Residential Properties	0,0093	1 : 1
Business / Commercial	0,0196	1 : 2,10
Industrial	0,0205	1 : 2,20
Agricultural Properties	0,0023	1 : 0,25
Public Service Purposes (State Owned)	0,0103	1 : 1,10
Public Service Infrastructure	0,0023	1 : 0,25
Public Benefit Organisation Properties	0,0023	1 : 0,25
Mining Properties	0,0214	1 : 2,30
Vacant Land	0,0196	1 : 2,10

7. 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%
8. the Rates Policy as contained in **Annexure D1 (DMS 1403961)** be approved;
9. in addition to the statutory R15 000 reduction in the valuation on residential properties a further reduction of R115 000 of the valuation on all developed residential properties valued at R 400 000 and below be made;
10. in addition to the reductions in recommendation (9) above and subject to the criteria set out in the Property Rates Policy an additional R200 000 reduction in the value of the primary residential property belonging to a pensioner or a social grantee be made;
11. in accordance with the implementation of the universal approach of the indigent policy improved residential property valued at R130 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 R130 000 on the following basis:
 - a) Properties valued between R130 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.
12. the amendment of the Tariff of Charges as per **Annexure C (DMS 1403878)** be approved;
13. the Tariff policy as per **Annexure D2 (DMS 1403825)**;
14. any work function or tariff not accommodated in the Tariff of Charges be dealt with as cost plus 20%;
15. in addition to the free 50 units, the indigent customers to be granted additional 300 units that can be bought per month but be capped at 350 units each month;
16. 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;

17. in terms of various policies the following increases in allowances are submitted to Council for approval:

	Approved 2019/20 Tariffs	Proposed Tariffs - 2019/20
	R	R
Standby - Travel allowance	104	109
Standby - Subsistence allowance	68	71
Subsistence allowances		
Daily allowance	147	154
Overnight allowance	197	207
Own accommodation	271	284
Interview candidates	71	74
Accommodation		
All employees	1 232	1 292
All councillors and Section 56 employees	2 065	2 166
Municipal Manager, Mayor/ Deputy Mayor, Speaker and Municipal Chief Whip	3 444	3 613
Ward committee members	1 384	1 452
Indigent Burial Assistance		
Adult	2 717	2 850
Child (1 day to 15 years)	2 065	2 166
Stillborn / foetus	1 413	1 482

17. the profit on sale of all even be allocated 100% to the Rates and General Capital Replacement Reserve account;
18. should there be any unspent conditional grants received from the National Fiscus at year end, Council hereby requests that the Municipal Manager via letters to the respective transferring officers apply for a roll-over of funds received in **2020/21** financial year to the next financial year, namely the 2019/20 financial year;
19. although Council has an approved Virement Policy, in terms of this 2020/21 MTREF Budget appropriation, a new MFMA mSCOA circular no. 8 (**DMS 1402904**) be adopted with the following:
- no virements (transfers) will be allowed out of:
 - All Repairs and Maintenance Projects unless approval has been sort jointly between the Municipal Manager and the Chief Financial Officer
 - Purchase of Bulk Electricity and Bulk Water Projects;
 - a Project extending over/ incorporating more than one mSCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source;

- Where the Finance and Administrative function or sub function is directly linked to another Function or sub function, then savings in the linked function/ sub-function may be applied in the Finance and Administrative function or *vice versa*². This means that virements between Rates Services and Trading Services and across Trading Service are not allowed;
 - Virements should not be permitted in relation to the revenue side of the budget;
 - Virements between functions should be permitted where the proposed shifts in funding facilitate sound risk and financial management (e.g. the management of central insurance funds and insurance claims from separate votes);
 - Virements from the capital budget to the operating budget should not be permitted, Operational funds to the Capital Budget may be done, but only via an Adjustments budget;
 - Virements towards employee related costs should not be permitted, except where:
 - temporary/ contracted (budget for as contracted services in terms to the mSCOA Classification) staff status has changed to permanent staff; or
 - the budget savings resulted from Outsourced Services within the same function in terms of a Council delegated authority).
20. to ensure that monies are spent efficiently and effectively in the repairs and maintenance environment for both operating and capital budgets, no Repairs and Maintenance budget can be utilized unless each project for repairs and maintenance is utilized strictly in terms of the 2020/21 asset maintenance plan and captured accordingly on the Work Break-down Structure of the uM-SAP system; and
21. to ensure that all capital budgets are spent efficiently and effectively, no approved tenders can proceed unless clearly defined work deliverables are documented in the project and captured accordingly in the Work Break- down Structure on the uM-SAP system.

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 Adopted 2020/21 MTREF the submissions received from the Departments which were all project based could be broken down into the following categories:

Scenario	Capital (Own funding)		
	2020/21	2021/22	2022/23
	R 000	R 000	R 000
Initial Departmental Submissions	616 494	400 135	399 156
Departmental reductions	(128 517)	38 865	81 845
TABLED BUDGET	487 977	439 000	481 000

Scenario	Operating Budget		
	Revenue	Expenditure	Deficit
	R 000	R 000	R 000
First (excl tariff increases)	3 198 114	3 722 356	(524 242)
Second (excl tariff increases)	3 198 114	3 510 365	(312 251)
Third (excl tariff increases)	3 198 114	3 495 572	(297 457)
TABLED BUDGET	3 430 794	3 485 274	(54 480)

Furthermore, a critical review was undertaken of expenditure on non-core and non-priority spending items in line with NT's Cost containment measures outlined in NT's MFMA circular number 82 and as endorsed in the Cost Containment Regulations (**DMS 1348572**) issued on 07 June 2019. Emphasis was placed on providing of funds for the repairs and maintenance expenditure line items.

The **main challenges** experienced during the compilation of the 2020/21 MTREF can be summarised as follows:

- At the top of the list by far is the **lack of growth** in local economic activity and now exacerbated by the COVID-19 epidemic.
- As a comparison between Functions over all, by far the greatest concern here lies with all the services financed by Property Tax (Rates). This adopted budget has the Rates Services sitting with a R 309 million deficit;
- The majority of domestic households in uMhlathuze are not levied Property Rates. This because the individual properties within the Ingonyama Trust land are not separately valued and not subject to the Municipal Property Rates Act. This despite the same communities enjoying most of the municipal services that are funded by Property Rates Revenue. This flaw in the current legislation is also applicable to those commercial and business activities taking place within the Ingonyama Trust area. There is a rapid increase in demand for services in these areas – roads, water, refuse, electricity, sanitation but no commensurate revenue;
- There is no Equitable Share allocation for properties that do not pay Property Rates. The significance here that the delivery of basic services is very dependent on Property Rates in yet there is zero allocation from the National Equitable Share allocation for Property Rates itself. This weakness in the financial structure of the Municipal MTREF needs to be addressed at a National level as it cannot be resolved at a local level. This is a National Policy matter. As an interim measure National Treasury has been requested to increase Equitable Share to the equal extent that the Municipal Property Rates Act cannot be applied to the residents of the Ingonyama Trust land as the residents there hold no legal title to the land;
- Although Council has received Level II Accreditation, the subsidisation of Housing services which is not a Constitutional mandate can be construed as an “unfunded” mandate due to the fact the Property Rates must now fund the deficit of R27m – refer to Table 25 for details;
- Waste Water Management Service shows a deficit of R 43 million on Waste Water Management, this is a concern and efforts will need to be made to reduce this deficit in the coming MTREF by reducing costs therefore the introduction of more efficient and effective operations;
- Waste Management is now trading at a surplus of R 29.7 million from a surplus of R 26.5 million on 2019/20 Adjusted Budget;
- Although Employee related costs as a percentage of total Expenditure amounts to 28.3% and appears to be below the 30% industry standard, it is not realistic for specifically uMhlathuze Municipality to be comfortable with this figure because of the high electricity purchase cost which distorts Council’s budget figures when compared to other secondary cities. Without a properly researched formula in place, it is difficult to guide Council to a specific benchmark, but in COU situation that figure should be no more than the current 28.3% given the distortion in COU budget caused by the high Electricity Turnover. More significantly with a number of services outsourced, a more conservative approach would be to add the Contracted Services costs (8.3%) together with Employee related Costs. This figure amounts to 36.6% (28.3% + 8.3%). Therefore, and un-researched, but professional estimate target for Council is to ensure that both Employees Related Costs plus Contracted Services, to not exceed 33.3%. This implies that the Administration is exceeding this target by 3.3% and needs to bring this down;

- Preparation of an mSCOA project based budget without a budgeting tool within the financial system meant that the information had to be prepared manually which left room for possible errors to arise. The imminent light in the tunnel here is that the new ERP system does have such a module, which should be available for use for the preparation of the 2021/22 MTREF in the 2020/21 financial year;
- Furthermore, this manual process is time consuming and utilises a lot of resources which puts unnecessary strain on the employees involved in preparing the budget document and budget tables; and
- The Municipal Budget and Reporting Tables for the 2020/21 MTREF have been prepared manually using version 6.4 for the purposes of this report.

The following budget principles, guidelines and assumptions directly informed the compilation of the 2020/21 MTREF:

- No organic growth in the revenue base;
- Revenue cash flow assumes a 96 recovery;
- Capital from own funding (Capital Replacement Reserve and Borrowing) allocated on a prioritized model between Functions using asset values and Income generating ability;
- The basket of municipal services tariffs collectively has been kept below 6%.
- 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; and
- Repairs and Maintenance provisions surpass the best practice parameters of 8% of PPE and are sitting at excess of 11% for the MTREF.

National Treasury's MFMA Circular No. 98 and 99 were used to guide the compilation of the 2020/21 MTREF.

Following the tabling of the MTREF, National Treasury will review and make comments on the Adopted budget. This assists the Municipality in ensuring quality when preparing the budget in terms of MFMA. As indicated in the MFMA Budget Circular no. 99, this review is scheduled for 21st May 2020.

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

- Credibility;
- Relevance; and
- Sustainability.

This report has been finalised prior to the engagement and therefore the Chief Financial Officer will provide feedback on the engagement at the Council Meeting.

1.4 Procurement and supply chain management reform

In support of the Batho Pele Budget towards improved service delivery, the Supply Chain Management Unit (SCMU) will continue to put in framework agreements for panel of services and works in line with the MTREF.

Framework agreements are agreements between an organ of state and one or more contractors, with a purpose to establish the terms governing the purchase orders to be awarded during a given period, in particular with regards to price and, where appropriate, the quantity envisaged. This framework can be activated immediately without any procurement delays or delays in the market response.

1.5 Operating Revenue Framework

We are looking at a very sharp, unprecedented decline in trade, at an alarming speed due to the world wide spread of the CORONA virus. The disease has forced governments to implement nationwide lockdowns that have stalled factories, closed many restaurants and retail shops, and left consumers scrambling for necessities.

The pandemic has resulted in hike of demand for household goods which might result in a supply crisis should the virus spread not be contained. This renders the 2020/21 budget very difficult to forecast consumer patterns and demand especially on trading services like electricity and water.

While there are widespread expectations of such a global recession, the uncertainty is also high as it remains unknown how long it will take to contain the virus, and so how long the global economy will be negatively affected.

South African economy has also faced another negative blow when Moody's rating agency downgraded the country to a junk status. The weakening rand, deteriorating economy and the recent pandemic might take the country to its biggest recession since democracy.

Global economic shutdowns in the face of Covid-19 has caused turmoil, both already in financial markets ahead of the measures and on institution in economies as many large and small corporates face severe weakening of balance sheets, with the economic effect likely already in the region of the recession of the global financial crisis just over a decade ago. **(Source_ <https://www.investec.com>: Moody's downgrades SA amid Covid-19 crisis, 28 March 2020)**

Fiscal sustainability is of paramount for council to be able to deliver services to the public and also the local industries. The recent events requires that council apply business re-engineering in order to be able to respond to the global economic crisis.

The recent electricity supply load shedding has also negatively affected the expected volumes to be derived from the sale of electricity by council and during the adjustments budget, the electricity revenue stream was adjusted downwards. The proposed renewable energy programmes and the Independent Power Producers (IPP), might also further affect the revenue downwards in future.

Water service charges has also decreased in volume supplied due to drought and water conservations applied throughout the city by both industries and households.

The property market had a negative growth over the past year which has affected the revenue growth in property rates. The construction industry decreased by 5,9% and contributed -0,2 of a percentage point to GDP growth. Decreases were reported for residential and non-residential buildings and construction works. **(Source - <http://www.statssa.gov.za>).**

In support and to boost of the property market amid the slow development growth, the Finance Minister announced that threshold for transfer duties for properties costing less than a million will no longer be subjected to transfer duties. This will promote and encourage property sales and ultimately boost property rates.

Albeit, the constrained economy, there are some positives to the budget, where the city prepared new valuation roll effective from July 2020 which will see a rise in property rates. The current property values amount to R38.6 billion and have increased to R45.9 billion (18 per cent) with residential properties being valued the highest at R22.1 billion.

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 96 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); and
- Increase ability to extend new services and recover costs where economically possible;
- The municipality's Indigent Policy and rendering of free basic services and subsidized services to both the destitute and poor consumers.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Table 1 Summary of revenue classified by main revenue source

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source									
Property rates	397 694	442 661	477 138	520 380	510 227	510 227	540 840	572 209	608 108
Service charges - electricity revenue	1 515 882	1 289 012	1 306 558	1 573 324	1 571 924	1 571 924	1 666 177	1 762 757	1 877 909
Service charges - water revenue	337 297	378 129	417 712	388 299	388 299	388 299	411 574	435 424	463 924
Service charges - sanitation revenue	81 747	75 447	93 910	101 068	105 568	105 568	111 886	118 360	124 742
Service charges - refuse revenue	73 883	98 095	85 042	113 268	110 768	110 768	117 414	124 224	130 933
Rental of facilities and equipment	8 301	6 793	7 416	10 802	10 642	10 642	11 164	11 699	12 261
Interest earned - external investments	60 875	76 056	27 999	58 000	58 000	58 000	63 000	65 000	67 000
Interest earned - outstanding debtors	45	103	130	109	109	109	114	120	125
Fines, penalties and forfeits	20 402	15 818	86 379	7 981	7 481	7 481	10 597	11 143	11 702
Licences and permits	3 701	3 756	3 773	3 407	3 407	3 407	3 407	3 570	3 742
Agency services	6 595	6 356	6 407	5 970	5 970	5 970	5 970	6 257	6 557
Transfers and subsidies	284 193	329 088	352 730	390 676	390 019	390 019	424 643	456 492	496 649
Other revenue	113 599	199 346	62 351	35 484	35 700	35 700	64 008	69 529	74 249
Total Revenue (excluding capital transfers and contributions)	2 904 214	2 920 660	2 927 545	3 208 768	3 198 114	3 198 114	3 430 794	3 636 785	3 877 900

Table 2 Percentage proportion in revenue by main revenue source

Description R thousand	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Revenue By Source								
Property rates	510 227	16.0%	540 840	15.8%	572 209	15.7%	608 108	15.7%
Service charges - electricity revenue	1 571 924	49.2%	1 666 177	48.6%	1 762 757	48.5%	1 877 909	48.4%
Service charges - water revenue	388 299	12.1%	411 574	12.0%	435 424	12.0%	463 924	12.0%
Service charges - sanitation revenue	105 568	3.3%	111 886	3.3%	118 360	3.3%	124 742	3.2%
Service charges - refuse revenue	110 768	3.5%	117 414	3.4%	124 224	3.4%	130 933	3.4%
Rental of facilities and equipment	10 642	0.3%	11 164	0.3%	11 699	0.3%	12 261	0.3%
Interest earned - external investments	58 000	1.8%	63 000	1.8%	65 000	1.8%	67 000	1.7%
Interest earned - outstanding debtors	109	0.0%	114	0.0%	120	0.0%	125	0.0%
Fines, penalties and forfeits	7 481	0.2%	10 597	0.3%	11 143	0.3%	11 702	0.3%
Licences and permits	3 407	0.1%	3 407	0.1%	3 570	0.1%	3 742	0.1%
Agency services	5 970	0.2%	5 970	0.2%	6 257	0.2%	6 557	0.2%
Transfers and subsidies	390 019	12.2%	424 643	12.4%	456 492	12.6%	496 649	12.8%
Other revenue	35 700	1.1%	64 008	1.9%	69 529	1.9%	74 249	1.9%
Total Revenue (excluding capital transfers and contributions)	3 198 114	100%	3 430 794	100%	3 636 785	100%	3 877 900	100%
Total revenue from rates and service charges	2 686 786	84.0%	2 847 891	83.0%	3 012 974	82.8%	3 205 615	82.7%

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 12 per cent.

Rates and service charges revenue comprise of 83 per cent of total operating revenue mix. In 2019/20, revenue from rates and service charges totalled R2.7 billion and is projected to increase to R2.9 billion in 2020/21 and steadily increase to R3 billion and R3.2 billion in 2021/22 and 2022/23 respectively.

Electricity service charges are the largest contributor towards municipal revenue in terms of turnover amounting to an average of 49 per cent over the MTREF. However, it needs to be noted that the actual revenue contributed by Electricity Service to municipal service delivery is the gross profit of Electricity Turnover less Bulk purchase cost this amounts to R 637.6 million in the 2020/21 financial year.

The second largest revenue source in the City is Property rates at a constant 16 per cent over the MTREF. 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 City has developmental projects in the pipeline to boost the property rates base of the City, The Ridge Estate Project, Relocation of Richards Bay Airport project, Richards Bay IDZ Phase 1F development and Richards Bay Waterfront development. All these projects are expected to inject a significant amount of revenue through property rates levies and service charges.

The trading service water is the third largest revenue, contributing 12 per cent towards the total revenue projected at R412 million in 2020/21. The severe drought in the country has resulted in lower patterns of consumptions by both the households and industries in the area. The challenge

is that based on the fact that the bulk of the costs are fixed, the Water Service which is a trading service and meant to be making a surplus is now making a deficit.

Operating grants and transfers totals R424.6 million in the 2020/21 financial year, steadily increases to R456.5 million in 2021/22 and to R496.6 million in 2022/23. Local Government Equitable Share will grow at an average annual rate of 8.4 per cent over the MTREF. This covers the likely above-inflation increases in the costs of bulk water and electricity. This also allows for faster increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula.

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

Table 3 Operating Transfers and Grant Receipts

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
Operating Transfers and Grants									
National Government:	275 248	314 327	339 463	377 106	377 044	377 044	411 846	443 307	482 868
Local Government Equitable Share	251 497	292 009	326 255	362 965	362 965	362 965	396 870	434 729	472 093
Finance Management	2 537	2 650	2 650	2 650	2 588	2 588	2 600	2 600	2 650
Municipal Systems Improvement	–	–	1 055	–	–	–	–	200	2 000
EPWP Incentive	5 055	4 143	5 189	4 492	4 492	4 492	4 278	–	–
Project Management Unit	3 344	5 437	2 014	6 999	6 999	6 999	8 098	5 778	6 125
Infrastructure Skills Development Grant	6 500	3 879	2 300	–	–	–	–	–	–
Municipal Demarcation Transition Grant	6 314	6 209	–	–	–	–	–	–	–
Provincial Government:	10 017	12 652	13 762	13 570	12 975	12 975	12 797	13 185	13 781
Museums	175	183	192	202	202	202	214	225	235
Provincialisation of Libraries	7 506	7 881	8 275	8 689	8 689	8 689	8 932	9 136	9 593
Libraries	1 432	1 504	1 576	2 283	1 688	1 688	2 445	2 618	2 747
Housing	904	1 316	3 447	2 396	2 396	2 396	1 206	1 206	1 206
Enhanced Extended Discount Benefit Scheme	–	16	60	–	–	–	–	–	–
Cleanest Town Awards	–	–	100	–	–	–	–	–	–
Hostels	–	152	112	–	–	–	–	–	–
Sport and Recreational	–	–	–	–	–	–	–	–	–
Career Exp - Dept of Public Works	–	800	–	–	–	–	–	–	–
Richards Bay Airport Feasibility Study	–	800	–	–	–	–	–	–	–
District Municipality:	318	100	130	–	–	–	–	–	–
Beach Festival	–	–	–	–	–	–	–	–	–
Refuse Removal Grant	318	–	–	–	–	–	–	–	–
Beach Protection	–	–	130	–	–	–	–	–	–
Speakers Funeral	–	100	–	–	–	–	–	–	–
Other grant providers:	319	2 359	(495)	–	–	–	–	–	–
Umlhathuze Village Beneficiaries Contribution	26	24	2	–	–	–	–	–	–
Chieta Funding	199	534	46	–	–	–	–	–	–
Absa Bank - SCM Indaba	5	–	–	–	–	–	–	–	–
SM Xulu Chartered Accountants - Strategic Session	15	–	–	–	–	–	–	–	–
EOH Mthombo (Pty) Ltd - Strategic Session	10	–	–	–	–	–	–	–	–
Joat Consulting - Strategic Session	25	–	–	–	–	–	–	–	–
Deloitte La Lucia - Strategic Session	20	–	–	–	–	–	–	–	–
Absa Bank - Strategic Session	20	–	–	–	–	–	–	–	–
Other	–	240	–	–	–	–	–	–	–
State of the City - Various	–	740	–	–	–	–	–	–	–
Mayor Back to school - Various	–	78	170	–	–	–	–	–	–
LG Seta	–	742	(742)	–	–	–	–	–	–
Absa Bank - Building Ngema House	–	–	30	–	–	–	–	–	–
Total Operating Transfers and Grants	285 902	329 438	352 860	390 676	390 019	390 019	424 643	456 492	496 649

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” has a notable outstanding debt increase which has been accumulative over the years. Indigent Support effective from 2017/18 is rolled out to target those who cannot afford services who meet the requirements of an indigent consumer.

NERSA has approved 6.90 per cent increase for Eskom retail tariff charges. The tariff increase as approved might not cover the cost of bulk purchases per unit as Eskom operational costs are above inflation and the demanded increase of 18.9 per cent by Eskom was not approved. This means the accumulated costs will be effected in the forthcoming years where the consumer will feel the pinch.

Mhlathuze Water bulk tariffs have increase by an average of 10.25 per cent which is far beyond the inflation target of 4.9 per cent. The drought and capital infrastructure planned upgrades by the Water board, has resulted in the tariff hike beyond CPI. This means consumer will continue to pay more on water if water conservations are not applied by the consumers.

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.

1.5.1 Property Rates

The property rates are levied in accordance with the Municipal Property Rates Act, 2004 (Act No.6 of 2004), (MPRA) and the Local Government Municipal Finance Management Act.

Property rates are levied per individual property depending on the property value compared with the valuation of all rateable properties in the municipal area.

Rebates and concessions are granted to certain property categories based on usage or ownership as guided by the MPRA.

Property values have increased substantially as the new valuation roll was concluded to take effect from July 2020. The property values increased to R45.9 billion from R38.6 billion as per the current General Valuation roll.

The following table reflects the new and current General Valuations values summary:

Table 4 New and Current General Valuations values

Categories	Current GV Sum of value	New GV Sum of value
	R	R
Agriculture	747 064 308	1 139 018 000
Business	6 055 257 092	9 375 516 000
Multi-Purpose	403 504 000	
Industrial	7 076 592 000	7 017 984 000
Municipal	370 734 601	802 005 000
PSI	90 924 150	145 919 000
Mining	35 942 000	29 850 000
Residential	18 469 116 010	22 126 575 000
State	2 854 894 000	2 722 270 000
Vacant land	2 580 162 000	2 400 112 000
PBO		97 133 000
Grand Total	38 684 190 161	45 856 382 000

The following table stipulates the Property Rates Policy exemptions and rebates summary:

Table 5 Property Rates Policy exemptions and rebates

Rates Category	Rebates, Exemptions and reductions
RES	R 15 000 Impermissible to all Developed Residential Properties
	R 115 000 Reduction to all Residential Properties with a value below R 400 000
	R 200 000 Reduction to Pensioners
	Places of Worship Exempted as part of Legislation
BUS	No rebates, exemptions or reductions
	Public Benefit Organisations – Regulated Ratio 1:0,25
	Non-profit organisations – 20% Rebate upon successful application
Agricultural	5% Rebate upon successful application
PBO's	Non-profit organisations – 20% Rebate upon successful application
PSI	30% reduction as per Legislation
Mining	No rebates, exemptions or reductions
Industrial	No rebates, exemptions or reductions
Vacant Land	No rebates, exemptions or reductions

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2020/21 financial year. It should be noted the decrease in tariffs when compared with the current year as the property values have increased significantly.

Table 6 Comparison of proposed rates to levied for the 2020/21 financial year and the two outer years

Category	Current Tariff (1 July 2019)	Proposed tariff (from 1 July 2020)	2020/2021	2021/2022	Ratio to Resident ial Tariff
	C	c	C	C	
Residential Properties - Private	0.0103	0.0093	0.0097	0.0102	1 : 1
Residential Properties - Municipal	0.0103	0.0093	0.0097	0.0102	1 : 1
Residential Properties - State	0.0103	0.0093	0.0097	0.0102	1 : 1
Business / Commercial - Private	0.0217	0.0196	0.0205	0.0215	1 : 2,1
Business / Commercial - Municipal	0.0217	0.0196	0.0205	0.0215	1 : 2,1
Business / Commercial - State	0.0217	0.0196	0.0205	0.0215	1 : 2,1
Agricultural Properties - Private	0.0026	0.0023	0.0024	0.0025	1 : 0,25
Agricultural Properties - Municipal	0.0026	0.0023	0.0024	0.0025	1 : 0,25
Agricultural Properties - State	0.0026	0.0023	0.0024	0.0025	1 : 0,25
Industrial Properties - Private	0.0227	0.0205	0.0215	0.0225	1:2,2
Industrial Properties - Municipal	0.0227	0.0205	0.0215	0.0225	1:2,2
Industrial Properties - State	0.0227	0.0205	0.0215	0.0225	1:2,2
Mining - Private	0.0226	0.0214	0.0224	0.0235	1:2,3
Mining - Municipal	0.0226	0.0214	0.0224	0.0235	1:2,3
Mining - State	0.0226	0.0214	0.0224	0.0235	1:2,3
Public Service Purposes (State Owned)	0.0114	0.0103	0.0108	0.0113	1:1,1
Vacant Land - Private	0.0217	0.0196	0.0205	0.0215	1: 2,1
Vacant Land - Municipal	0.0217	0.0196	0.0205	0.0215	1: 2,1
Vacant Land - State	0.0217	0.0196	0.0205	0.0215	1: 2,1
Public Service Infrastructure - Private	0.0026	0.0023	0.0024	0.0025	1:0,25
Public Service Infrastructure - Municipal	0.0026	0.0023	0.0024	0.0025	1:0,25
Public Service Infrastructure - State	0.0026	0.0023	0.0024	0.0025	1:0,25
Public Benefit Organisations	0.0026	0.0023	0.0024	0.0025	1:0,25
Municipal Properties	0.0103	0.0093	0.0097	0.0102	1 : 1

The two outer years are increased by 4.8%.

1.5.2 Sale of Water and Impact of Tariff Increases

The resource scarcity on water due to drought that has hit the entire country is a challenge in the municipal revenue stream. It is therefore expected that due to changes in the consumption patterns downwards by consumers, revenue budgeted to be generated will also be downsized over the MTREF. The resource scarcity in water has had a direct impact on escalated input cost far beyond the inflation forecast of 4.9 per cent (**Source - NT 2020/21 Budget Circular No. 94 – Annexure L2 – DMS 1398732**).

The traditional areas are the second challenge in terms of recovering the service provided in these arrears. The majority of the outstanding consumer debt is owed by the consumers from the traditional arrears for water consumed.

The City took a decision to find alternative ways in recovering the ever increasing debt in traditional areas and the concept of introducing an alternative way in billing these consumers for water consumption is being investigated and may lead towards a decision of replacing all conventional water meters into Pre-Paid water meters in the forthcoming financial years.

In line with the initiative to ensure that residents pay for water and as the revenue enhancement strategy, the city has applied a targeted approach where the 6 kilolitre is provided to consumers who only use not more than 6 kl over 30 days' period.

Indigent support policy was reviewed and approved in 2017 and the indigent support has been extended to consumers under the traditional authority which has assisted towards only billing consumers who can afford to pay for services. In 2018/19 R34 million was written off by council for indigent consumers under the traditional authority. This has assisted in ensuring that historic debt only reflects debtors who can afford to pay for services.

On average the cost of providing water is R64 per litre, and on average revenue charged to both business and households is R46 per litre. The city subsidises by R18 per litre on all units sold to the community. Water Service need to save approximately R86 million on its cost drivers to break even or through the economies of scope by expansion of the units sold.

In light of the current drought experienced in the city, water tariffs are punitive and the penalty tariffs are incorporated in the Inclining Block Tariff (IBT) structure. Due to the climatic conditions, the city will continue to institute water restrictions as guided by the department of Water Affairs.

The restrictions are as follows as per department of Water Affairs recommendation:

Table 7 Department of Water Affairs Restrictions

Category	Level one Restrictions	Level two Restrictions	Level three Restrictions	Level four Restrictions
Industries	5%	10%	15%	15%
Domestic Use	10%	20%	30%	60%
Agricultural Use	50%	60%	70%	90%

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

Table 8 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2019/20	PROPOSED TARIFFS 2020/21	2021/2022	2022/2023
	Rand per kℓ	Rand per kℓ	Rand per kℓ	Rand per kℓ
RESIDENTIAL	Prices excluding VAT	Prices excluding VAT	Prices excluding VAT	Prices excluding VAT
0 - 0.2 kℓ per day (0 - 6 kℓ)	0	0	0	0
0 - 0.2 kℓ per day (0 - 6 kℓ)	5.1509	6,2841	6.5857	5.8973
0.2 - 0.5 kℓ per day (7 - 15 kℓ)	6.1810	7.5408	7.9028	7.0766
0.5 - 1.0 kℓ per day (16 - 30 kℓ)	14.4693	17.6525	18.4998	16.5659
1.0 - 2.0 kℓ per day (31 - 60 kℓ)	19.1741	23.3924	24.5152	21.9524
2 and above kℓ per day (60+ kℓ)	25.0088	30.5107	31.9752	28.6326
NON-RESIDENTIAL				
0,0 - 0,5 kℓ per day	11.3339	13.8274	14.4911	15.1867
0,5 - 1,0 kℓ per day	16.5275	20.1636	21.1314	22.1457
1,0 - 2,0 kℓ per day	19.5189	23.8131	24.9561	26.1540
above 2,0 kℓ per day	19.2803	23.5220	24.6511	25.8343

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

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

Monthly consumption kℓ	Current amount 2019/20 Payable R	Proposed amount 2020/21 payable R	Difference (Increase) R	Percentage change
20	289.39	353.05	63.66	22,00%
30	434.08	529.58	95.50	22,00%
40	766.96	935.70	168.73	22,00%
50	958.71	1 169.62	210.92	22,00%
80	2 000.70	2 440.86	440.15	22,00%
100	2 500.88	3 051.07	550.19	22,00%

Water tariffs increased by 20 per cent in the proposed 2020/21 and the two outer years as shown above.

1.5.3 Sale of Electricity and Impact of Tariff Increases

The electricity tariff increases which the City has applied as per NERSA tariff guideline for 2020/21 have an increase of 8.4 per cent effective from the 1st of July 2020.

Registered indigents will again be granted 50 kWh per month.

In addition to the free 50 units, the indigent customers to be granted additional 300 units that can be bought per month but be capped at 350 units each month;

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

Table 10 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption kWh	Current amount 2019/20 payable R	Proposed amount 2020/21 payable R	Difference (Increase) R	Percentage change
100	126,24	132,15	5,91	4,68%
250	315,60	330,38	14,78	4,68%
500	891,50	931,45	39,95	4,48%
750	1 397,25	1 459,65	62,40	4,47%
1 000	1 863,00	1 946,20	83,20	4,47%
2 000	4 242,00	4 429,00	187,00	4,41%

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 electricity tariff increases which the City has applied as per NERSA tariff guideline for 2020/21 have an increase of 6.90 per cent effective from the 1st of July 2020. In analysing the affordability for domestic use, the tariffs were increased by an average of 4.48 per cent and 6.9 per cent for business.

The recent electricity supply load shedding has negatively affected the expected volumes to be derived from the sale of electricity by council and thus, electricity revenue stream was adjusted downwards during the adjustments budget for 2019/20

The proposed renewable energy programmes and the Independent Power Producers (IPP) by the cabinet, might also further affect the revenue downwards in future as it is uncertain on how such initiatives will benefit or protect electricity revenue for municipalities.

As proposed Eskom might be un-bundled into three divisions, being Electricity Generation, Transmission and Distribution. Plans have not highlighted or covered how these unbundling of Eskom will assist in curbing the high bulk purchasing costs incurred by municipalities on distribution.

1.5.4 Sanitation and Impact of Tariff Increases

A tariff increase of 5.6 per cent for sanitation from 1 July 2020 is proposed. This is based on the input cost assumptions related to water. Properties below the market value of R130 000 are not charged for sewerage discharged.

The following table compares the current and proposed tariffs:

Table 11 Comparison between current sanitation charges and increases

Tariff Code	Detail	2019/20		2021/22		2021/22		2022/23		%
		Excl VAT	Incl VAT	Excl VAT	Incl VAT	Excl VAT	Incl VAT	Excl VAT	Incl VAT	
SN	Rebate = 100%	(9,27)	(10,66)	(9,83)	(11,30)	(10,30)	(11,84)	(10,79)	(12,41)	6,00
	Valuation of Residential property value < R 130 000									
SO	Rebate = 25%	(2,32)	(2,67)	(2,21)	(2,54)	(2,32)	(2,67)	(2,43)	(2,79)	5,00
	Valuation of Residential property value R 130 001 to R 170 000									
IA	Rebate = 25%	9,27	10,66	9,83	11,30	10,30	11,84	10,79	12,41	6,00
	Valuation of Residential property value R 170 001 and above per kℓ as per bylaw									

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

Table 12 Comparison between current sanitation charges and increases, single dwelling- houses

Monthly sanitation consumption kℓ	Current amount 2019/20 Payable R	Proposed amount 2020/21 payable R	Difference (5% increase) R
20	185.40	196.52	11.12

Refer to the comprehensive Tariff of Charges contained on **Annexure C (DMS 1403878)** for residential, business and undeveloped sites tariffs.

1.5.5 Waste Removal and Impact of Tariff Increases

Solid waste removal is operating marginally below break-even and is currently being subsidised by the Equitable Share Grant over the MTREF. 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 city uses the property valuation sliding scales to charge Waste Removal for households. Properties in the city's valuation roll are a total of 28 960, majority (49.8 per cent) of which is within R200 000 to R600 000 property values.

The city operates business waste removal based on the number of times (demand based) the service is required by the business. The city has approximately 4600 businesses that are serviced by council and in 2020/21 financial year, this service will be expanded.

The waste removal is proposed to increase by 6 per cent effective from 1 July 2020 which is a decrease from the previous year 12 per cent increase as council was aligning cost drivers to the tariffs. The following table compares current and proposed amounts payable from 1 July 2020:

Table 13 Comparison between current waste removal fees and increases

Tariff Code	Detail	2019/20		2020/21		2021/22		2022/23		%
		Excl VAT	Incl VAT	Excl VAT	Incl VAT	Excl VAT	Incl VAT	Excl VAT	Incl VAT	
RK	Rebate = 100%	144,80 – 100% = 0,00	166,52 – 100% = 0,00	153,49 – 100% = 0,00	176,51 – 100% = 0,00	160,86 – 100% = 0,00	184,99 – 100% = 0,00	168,58 – 100% = 0,00	193,87 – 100% = 0,00	0%
	Refuse valuation sliding scale, Residential property value < R 120 000									
RL	Rebate = 25%	144,80 – 25% = 108,6	166,52 – 25% = 124,89	153,49 – 25% = 115,12	176,51 – 25% = 132,39	160,86 – 25% = 120,65	184,99 – 25% = 138,74	168,58 – 25% = 126,44	193,87 – 25% = 145,40	6%
	Refuse valuation sliding scale Residential property value R 120 001 to R 170 000 for									
IA	Refuse valuation sliding scale Residential property value R 170 001 – R 400 000	144,80	166,52	153,49	176,51	160,86	184,99	168,58	193,87	6%
IA	Refuse valuation sliding scale Residential property value R 400 001 – R 600 000	146,74	168,75	155,54	178,87	163,01	187,46	170,83	196,45	6%
IA	Refuse valuation sliding scale Residential property value R 600 001 – R 800 000	148,69	170,99	157,61	181,25	165,18	189,96	173,11	199,08	6%
IA	Refuse valuation sliding scale Residential property value R 800 001 – R 1 000 000	149,35	171,75	158,31	182,06	165,91	190,80	173,87	199,95	6%
IA	Refuse valuation sliding scale Residential property value R 1 000 001 – R 1 500 000	150,00	172,5	159,00	182,85	166,63	191,62	174,63	200,82	6%
IA	Refuse valuation sliding scale Residential property value R 1 500 001 and above	151,96	174,75	161,08	185,24	168,81	194,13	176,91	203,45	6%
RM	Residential – Basic Tariff	144,80	166,52	153,49	176,51	160,86	184,99	168,58	193,87	6%

Waste removal fees increased by average of 6 per cent in 2020/2021 then 4.8 per cent in 2021/2022 and 2022/2023 respectively.

1.5.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a medium and 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 at an average of 7 per cent including indigent households, excluding electricity tariffs.

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;
- 350 kWh electricity; and
- 20kl water (50 kWh electricity and 6 kl water free).

Table 14 MBRR SA14 – Household bills

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	473.79	521.17	555.82	587.96	587.96	587.96	(9.7%)	530.88	556.36	583.06
Electricity: Consumption	1 366.66	1 391.85	1 470.10	1 619.20	1 619.20	1 619.20	4.5%	1 692.60	1 773.84	1 858.98
Water: Basic levy	18.60	20.27	22.70	23.21	23.21	23.21	6.0%	24.60	25.78	27.02
Water: Consumption	232.40	253.31	283.71	375.80	375.80	375.80	6.0%	398.12	417.23	437.25
Sanitation	154.40	165.20	176.76	185.40	185.40	185.40	6.0%	196.60	206.04	215.93
Refuse removal	112.87	120.77	130.43	148.69	148.69	148.69	6.0%	157.61	165.18	173.10
sub-total	2 358.72	2 472.57	2 639.52	2 940.26	2 940.26	2 940.26	2.0%	3 000.41	3 144.42	3 295.35
VAT on Services	263.89	273.20	312.56	342.01	342.01	352.81	–	370.43	388.21	406.84
Total large household bill:	2 622.61	2 745.77	2 952.08	3 282.27	3 282.27	3 293.07	2.7%	3 370.84	3 532.63	3 702.19
% increase/-decrease		4.7%	7.5%	11.2%	–	0.3%		2.4%	4.8%	4.8%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	335.46	369.00	393.54	416.29	416.29	416.29	(9.7%)	375.88	393.92	412.83
Electricity: Consumption	739.10	752.65	793.70	874.00	874.00	874.00	4.6%	914.12	957.99	1 003.98
Water: Basic levy	18.60	20.27	22.70	23.21	23.21	23.21	6.0%	24.60	25.78	27.02
Water: Consumption	177.01	192.95	216.10	286.08	286.08	286.08	6.0%	303.24	317.80	333.05
Sanitation	154.40	165.20	176.76	185.40	185.40	185.40	6.0%	196.60	206.04	215.93
Refuse removal	112.37	120.24	129.86	146.74	146.74	146.74	6.0%	155.54	163.01	170.83
sub-total	1 536.94	1 620.31	1 732.66	1 931.72	1 931.72	1 931.72	2.0%	1 969.98	2 064.53	2 163.63
VAT on Services	168.21	175.18	200.87	227.31	227.31	227.31	–	239.11	250.59	262.62
Total small household bill:	1 705.15	1 795.49	1 933.53	2 159.03	2 159.03	2 159.03	2.3%	2 209.09	2 315.12	2 426.25
% increase/-decrease		5.3%	7.7%	11.7%	–	–		2.3%	4.8%	4.8%
Monthly Account for Household - 'Indigent'										
Household receiving free basic services										
Rates and services charges:										
Property rates	131.42	144.56	145.50	145.92	145.92	145.92	(9.7%)	131.75	138.07	144.70
Electricity: Consumption	10.72	10.91	11.47	12.62	12.62	12.62	4.7%	13.22	13.85	14.51
Water: Basic levy	18.60	20.27	22.70	23.21	23.21	23.21	6.0%	24.60	25.78	27.02
Water: Consumption	97.97	106.79	119.60	158.33	158.33	158.33	6.0%	167.83	175.89	184.33
Sanitation	154.40	165.20	176.76	185.40	185.40	185.40	6.0%	196.60	206.04	215.93
Refuse removal	111.88	119.71	129.29	144.80	144.80	144.80	6.0%	153.49	160.86	168.58
sub-total	524.99	567.44	605.32	670.28	670.28	670.28	2.6%	687.49	720.49	755.07
VAT on Services	55.10	59.20	68.97	78.65	78.65	78.65		83.36	87.36	91.56
Total small household bill:	580.09	626.64	674.29	748.94	748.94	748.94	2.9%	770.85	807.85	846.62
% increase/-decrease		8.0%	7.6%	11.1%	–	–		2.9%	4.8%	4.8%

1.6 Operating Expenditure Framework

The City's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

- Given that one of the primary drivers of this budget is to keep tariff increases with the inflationary envelope of 5 per cent, expenditure allocations in excess of the 2019/20 Adjustments budget are very limited;
- Despite the above restriction the Chief Financial Officer has ensured that Repairs and Maintenance provisions surpass the best practice parameters of 8 per cent of PPE. All provisions for MTREF are sitting in excess of 11%.
- Funding of the budget over the medium-term is informed by Section 18 and 19 of the MFMA;
- 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 plans no budget". If there is no business plan no funding allocation can be made.

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

Table 15 Summary of operating expenditure by standard classification item

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type									
Employee related costs	644 228	746 160	782 436	859 550	859 564	859 564	986 781	1 034 073	1 087 004
Remuneration of councillors	25 542	29 342	30 395	32 404	32 404	32 404	34 026	35 728	37 516
Debt impairment	8 891	27 154	163 733	31 454	31 454	31 454	35 000	36 750	38 587
Depreciation & asset impairment	352 389	348 561	472 658	408 532	441 379	441 379	474 573	505 559	546 925
Finance charges	68 940	67 691	51 286	70 846	67 458	67 458	79 943	82 762	84 491
Bulk purchases	1 173 350	927 274	973 182	1 096 949	1 093 949	1 093 949	1 139 016	1 196 920	1 267 357
Other materials	97 320	105 046	109 730	121 110	119 504	119 504	143 840	150 606	145 744
Contracted services	303 088	339 556	369 218	323 135	363 432	363 432	289 827	300 388	307 803
Transfers and subsidies	9 319	11 517	15 782	12 087	13 755	13 755	13 778	14 329	15 007
Other expenditure	149 823	164 869	166 623	278 181	269 497	269 497	288 491	316 747	321 709
Losses	1 296	1 449	11 689	–	–	–	–	–	–
Total Expenditure	2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144

The budgeted allocation for **employee related costs** for the 2020/21 financial year totals R 986,8 million, which equals 28 per cent of the total operating expenditure.

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. In terms of the agreement, the year one increase as been calculated as an across the board increase of 6.25 per cent.

For budget purposes a 6.25 per cent increase has been utilised. An annual increase of 5 and 5 per cent has been included in the two outer years of the MTREF.

It is important to note that the Section 78 process for the insourcing of employees responsible for the operations and maintenance of Council's Water and Waste Water Treatment Works resulted in additional employee related costs of R 35 million in the 2020/21 financial year.

Furthermore, Council Resolution 13682 dated 20 November 2019, resolved that:

“75. fifty three (53) posts of General Worker Gr. 1 be created, provisionally on post level 3, reporting to the posts of Team Leader in the Waste Management Division, Public Health and Emergency Services Branch of the Community Services Department;”

These posts are funded in the 2020/21 financial year as they are critical to service delivery and in an effort to reduce the need for excessive temporary employees.

Included in **employee related costs** is an amount of R 30,5 million for post-retirement benefits which is off-set by a same amount under Other Revenue as Gains on Post-retirement benefits. At the request of the Office of the Auditor-General this amount has been budgeted separately under Revenue.

The challenge with the organizational structure is that it is designed for that of an aspirant metro and hence has many vacancies (R 250 m 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 38 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 overriding solutions here is that of a Municipal Grading in the first instance and an organogram suited for such grading for the administration. Since 2000 the structure of the organogram is dictated by the influences of the different Councils over the years and different managers, hence no collectively and best practice structured staff structure. The correct grading will rationalize this anomaly and ensure the trajectory of future posts created and filled is done properly.

A revised wage curve has been received from the South African Local Government Bargaining Council. It is apparent that this revised wage curve will be accepted by both SALGA and the unions and therefore implementation is imminent. Based on Draft calculations it is expected that the additional annual amount required will be R 30 million, however no provision was made on the 2020/21 MTREF for this implementation.

A provision of R 10 million was however made on the 2020/21 to fund previously unfunded vacant posts. The senior management has been tasked with determining the list of critical operational posts will be funded from these funds.

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). An increase of 5 per cent has been budgeted for the 2020/21 financial year.

The provision of debt impairment was determined based on an annual collection rate of 96 per cent and the Debt Write-off Policy of the City. For the 2020/21 financial year this amount is R35 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 R475 million for the 2020/21 financial and equates to 13.7 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges on the budget make up 2.3 per cent (R79.9 million) of operating expenditure excluding annual redemption.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Mhlathuze Water Board. The annual price increases have been factored into the budget appropriations. Of the R 1 139 million total electricity comprises R 1 029 million and water R110 million. The expenditure 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. 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.

Contracted Services has decreased by 20 per cent as administration needs to place lesser reliance on contracted services. This reduction is mainly due to the insourcing of the operational and maintenance of Council's Water and Waste Water Treatment Works. Contracted services together with Employee Related Costs amount to 36% (28 % + 8%) of total operating cost. 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.

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.

Further details relating to contracted services can be seen in Table 71 MBRR SA1 (see pages 190 to 195).

The following figure gives a breakdown of the main expenditure categories for the 2020/21 financial year.

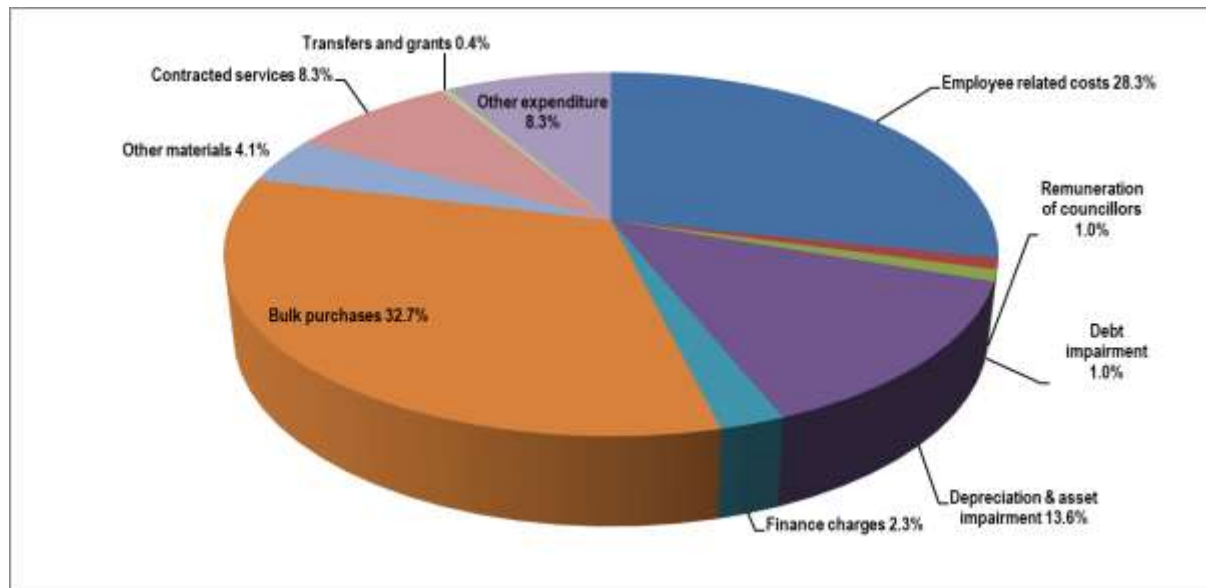


Figure 1 Main operational expenditure categories for the 2020/21 financial year

1.6.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2020/21 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 16 Operational repairs and maintenance

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	208 536	209 087	231 581	494 275	494 275	494 275	525 167	551 426	576 914
Other materials	50 483	73 130	74 844	84 738	83 822	83 822	92 378	96 805	93 002
Contracted Services	120 804	134 906	136 464	103 585	99 211	99 211	123 119	128 900	133 508
Total Repairs and Maintenance Expenditure	379 822	417 124	442 889	682 598	677 307	677 307	740 665	777 131	803 425

During the compilation of the 2020/21 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 increased marginally by 10 per cent in the 2020/21 financial year, from R 620 million to R 682.6 million. In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **21.3; 21.3 and 20.9 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **11.2; 11.6 and 11.8 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 17 Repairs and maintenance per asset class

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	247 665	302 041	318 005	486 649	481 050	481 050	521 179	546 816	565 195
Roads Infrastructure	75 976	69 391	87 406	98 921	110 976	110 976	117 534	123 348	126 370
Electrical Infrastructure	53 744	65 780	70 774	170 117	154 117	154 117	165 828	174 030	180 027
Water Supply Infrastructure	81 723	92 452	–	109 014	109 014	109 014	123 010	129 008	133 857
Sanitation Infrastructure	34 816	29 989	159 825	63 219	61 719	61 719	75 660	79 366	82 213
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Rail Infrastructure	1 385	853	–	1 211	1 211	1 211	1 270	1 331	1 385
Coastal Infrastructure	–	–	–	1 030	1 030	1 030	1 082	1 133	1 179
Information and Communication Infrastructure	21	3 369	–	3 208	4 053	4 053	–	–	–
Community Assets	59 882	73 421	68 308	112 239	94 276	94 276	100 095	105 075	109 393
Heritage assets	–	103	–	113	113	113	120	126	131
Other assets	25 097	250	9 387	5 355	22 952	22 952	24 314	25 520	26 573
Computer Equipment	–	–	–	1 010	142	142	10 374	10 872	10 851
Furniture and Office Equipment	–	527	–	27	27	27	28	29	30
Machinery and Equipment	17 225	1 308	4 664	21 413	23 054	23 054	25 589	26 813	27 737
Transport Assets	29 954	39 474	42 525	55 793	55 693	55 693	58 967	61 880	63 515
Total Repairs and Maintenance Expenditure	379 822	417 124	442 889	682 598	677 307	677 307	740 665	777 131	803 425
R&M as a % of PPE	7.3%	6.7%	7.1%	11.9%	10.6%	10.6%	11.2%	11.6%	11.8%
R&M as % Operating Expenditure	13.4%	15.1%	14.1%	21.1%	20.6%	20.6%	21.3%	21.2%	20.9%

For the 2020/21 financial year, 70.4 per cent or R 520 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling at 22.4 per cent (R 166 million) followed by water infrastructure at 16.6 per cent (R 123 million), road transport infrastructure at 15.9 per cent (R 117.5 million) and sanitation at 10.2 per cent (R76 million). Community assets has been allocated R 100 million of total repairs and maintenance equating to 13.5 per cent. Transport assets has been allocated R 59 million (8 per cent).

1.7 Capital expenditure

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

Table 18 2020/21 Medium-term capital budget per vote

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional									
<i>Governance and administration</i>	81 039	128 345	121 623	37 500	58 719	58 719	34 647	45 228	52 424
Executive and council	182	20	171	–	–	–	130	133	142
Finance and administration	80 857	128 325	121 452	37 500	58 719	58 719	34 517	45 096	52 282
<i>Community and public safety</i>	72 544	43 331	60 491	64 058	91 851	91 851	55 333	57 457	60 740
Community and social services	24 017	26 027	44 321	31 533	55 777	55 777	26 328	23 643	30 758
Sport and recreation	20 564	10 584	15 638	32 525	29 734	29 734	27 847	32 737	28 649
Public safety	17 433	6 926	531	–	–	–	1 158	1 077	1 333
Housing	9 576	(206)	–	–	6 340	6 340	–	–	–
Health	954	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	126 626	97 197	93 770	144 408	157 172	157 172	170 016	117 855	128 515
Planning and development	3 531	19 313	1 067	33 000	35 615	35 615	3 090	88	96
Road transport	123 095	77 183	92 482	111 408	121 557	121 557	165 326	116 167	128 419
Environmental protection	–	701	222	–	–	–	1 600	1 600	–
<i>Trading services</i>	227 700	231 648	240 796	351 567	315 164	315 164	411 839	373 249	412 697
Energy sources	60 270	57 776	80 828	96 910	76 054	76 054	85 537	78 647	90 663
Water management	104 593	84 873	76 982	175 540	158 951	158 951	274 093	214 118	259 052
Waste water management	59 354	87 895	79 745	75 517	76 559	76 559	48 605	77 587	60 482
Waste management	3 484	1 103	3 242	3 600	3 600	3 600	3 604	2 896	2 500
Total Capital Expenditure - Functional	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376
Funded by:									
National Government	127 220	137 671	105 800	182 989	173 051	173 051	178 857	139 789	159 376
Provincial Government	10 365	541	–	8 243	8 243	8 243	5 000	15 000	14 000
Transfers recognised - capital	143 210	138 212	105 800	191 232	181 294	181 294	183 857	154 789	173 376
Borrowing	204 961	9 969	265 391	–	50 608	50 608	157 000	143 000	154 000
Internally generated funds	159 738	352 341	145 489	406 301	391 004	391 004	330 977	296 000	327 000
Total Capital Funding	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376

For 2020/21 an amount of R581 million has been appropriated for the development of infrastructure which represents 87 per cent of the total capital budget. In the outer years this amount totals R491 million, 83 per cent and R 542 million, 83 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R 274 million in 2020/21 which equates to 47 per cent followed by road transport infrastructure at 28 per cent, R161 million, electricity infrastructure at 14 per cent, R83 million and then waste water infrastructure at 8 per cent, R47 million.

Total new assets represent 79 per cent or R 528 million of the total capital budget, asset renewal equates to 4 per cent or R 27 million and upgrade of existing assets 4 per cent or R 25 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 32 MBRR A9 (Asset Management) on pages 86 to 92. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c, d and e 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 161 to 176).

Furthermore, pages 203 to 209 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.

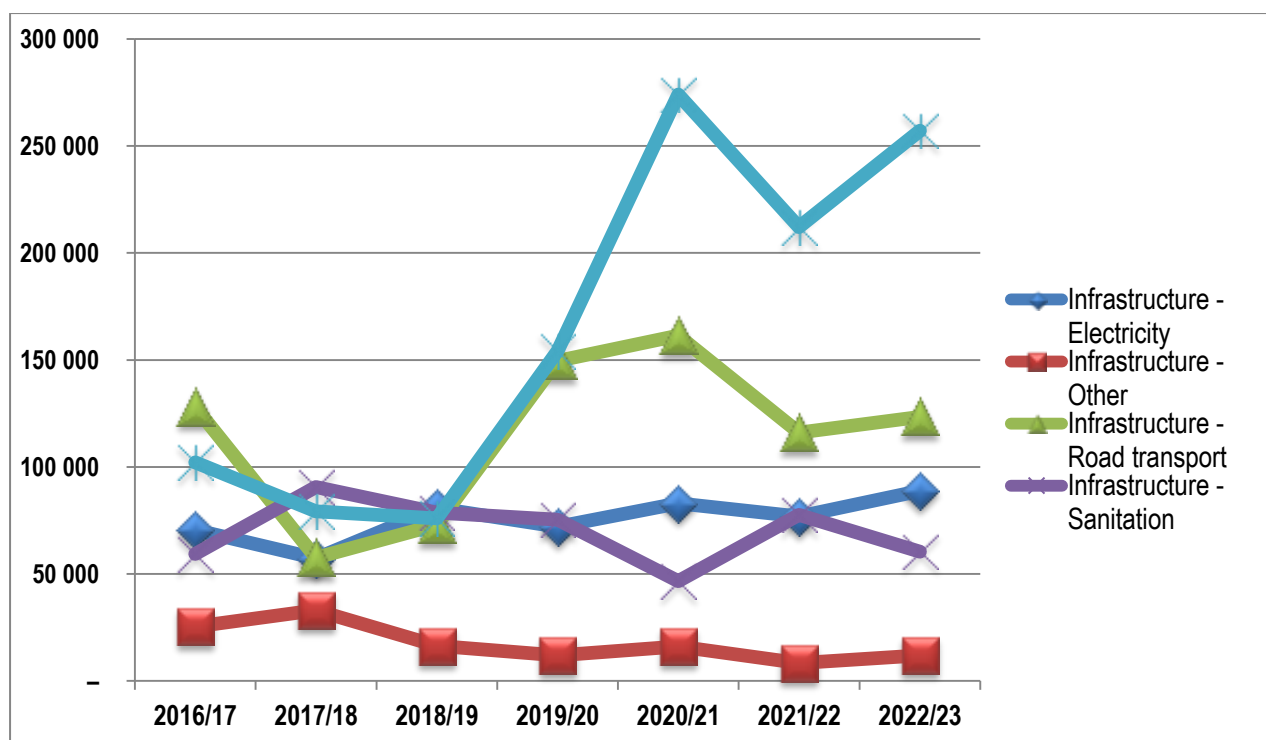


Figure 2 Capital Infrastructure Programme

1.8 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 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the following page.

Table 19 MBRR Table A1 - Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
Financial Performance									
Property rates	397 694	442 661	477 138	520 380	510 227	510 227	540 840	572 209	608 108
Service charges	2 008 809	1 840 683	1 903 222	2 175 960	2 176 560	2 176 560	2 307 051	2 440 766	2 597 507
Investment revenue	60 875	76 056	27 999	58 000	58 000	58 000	63 000	65 000	67 000
Transfers recognised - operational	284 193	329 088	352 730	390 676	390 019	390 019	424 643	456 492	496 649
Other own revenue	152 643	232 172	166 456	63 753	63 309	63 309	95 260	102 318	108 636
Total Revenue (excluding capital transfers and contributions)	2 904 214	2 920 660	2 927 545	3 208 768	3 198 114	3 198 114	3 430 794	3 636 785	3 877 900
Employee costs	644 228	746 160	782 436	859 550	859 564	859 564	986 781	1 034 073	1 087 004
Remuneration of councillors	25 542	29 342	30 395	32 404	32 404	32 404	34 026	35 728	37 516
Depreciation & asset impairment	352 389	348 561	472 658	408 532	441 379	441 379	474 573	505 559	546 925
Finance charges	68 940	67 691	51 286	70 846	67 458	67 458	79 943	82 762	84 491
Materials and bulk purchases	1 270 670	1 032 319	1 082 912	1 218 059	1 213 453	1 213 453	1 282 856	1 347 526	1 413 101
Transfers and grants	9 319	11 517	15 782	12 087	13 755	13 755	13 778	14 329	15 007
Other expenditure	463 098	533 028	711 263	632 770	664 383	664 383	613 318	653 885	668 100
Total Expenditure	2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144
Surplus/(Deficit)	70 025	152 042	(219 187)	(25 479)	(94 280)	(94 280)	(54 480)	(37 077)	25 756
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	135 899	133 963	104 224	191 232	181 294	181 294	183 857	154 789	173 376
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	7 311	4 248	1 577	–	–	–	–	–	–
Surplus/(Deficit) for the year	213 235	290 254	(113 386)	165 753	87 014	87 014	129 377	117 712	199 132

Table MBRR Table A1 - Budget Summary (continued)

Description R thousands	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Capital expenditure & funds sources</u>									
Capital expenditure	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376
Transfers recognised - capital	143 210	138 212	105 800	191 232	181 294	181 294	183 857	154 789	173 376
Borrowing	204 961	9 969	265 391	–	50 608	50 608	157 000	143 000	154 000
Internally generated funds	159 738	352 341	145 489	406 301	391 004	391 004	330 977	296 000	327 000
Total sources of capital funds	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376
<u>Financial position</u>									
Total current assets	1 297 323	1 043 037	995 310	884 201	863 046	863 046	986 925	1 003 968	1 044 930
Total non current assets	5 389 214	6 379 251	6 410 820	5 999 134	6 612 937	6 612 937	6 810 198	6 898 428	7 005 878
Total current liabilities	852 781	712 303	600 123	580 268	559 111	559 111	554 319	584 412	629 895
Total non current liabilities	872 144	614 245	839 077	799 203	816 348	816 348	905 070	965 054	956 148
Community wealth/Equity	4 961 612	6 095 740	5 966 930	5 503 865	6 100 523	6 100 523	6 337 734	6 352 930	6 464 766
<u>Cash flows</u>									
Net cash from (used) operating	470 138	318 828	317 854	518 656	548 520	548 520	547 677	564 333	682 497
Net cash from (used) investing	(504 538)	(499 378)	(515 887)	(589 340)	(588 263)	(588 263)	(662 695)	(604 125)	(646 838)
Net cash from (used) financing	287 110	(74 144)	228 766	(84 326)	(83 105)	(83 105)	140 952	38 783	(24 093)
Cash/cash equivalents at the year end	715 116	460 422	491 155	370 841	341 349	341 349	367 282	366 274	377 840
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	715 116	460 422	461 155	370 841	341 349	341 349	367 282	365 715	376 711
Application of cash and investments	120 312	205 622	157 660	128 357	112 489	112 489	176 710	207 045	212 363
Balance - surplus (shortfall)	594 804	254 800	303 495	242 484	228 860	228 860	190 573	158 671	164 348

Table MBRR Table A1 - Budget Summary (continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands									
<u>Asset management</u>									
Asset register summary (WDV)	5 389 166	6 379 251	6 410 820	5 999 134	6 612 937	6 612 937	6 810 198	6 898 428	7 005 878
Depreciation	352 390	348 561	472 658	408 532	441 379	441 379	474 573	505 559	546 925
Renewal and Upgrading of Existing Assets	30 555	132 950	225 924	136 573	144 096	144 096	123 914	105 898	189 864
Repairs and Maintenance	379 822	417 124	442 889	682 598	677 307	677 307	740 665	777 131	803 425
<u>Free services</u>									
Cost of Free Basic Services provided	105 749	131 695	173 350	193 108	193 108	193 108	219 520	230 205	241 412
Revenue cost of free services provided	14 050	183 573	360 849	230 342	230 342	230 342	242 945	255 681	228 602
<u>Households below minimum service level</u>									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	0	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

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 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 indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the municipality has been paying attention to managing this aspect of its finances, and consequently its obligations are 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 20 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional									
<i>Governance and administration</i>	543 276	598 817	545 688	595 656	585 550	585 550	628 560	663 879	705 176
Executive and council	6 762	11 343	961	197	198	198	1 001	1 120	1 214
Finance and administration	536 508	587 368	544 698	595 459	585 352	585 352	627 519	662 713	703 912
Internal audit	6	105	30	–	–	–	40	46	50
<i>Community and public safety</i>	55 494	77 126	116 024	36 284	35 383	35 383	40 905	48 301	50 567
Community and social services	12 641	22 622	18 052	15 360	14 637	14 637	20 308	18 260	19 240
Sport and recreation	13 737	22 041	12 500	14 617	14 630	14 630	8 850	17 467	18 030
Public safety	16 604	27 857	80 039	2 273	2 082	2 082	8 437	9 128	9 725
Housing	12 512	4 606	5 433	4 034	4 034	4 034	3 311	3 446	3 573
<i>Economic and environmental services</i>	51 387	64 068	32 923	78 202	78 074	78 074	103 305	46 720	49 503
Planning and development	17 072	31 082	15 024	47 915	47 769	47 769	20 663	11 488	12 203
Road transport	34 285	32 450	17 826	30 277	30 295	30 295	82 531	35 107	37 163
Environmental protection	30	536	73	10	11	11	111	126	137
<i>Trading services</i>	2 396 628	2 318 088	2 338 097	2 689 095	2 679 640	2 679 640	2 841 023	3 031 768	3 245 079
Energy sources	1 536 037	1 314 898	1 330 860	1 598 975	1 587 492	1 587 492	1 689 131	1 789 405	1 913 023
Water management	501 980	566 830	565 179	608 157	608 168	608 168	621 503	650 159	710 768
Waste water management	233 567	263 381	288 873	296 071	300 582	300 582	330 846	377 904	392 521
Waste management	125 045	172 979	153 185	185 893	183 398	183 398	199 543	214 300	228 766
<i>Other</i>	638	773	614	763	761	761	858	905	951
Total Revenue - Functional	3 047 423	3 058 872	3 033 345	3 400 000	3 379 408	3 379 408	3 614 651	3 791 573	4 051 276

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

Functional Classification Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure - Functional									
Governance and administration	182 999	427 533	569 991	95 940	132 148	132 148	118 992	122 404	127 978
Executive and council	36 884	107 190	121 074	23 807	38 298	38 298	35 425	37 329	38 864
Finance and administration	146 886	308 503	438 454	72 086	93 704	93 704	83 515	85 022	89 058
Internal audit	(771)	11 840	10 463	47	147	147	51	54	56
Community and public safety	283 118	303 571	342 910	437 277	444 103	444 103	486 617	524 749	544 586
Community and social services	58 852	87 203	100 879	101 866	106 768	106 768	118 682	137 804	142 900
Sport and recreation	120 759	120 553	128 226	175 293	175 620	175 620	187 659	197 985	205 828
Public safety	90 304	82 542	91 290	140 595	137 720	137 720	147 566	155 135	160 975
Housing	13 203	13 273	22 516	19 523	23 995	23 995	30 725	31 730	32 694
Health	–	–	–	–	–	–	1 985	2 096	2 189
Economic and environmental services	260 048	273 804	320 802	359 833	370 867	370 867	395 294	409 485	424 046
Planning and development	70 407	81 323	75 863	96 204	97 237	97 237	79 306	78 960	81 517
Road transport	182 427	186 308	236 761	251 870	261 766	261 766	305 212	319 230	330 797
Environmental protection	7 214	6 173	8 178	11 760	11 865	11 865	10 776	11 296	11 733
Trading services	2 101 976	1 758 362	1 908 479	2 335 303	2 339 005	2 339 005	2 477 367	2 609 895	2 747 982
Energy sources	1 294 876	1 000 905	1 032 995	1 364 243	1 355 419	1 355 419	1 436 636	1 511 446	1 593 960
Water management	483 166	458 066	505 991	525 344	514 613	514 613	541 336	574 555	608 423
Waste water management	228 704	210 331	274 905	270 996	312 102	312 102	329 546	344 953	360 157
Waste management	95 230	89 060	94 588	174 720	156 870	156 870	169 849	178 942	185 442
Other	6 048	5 348	4 549	5 894	6 272	6 272	7 005	7 328	7 552
Total Expenditure - Functional	2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144
Surplus/(Deficit) for the year	213 235	290 254	(113 386)	165 753	87 014	87 014	129 377	117 712	199 132

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 27.7m surplus and Waste Water Services at a R 43.3m deficit.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources. **The major concern here is that all services are now running at an R 309.6 million deficit. You will not notice this in Table A2 as the capital transfers distort the actual revenue. Refer to Table 24 for the actual calculation. This implies that the whole Municipality has a high risk dependency on Electricity Revenue, Water Revenue and Waste Management, given that Sanitation Trading services has a deficit.**

Table 21 MBRR Table A2A - Budgeted Financial Performance (revenue and expenditure by standard classification - Detail)

Functional Classification Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional									
Municipal governance and administration	543 276	598 817	545 688	595 656	585 550	585 550	628 560	663 879	705 176
Executive and council	6 762	11 343	961	197	198	198	1 001	1 120	1 214
Mayor and Council	388	4 042	763	197	198	198	731	814	879
Municipal Manager, Town Secretary and Chief	6 374	7 301	198	–	–	–	269	307	335
Finance and administration	536 508	587 368	544 698	595 459	585 352	585 352	627 519	662 713	703 912
Administrative and Corporate Support	190	3 426	439	–	–	–	597	679	741
Asset Management	17	308	46	–	–	–	63	71	78
Finance	527 999	557 992	532 858	588 051	578 062	578 062	616 321	650 618	691 021
Fleet Management	655	3 756	2 194	1 897	2 212	2 212	2 908	3 126	3 334
Human Resources	1 351	5 087	2 406	14	17	17	790	898	979
Information Technology	111	1 996	516	373	435	435	800	874	939
Legal Services	34	605	63	1	1	1	86	97	106
Marketing, Customer Relations, Publicity and Media Co-ordination	2 560	3 974	2 639	2 587	2 588	2 588	2 644	2 776	2 912
Property Services	1 490	1 507	1 298	1 356	1 357	1 357	1 430	1 500	1 572
Risk Management	11	197	28	–	–	–	38	44	48
Security Services	277	1 861	300	–	–	–	409	465	508
Supply Chain Management	1 796	6 375	1 873	1 180	681	681	1 380	1 506	1 612
Valuation Service	16	284	38	–	–	–	51	58	64
Internal audit	6	105	30	–	–	–	40	46	50
Governance Function	6	105	30	–	–	–	40	46	50
Community and public safety	55 494	77 126	116 024	36 284	35 383	35 383	40 905	48 301	50 567
Community and social services	12 641	22 622	18 052	15 360	14 637	14 637	20 308	18 260	19 240
Cemeteries, Funeral Parlours and Crematoriums	517	1 357	566	490	492	492	657	702	743
Child Care Facilities	–	–	–	–	–	–	–	–	–
Community Halls and Facilities	2 694	7 203	6 941	3 120	3 148	3 148	6 951	4 357	4 608
Cultural Matters	–	–	15	–	–	–	21	23	26
Disaster Management	12	216	26	–	–	–	36	40	44
Libraries and Archives	9 227	13 394	10 269	11 539	10 785	10 785	12 363	12 838	13 504
Museums and Art Galleries	192	451	234	211	213	213	280	299	316

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

Functional Classification Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional									
Community and public safety	55 494	77 126	116 024	36 284	35 383	35 383	40 905	48 301	50 567
Sport and recreation	13 737	22 041	12 500	14 617	14 630	14 630	8 850	17 467	18 030
<i>Beaches and Jetties</i>	1 253	1 651	115	51	59	59	220	245	265
<i>Community Parks (including Nurseries)</i>	4 155	8 796	2 597	5 541	5 542	5 542	6 980	7 420	7 834
<i>Recreational Facilities</i>	1 685	5 052	2 136	774	776	776	1 348	1 461	1 557
<i>Sports Grounds and Stadiums</i>	6 645	6 542	7 651	8 251	8 253	8 253	302	8 342	8 373
Public safety	16 604	27 857	80 039	2 273	2 082	2 082	8 437	9 128	9 725
<i>Fire Fighting and Protection</i>	1 436	11 373	2 059	1 033	840		2 601	2 880	3 104
<i>Police Forces, Traffic and Street Parking Control</i>	15 168	16 484	77 980	1 240	1 243	1 243	5 836	6 247	6 620
<i>Pounds</i>	–	–	–	–	–	–	–	–	–
Housing	12 512	4 606	5 433	4 034	4 034	4 034	3 311	3 446	3 573
<i>Housing</i>	12 512	4 606	5 433	4 034	4 034	4 034	3 311	3 446	3 573
Economic and environmental services	51 387	64 068	32 923	78 202	78 074	78 074	103 305	46 720	49 503
Planning and development	17 072	31 082	15 024	47 915	47 769	47 769	20 663	11 488	12 203
<i>Billboards</i>	5	96	13	–	–	–	17	20	21
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	102	2 411	916	–	–	–	352	401	437
<i>Development Facilitation</i>	1 841	3 727	1 635	2 052	2 052	2 052	2 153	2 256	2 364
<i>Economic Development/Planning</i>	1 051	3 499	558	33 000	33 000	33 000	3 455	517	565
Town Planning, Building Regulations and Enforcement, and City Engineer	1 531	3 201	1 899	1 329	1 180	1 180	1 632	1 749	1 855
<i>Project Management Unit</i>	12 541	18 148	10 004	11 534	11 537	11 537	13 054	6 545	6 960
Road transport	34 285	32 450	17 826	30 277	30 295	30 295	82 531	35 107	37 163
<i>Road and Traffic Regulation</i>	10 457	12 740	10 530	9 385	9 387	9 387	9 862	10 378	10 900
<i>Roads</i>	23 815	19 480	7 283	20 885	20 900	20 900	72 643	24 700	26 233
<i>Taxi Ranks</i>	13	230	13	7	8	8	26	29	31
Environmental protection	30	536	73	10	11	11	111	126	137
<i>Pollution Control</i>	30	536	73	10	11	11	111	126	137
Trading services	2 396 628	2 318 088	2 338 097	2 689 095	2 679 640	2 679 640	2 841 023	3 031 768	3 245 079
Energy sources	1 536 037	1 314 898	1 330 860	1 598 975	1 587 492	1 587 492	1 689 131	1 789 405	1 913 023
<i>Electricity</i>	1 535 888	1 312 219	1 330 546	1 598 960	1 587 475	1 587 475	1 688 694	1 788 909	1 912 482
<i>Street Lighting and Signal Systems</i>	149	2 679	314	15	17	17	437	496	541

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

Functional Classification Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Revenue - Functional									
<i>Trading services</i>	2 396 628	2 318 088	2 338 097	2 689 095	2 679 640	2 679 640	2 841 023	3 031 768	3 245 079
Water management	501 980	566 830	565 179	608 157	608 168	608 168	621 503	650 159	710 768
<i>Water Treatment</i>	5 508	7 279	4 436	4 027	4 028	4 028	4 721	4 992	5 257
<i>Water Distribution</i>	496 473	559 551	560 743	604 130	604 140	604 140	616 781	645 167	705 512
Waste water management	233 567	263 381	288 873	296 071	300 582	300 582	330 846	377 904	392 521
<i>Public Toilets</i>	10	187	13	–	–	–	17	19	21
<i>Sewerage</i>	233 549	263 061	288 843	296 071	300 582	300 582	330 806	377 858	392 471
<i>Storm Water Management</i>	7	132	17	–	–	–	23	26	29
Waste management	125 045	172 979	153 185	185 893	183 398	183 398	199 543	214 300	228 766
<i>Solid Waste Removal</i>	124 604	165 005	152 188	185 886	183 390	183 390	198 308	212 896	227 234
<i>Street Cleaning</i>	441	7 974	997	7	8	8	1 235	1 404	1 532
<i>Other</i>	638	773	614	763	761	761	858	905	951
Air Transport	611	384	568	758	759	759	797	835	875
Licensing and Regulation	18	223	22	5	2	2	28	32	35
Tourism	9	165	24	–	–	–	33	38	41
Total Revenue - Functional	3 047 423	3 058 872	3 033 345	3 400 000	3 379 408	3 379 408	3 614 651	3 791 573	4 051 276
Expenditure - Functional									
<i>Municipal governance and administration</i>	182 999	427 533	569 991	95 940	132 148	132 148	118 992	122 404	127 978
Executive and council	36 884	107 190	121 074	23 807	38 298	38 298	35 425	37 329	38 864
<i>Mayor and Council</i>	847	85 688	100 639	564	14 679	14 679	526	555	561
<i>Municipal Manager, Town Secretary and Chief</i>	36 037	21 503	20 435	23 243	23 619	23 619	34 899	36 773	38 303
Finance and administration	146 886	308 503	438 454	72 086	93 704	93 704	83 515	85 022	89 058
<i>Administrative and Corporate Support</i>	(1 237)	20 641	24 152	1 703	2 323	2 323	1 600	1 676	1 717
<i>Asset Management</i>	1 249	1 226	1 304	1 961	1 762	1 762	2 367	2 559	2 603
<i>Finance</i>	15 214	102 166	211 874	19 790	15 995	15 995	25 326	26 999	27 426
<i>Fleet Management</i>	61 283	60 886	67 970	(4 448)	(1 351)	(1 351)	(1 593)	(4 659)	(3 069)

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

Functional Classification Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure - Functional									
Finance and administration	146 886	308 503	438 454	72 086	93 704	93 704	83 515	85 022	89 058
<i>Human Resources</i>	3 783	28 313	29 830	7 150	9 471	9 471	7 027	7 389	7 636
<i>Information Technology</i>	2 834	51 918	59 192	8 569	26 488	26 488	8 037	8 385	8 701
<i>Legal Services</i>	4 346	4 385	3 519	6 516	5 549	5 549	7 468	7 846	8 204
<i>Marketing, Customer Relations, Publicity and Media Co-ordination</i>	27 807	9 013	3 927	7 836	7 368	7 368	7 925	7 992	8 224
<i>Property Services</i>	1 698	1 381	1 347	2 063	1 989	1 989	1 838	1 937	2 016
<i>Risk Management</i>	20 282	965	1 201	2 058	1 980	1 980	2 499	2 679	2 750
<i>Security Services</i>	7 025	7 967	11 042	13 200	13 969	13 969	16 224	17 156	17 857
<i>Supply Chain Management</i>	(687)	16 553	19 216	1 300	618	618	1 192	1 249	1 291
<i>Valuation Service</i>	3 289	3 089	3 879	4 386	7 543	7 543	3 608	3 815	3 702
Internal audit	(771)	11 840	10 463	47	147	147	51	54	56
<i>Governance Function</i>	(771)	11 840	10 463	47	147	147	51	54	56
Community and public safety	283 118	303 571	342 910	437 277	444 103	444 103	486 617	524 749	544 586
Community and social services	58 852	87 203	100 879	101 866	106 768	106 768	118 682	137 804	142 900
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	8 880	9 362	9 302	14 264	14 505	14 505	15 607	16 323	16 921
<i>Community Halls and Facilities</i>	21 935	51 729	62 286	48 692	51 761	51 761	58 070	73 890	76 439
<i>Cultural Matters</i>	–	–	5 493	3 663	5 508	5 508	6 552	6 860	7 152
<i>Disaster Management</i>	1 701	1 522	1 415	2 471	2 566	2 566	2 607	2 742	2 863
<i>Libraries and Archives</i>	19 830	19 039	20 267	28 983	28 542	28 542	32 119	33 693	35 051
<i>Museums and Art Galleries</i>	6 505	5 551	2 117	3 794	3 887	3 887	3 726	4 296	4 474
Sport and recreation	120 759	120 553	128 226	175 293	175 620	175 620	187 659	197 985	205 828
<i>Beaches and Jetties</i>	13 479	13 152	12 751	22 173	21 911	21 911	22 789	24 125	24 750
<i>Community Parks (including Nurseries)</i>	51 510	55 456	59 324	74 863	76 391	76 391	83 605	87 663	90 822
<i>Recreational Facilities</i>	27 063	24 839	23 190	38 896	37 217	37 217	38 095	40 232	42 161
<i>Sports Grounds and Stadiums</i>	28 707	27 106	32 962	39 361	40 101	40 101	43 170	45 966	48 095

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

Functional Classification Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure - Functional									
Public safety	90 304	82 542	91 290	140 595	137 720	137 720	147 566	155 135	160 975
<i>Fire Fighting and Protection</i>	52 603	49 394	53 844	80 328	79 336	79 336	85 259	89 622	92 982
<i>Licensing and Control of Animals</i>	–	–	–	–	–	–	501	521	501
<i>Police Forces, Traffic and Street Parking Control</i>	37 700	33 148	37 446	60 267	58 384	58 384	61 807	64 992	67 493
Housing	13 203	13 273	22 516	19 523	23 995	23 995	30 725	31 730	32 694
<i>Housing</i>	13 203	13 273	22 516	19 523	23 995	23 995	30 725	31 730	32 694
Health	–	–	–	–	–	–	1 985	2 096	2 189
<i>Health Services</i>	–	–	–	–	–	–	1 985	2 096	2 189
Economic and environmental services	260 048	273 804	320 802	359 833	370 867	370 867	395 294	409 485	424 046
Planning and development	70 407	81 323	75 863	96 204	97 237	97 237	79 306	78 960	81 517
<i>Billboards</i>	1 793	1 130	1 082	2 096	2 500	2 500	2 514	2 701	2 751
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	11 159	14 876	14 232	24 952	25 012	25 012	24 577	25 813	26 139
<i>Development Facilitation</i>	6 730	6 270	2 849	7 539	5 947	5 947	3 361	3 462	3 563
<i>Economic Development/Planning</i>	17 197	19 910	18 581	21 025	21 625	21 625	19 470	20 556	21 523
<i>Town Planning, Building Regulations and Enforcement, and City Engineer</i>	10 578	10 168	11 216	15 276	15 315	15 315	16 400	17 232	18 003
<i>Project Management Unit</i>	22 951	28 969	27 903	25 316	26 839	26 839	12 984	9 196	9 538
Road transport	182 427	186 308	236 761	251 870	261 766	261 766	305 212	319 230	330 797
<i>Public Transport</i>	–	–	–	–	–	–	–	–	–
<i>Road and Traffic Regulation</i>	11 028	9 872	10 139	14 982	15 130	15 130	16 613	17 484	18 212
<i>Roads</i>	169 675	174 132	222 347	234 231	242 880	242 880	283 038	295 801	306 625
<i>Taxi Ranks</i>	1 725	2 303	4 275	2 657	3 755	3 755	5 562	5 945	5 959
Environmental protection	7 214	6 173	8 178	11 760	11 865	11 865	10 776	11 296	11 733
<i>Pollution Control</i>	7 214	6 173	8 178	11 760	11 865	11 865	10 776	11 296	11 733
Trading services	2 101 976	1 758 362	1 908 479	2 335 303	2 339 005	2 339 005	2 477 367	2 609 895	2 747 982
Energy sources	1 294 876	1 000 905	1 032 995	1 364 243	1 355 419	1 355 419	1 436 636	1 511 446	1 593 960
<i>Electricity</i>	1 255 785	959 127	993 731	1 285 433	1 280 359	1 280 359	1 358 139	1 429 005	1 508 883
<i>Street Lighting and Signal Systems</i>	39 091	41 778	39 264	78 811	75 061	75 061	78 497	82 441	85 077

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

Functional Classification Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure - Functional									
Water management	483 166	458 066	505 991	525 344	514 613	514 613	541 336	574 555	608 423
<i>Water Treatment</i>	23 439	23 478	19 815	27 914	27 167	27 167	28 793	30 081	30 958
<i>Water Distribution</i>	459 727	434 588	486 176	497 430	487 447	487 447	512 543	544 474	577 465
Waste water management	228 704	210 331	274 905	270 996	312 102	312 102	329 546	344 953	360 157
<i>Public Toilets</i>	2 419	2 011	687	3 869	3 136	3 136	2 837	3 050	3 119
<i>Sewerage</i>	153 804	126 492	199 744	151 013	193 759	193 759	241 925	253 012	264 891
<i>Storm Water Management</i>	36 948	37 482	19 199	47 623	47 073	47 073	27 253	28 618	29 377
<i>Waste Water Treatment</i>	35 533	44 346	55 275	68 491	68 135	68 135	57 531	60 273	62 769
Waste management	95 230	89 060	94 588	174 720	156 870	156 870	169 849	178 942	185 442
<i>Solid Waste Removal</i>	67 003	60 666	64 036	132 516	113 947	113 947	123 896	130 642	135 419
<i>Street Cleaning</i>	28 227	28 394	30 552	42 204	42 922	42 922	45 953	48 299	50 024
Other	6 048	5 348	4 549	5 894	6 272	6 272	7 005	7 328	7 552
Air Transport	120	840	810	291	594	594	1 004	1 033	1 066
Licensing and Regulation	1 692	978	984	1 462	1 535	1 535	1 647	1 738	1 810
Markets	–	3 530	–	–	–	–	–	–	–
Tourism	4 235	–	2 755	4 142	4 143	4 143	4 353	4 557	4 677
Total Expenditure - Functional	2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144
Surplus/(Deficit) for the year	213 235	290 254	(113 386)	165 753	87 014	87 014	129 377	117 712	199 132

Table 22 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 1 - CITY DEVELOPMENT	18 583	19 935	11 874	41 781	41 634	41 634	12 529	10 091	10 608
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	126 516	184 986	155 295	186 933	184 246	184 246	202 223	217 269	231 967
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	25 903	31 085	88 811	10 626	10 629	10 629	16 107	17 091	18 028
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	24 231	40 105	24 414	27 586	26 852	26 852	23 397	32 657	34 031
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	3 275	11 215	7 803	3 351	3 374	3 374	7 741	5 235	5 555
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	111	1 996	516	373	435	435	800	874	939
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	1 351	5 087	2 406	14	17	17	790	898	979
Vote 8 - FINANCIAL SERVICES	529 813	564 676	534 776	589 231	578 743	578 743	617 764	652 196	692 710
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	1 536 692	1 318 654	1 333 054	1 600 872	1 589 705	1 589 705	1 692 040	1 792 531	1 916 358
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	735 529	829 891	854 022	904 227	908 750	908 750	952 309	1 028 018	1 103 240
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	23 823	19 613	7 300	20 885	20 900	20 900	72 666	24 726	26 261
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	12 641	19 954	10 167	11 534	11 537	11 537	13 276	6 798	7 236
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	8 956	11 674	2 908	2 587	2 588	2 588	3 010	3 192	3 365
Total Revenue by Vote	3 047 423	3 058 872	3 033 345	3 400 000	3 379 408	3 379 408	3 614 651	3 791 573	4 051 276

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure by Vote to be appropriated									
Vote 1 - CITY DEVELOPMENT	75 303	78 669	85 553	110 666	117 433	117 433	115 108	120 397	124 050
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	153 678	144 289	154 808	264 044	245 662	245 662	268 098	282 397	292 555
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	55 753	50 988	58 628	88 449	87 484	87 484	95 144	100 152	104 062
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	177 790	172 616	187 088	256 051	258 759	258 759	278 923	293 951	305 566
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	(7 793)	134 613	158 780	9 537	26 260	26 260	15 039	28 767	29 637
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	2 834	51 918	59 192	8 569	26 488	26 488	8 037	8 385	8 701
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	3 783	28 313	29 830	7 150	9 471	9 471	7 027	7 389	7 636
Vote 8 - FINANCIAL SERVICES	15 777	119 945	232 393	23 052	18 375	18 375	28 885	30 806	31 320
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	1 356 159	1 061 791	1 100 965	1 359 795	1 354 069	1 354 069	1 435 043	1 506 787	1 590 892
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	672 503	628 905	761 010	744 848	776 507	776 507	840 792	887 839	936 083
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	206 623	211 615	241 546	281 853	289 953	289 953	310 291	324 420	336 003
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	36 631	40 505	39 828	44 953	46 322	46 322	35 000	32 373	33 556
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	85 148	44 450	37 108	35 279	35 613	35 613	47 887	50 199	52 084
Total Expenditure by Vote	2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144
Surplus/(Deficit) for the year	213 235	290 254	(113 386)	165 753	87 014	87 014	129 377	117 712	199 132

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 1 - CITY DEVELOPMENT	18 583	19 935	11 874	41 781	41 634	41 634	12 529	10 091	10 608
1.1 - FX005001014 - Valuation Service (Finance and Administration)	16	284	38	—	—	—	51	58	64
1.2 - FX007001001 - Housing (Housing)	12 512	4 606	5 433	4 034	4 034	4 034	3 311	3 446	3 573
1.3 - FX009002006 - Tourism (Other)	9	165	24	—	—	—	33	38	41
1.4 - FX010001002 - Corporate Wide Strategic Planning (IDPs, LEDs) (Planning and Development)	102	2 411	916	—	—	—	352	401	437
1.5 - FX010001004 - Development Facilitation (Planning and Development)	1 841	3 727	1 635	2 052	2 052	2 052	2 153	2 256	2 364
1.6 - FX010001005 - Economic Development/Planning (Planning and Development)	1 051	3 499	558	33 000	33 000	33 000	3 455	517	565
1.7 - FX010001006 - Town Planning, Building Regulations and Enforcement, and City Engineer (Planning and Development)	1 531	3 201	1 899	1 329	1 180	1 180	1 632	1 749	1 855
1.8 - FX003001003 - Pollution Control (Environmental Protection)	30	536	73	10	11	11	111	126	137
1.9 - FX005001010 - Property Services (Finance and Administration)	1 490	1 507	1 298	1 356	1 357	1 357	1 430	1 500	1 572
1.10 - FX012001003001 - Public Transport Facilities and Operations Coordination (Road Transport)	—	—	—	—	—	—	—	—	—
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICE	126 516	184 986	155 295	186 933	184 246	184 246	202 223	217 269	231 967
2.1 - FX001002008 - Disaster Management (Community and Social Services)	12	216	26	—	—	—	36	40	44
2.2 - FX011001005 - Fire Fighting and Protection (Public Safety)	1 436	11 373	2 059	1 033	840	840	2 601	2 880	3 104
2.3 - FX012001005 - Taxi Ranks (Road Transport)	13	230	13	7	8	8	26	29	31
2.4 - FX014001003 - Solid Waste Removal (Waste Management)	124 604	165 005	152 188	185 886	183 390	183 390	198 308	212 896	227 234
2.5 - FX014001004 - Street Cleansing (Waste Management)	441	7 974	997	7	8	8	1 235	1 404	1 532
2.6 - FX015001001 - Public Toilets (Waste Water Management)	10	187	13	—	—	—	17	19	21
2.7 - FX006001001 - Public Health and Emergency Services (Environmental Protection)	—	—	—	—	—	—	—	—	—
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	25 903	31 085	88 811	10 626	10 629	10 629	16 107	17 091	18 028
3.1 - FX005001012 - Security Services (Finance and Administration)	277	1 861	300	—	—	—	409	465	508
3.2 - FX011001007 - Police Forces, Traffic and Street Parking Control (Road Transport)	15 168	16 484	77 980	1 240	1 243	1 243	5 836	6 247	6 620
3.3 - FX012002001 - Road and Traffic Regulation (Road Transport)	10 457	12 740	10 530	9 385	9 387	9 387	9 862	10 378	10 900
3.4 - FX011001006 - Public Safety Licensing and Control of Animals	—	—	—	—	—	—	—	—	—

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	24 231	40 105	24 414	27 586	26 852	26 852	23 397	32 657	34 031
4.1 - FX001001003 - Cemeteries, Funeral Parlours and Crematoriums (Community and Social Services)	517	1 357	566	490	492	492	657	702	743
4.2 - FX001001005002 - Halls (Community and Social Services)	559	2 861	829	729	734	734	1 227	1 327	1 413
4.3 - FX001001006001 - Libraries and Archives (Community and Social Services)	8 134	12 042	9 119	9 256	9 097	9 097	9 918	10 220	10 757
4.4 - FX001001006002 - Cyber Cadets (Community and Social Services)	1 093	1 352	1 151	2 283	1 688	1 688	2 445	2 618	2 747
4.5 - FX001001008 - Museums and Art Galleries (Community and Social Services)	192	451	234	211	213	213	280	299	316
4.6 - FX001002007 - Cultural Matters (Community and Social Services)	–	–	15	–	–	–	21	23	26
4.7 - FX013001001 - Beaches and Jetties (Community and Social Services)	1 253	1 651	115	51	59	59	220	245	265
4.8 - FX013001002 - Community Parks (including Nurseries) (Sport and Recreation)	4 155	8 796	2 597	5 541	5 542	5 542	6 980	7 420	7 834
4.9 - FX013002003001 - Recreational Facilities - Caravan Park (Sport and Recreation)	841	893	926	267	267	267	280	293	307
4.10 - FX013002003002 - Recreational Facilities - Parks Administration (Sport and Recreation)	84	1 338	117	–	–	–	159	181	198
4.11 - FX013002003003 - Recreational Facilities - Swimming Pools (Sport and Recreation)	759	2 820	1 094	507	509	509	909	986	1 052
4.12 - FX013002004001 - Sport Development and Sportfields (Sport and Recreation)	6 645	6 542	7 651	8 251	8 253	8 253	302	8 342	8 373
4.13 - FX013002004002 - Sports Grounds and Stadiums -Stadiums (Sport and Recreation)	–	–	–	–	–	–	–	–	–
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	3 275	11 215	7 803	3 351	3 374	3 374	7 741	5 235	5 555
5.1 - FX001001005003 - Municipal Buildings (Community and Social Services)	2 035	2 536	5 949	2 391	2 415	2 415	5 503	2 778	2 919
5.2 - FX004001001001 - Mayor and Council (Executive and Council)	388	4 042	763	197	198	198	731	814	879
5.3 - FX005001001 - Administrative and Corporate Support (Finance and Administration)	190	3 426	439	–	–	–	597	679	741
5.4 - FX005001008 - Legal Services (Finance and Administration)	34	605	63	1	1	1	86	97	106
5.5 - FX009001002 - Air Transport (Other)	611	384	568	758	759	759	797	835	875
5.6 - FX009001004 - Licensing and Regulation (Other)	18	223	22	5	2	2	28	32	35

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	111	1 996	516	373	435	435	800	874	939
6.1 - FX005001007 - Information Technology (Finance and Administration)	111	1 996	516	373	435	435	800	874	939
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	1 351	5 087	2 406	14	17	17	790	898	979
7.1 - FX005001006001 - Human Resources (Finance and Administration)	103	1 862	199	–	–	–	272	309	337
7.2 - FX005001006002 - Management Services (Finance and Administration)	19	344	36	–	–	–	49	55	60
7.3 - FX005001006004 - Training and Industrial Relations (Finance and Administration)	1 188	2 152	2 075	7	8	8	331	376	410
7.4 - FX005001006003 - Occupational Clinic (Finance and Administration)	40	728	96	7	8	8	139	157	172
Vote 8 - FINANCIAL SERVICES	529 813	564 676	534 776	589 231	578 743	578 743	617 764	652 196	692 710
8.1 - FX005001004001 - Financial Management Grant Interns (Finance and Administration)	2 537	2 650	2 650	2 650	2 650	2 650	2 600	2 600	2 650
8.2 - FX005001004002 - Revenue and Expenditure (Finance and Administration)	525 431	556 524	530 131	585 401	575 412	575 412	613 617	647 900	688 242
8.3 - FX005001004003 - Finance (Finance and Administration)	32	571	76	–	–	–	104	118	129
8.4 - FX005001013 - Supply Chain Management (Finance and Administration)	1 796	4 623	1 873	1 180	681	681	1 380	1 506	1 612
8.5 - FX005002001 - Asset Management (Finance and Administration)	17	308	46	–	–	–	63	71	78
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	1 536 692	1 318 654	1 333 054	1 600 872	1 589 705	1 589 705	1 692 040	1 792 531	1 916 358
9.1 - FX002001001001 - Marketing and Customer relations (Energy Sources)	126	2 279	277	–	–	–	378	429	469
9.2 - FX002001001002 - Administration (Energy Sources)	8	152	7	–	–	–	10	12	13
9.3 - FX002001001004 - Electricity Distribution (Energy Sources)	1 535 753	1 309 781	1 330 065	1 598 960	1 587 475	1 587 475	1 688 021	1 788 145	1 911 649
9.4 - FX002001001005 - Electricity Planning (Energy Sources)	–	7	196	–	–	–	285	323	352
9.5 - FX002001002001 - Street Lighting (Energy Sources)	97	1 748	216	–	–	–	294	335	366
9.6 - FX002001002002 - Process Control Systems (Energy Sources)	52	931	98	15	17	17	142	161	176
9.7 - FX005001005 - Fleet Management (Finance and Administration)	655	3 756	2 194	1 897	2 212	2 212	2 908	3 126	3 334

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	735 529	829 891	854 022	904 227	908 750	908 750	952 309	1 028 018	1 103 240
10.1 - FX015001002001 - Sewerage - Industrial Effluent Pipeline (Waste Water Management)	1 951	1 977	1 886	1 921	1 921	1 921	2 015	2 112	2 213
10.2 - FX015001002002 - Sewerage - Pumpstations (Waste Water Management)	109	5 577	298	35	41	41	415	469	510
10.4 - FX015001004 - Treatment (Waste Water Management)	231 488	255 508	286 659	294 115	298 620	298 620	328 376	375 278	389 748
10.5 - FX016001002004 - Water Distribution (Clarified Water)	—	—	—	—	—	—	—	—	—
10.6 - FX016001002005 - Water Distribution (Purification Works)	22 165	38 557	37 064	30 422	30 422	30 422	32 124	33 870	35 625
10.7 - FX016001001003 - Water Treatment - Scientific Services (Water Management)	—	—	—	7	8	8	9	10	10
10.8 - FX016001002001 - Water Distribution - Rural Water (Water Management)	5 508	7 279	4 436	4 027	4 028	4 028	4 721	4 992	5 257
10.9 - FX016001002002 - Water Distribution - Urban Water (Water Management)	23 069	31 260	24 707	36 947	36 947	36 947	28 130	13 716	26 781
10.10 - FX016001002003 - Water Distribution - Water Demand Management (Water Management)	451 197	488 987	498 890	536 754	536 762	536 762	556 406	597 444	642 956
	41	747	82	—	—	—	112	127	139
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	23 823	19 613	7 300	20 885	20 900	20 900	72 666	24 726	26 261
11.1 - FX012001004001 - Roads - Railway Sidings (Road Transport)	1 017	1 202	1 311	1 144	1 144	1 144	1 200	1 258	1 318
11.2 - FX012001004002 - Roads - Urban Roads (Road Transport)	301	5 421	981	116	130	130	51 096	1 235	1 343
11.3 - FX012001004003 - Roads - Rural Roads (Road Transport)	22 497	12 858	4 991	19 625	19 625	19 625	20 347	22 207	23 571
11.4 - FX015001003 - Storm Water Management (Waste Water Management)	7	132	17	—	—	—	23	26	29
11.5 - FX003001002 - Coastal Protection (Environmental Protection)	—	—	—	—	—	—	—	—	—

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	12 641	19 954	10 167	11 534	11 537	11 537	13 276	6 798	7 236
12.1 - FX001001005001 - Buildings Maintenance (Community and Social Services)	100	1 806	163	–	–	–	222	252	276
12.2 - FX010001007001 - Project Management Unit - Administration (Planning and Development)	35	634	109	–	–	–	149	169	185
12.3 - FX010001007002 - Project Management Unit - Asset Management (Planning and Development)	130	1 521	259	36	37	37	340	383	416
12.4 - FX010001007003 - Project Management Unit - Expanded Public Works Programme (Planning and Development)	5 061	4 143	5 189	4 492	4 492	4 492	4 278	–	–
12.5 - FX010001007004 - Project Management Unit - Infrastructure Skills Development Grant (Planning and Development)	3 879	5 533	2 300	–	–	–	–	–	–
12.6 - FX010001007005 - Project Management Unit - PMU (Planning and Development)	3 437	6 317	2 147	7 006	7 007	7 007	8 287	5 993	6 359
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	8 956	11 674	2 908	2 587	2 588	2 588	3 010	3 192	3 365
13.1 - FX004001002001 - DMM - Corporate Services (Executive and Council)	12	211	24	–	–	–	32	37	40
13.2 - FX004001002002 - DMM - ITS (Executive and Council)	24	429	36	–	–	–	49	56	61
13.3 - FX004001002003 - DMM - City Development (Executive and Council)	2	45	8	–	–	–	11	13	14
13.4 - FX004001002004 - DMM - Community Services (Executive and Council)	6	105	13	–	–	–	18	20	22
13.5 - FX004001002005 - Municipal Manager (Executive and Council)	1	20	23	–	–	–	31	36	39
13.6 - FX004001002006 - Municipal Demarcation Transition Grant (Executive and Council)	6 314	6 209	–	–	–	–	–	–	–
13.7 - FX004001002007 - Performance Management (Executive and Council)	16	282	33	–	–	–	44	51	55
13.8 - FX005001009 - Marketing, Customer Relations, Publicity and Media Co-ordination (Finance and Administration)	2 560	3 974	2 639	2 587	2 588	2 588	2 644	2 776	2 912
13.9 - FX004001002008 - DMM - Chief Operations Officer (Executive and Council)	–	–	62	–	–	–	84	96	104
13.10 - FX005001011 - Risk Management (Finance and Administration)	11	197	28	–	–	–	38	44	48
13.11 - FX008001001 - Governance Function (Internal Audit)	6	105	30	–	–	–	40	46	50
13.12 - FX010001001 - Billboards (Planning and Development)	5	96	13	–	–	–	17	20	21
13.13 - FX004001002009 - Research, Knowledge Management and Innovation (Executive and Council)	–	–	–	–	–	–	–	–	–
13.14 - FX004001002010 - Mayoral Support Services (Executive and Council)	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	3 047 423	3 058 872	3 033 345	3 400 000	3 379 408	3 379 408	3 614 651	3 791 573	4 051 276

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure by Vote									
Vote 1 - CITY DEVELOPMENT	75 303	78 669	85 553	110 666	117 433	117 433	115 108	120 397	124 050
1.1 - FX005001014 - Valuation Service (Finance and Administration)	3 289	3 089	3 879	4 386	7 543	7 543	3 608	3 815	3 702
1.2 - FX007001001 - Housing (Housing)	13 203	13 273	22 516	19 523	23 995	23 995	30 725	31 730	32 694
1.3 - FX009002006 - Tourism (Other)	4 235	3 530	2 755	4 142	4 143	4 143	4 353	4 557	4 677
1.4 - FX010001002 - Corporate Wide Strategic Planning (IDPs, LEDs) (Planning and Development)	11 159	14 876	14 232	24 952	25 012	25 012	24 577	25 813	26 139
1.5 - FX010001004 - Development Facilitation (Planning and Development)	6 730	6 270	2 849	7 539	5 947	5 947	3 361	3 462	3 563
1.6 - FX010001005 - Economic Development/Planning (Planning and Development)	17 197	19 910	18 581	21 025	21 625	21 625	19 470	20 556	21 523
1.7 - FX010001006 - Town Planning, Building Regulations and Enforcement, and City Engineer (Planning and Development)	10 578	10 168	11 216	15 276	15 315	15 315	16 400	17 232	18 003
1.8 - FX003001003 - Pollution Control (Environmental Protection)	7 214	6 173	8 178	11 760	11 865	11 865	10 776	11 296	11 733
1.9 - FX005001010 - Property Services (Finance and Administration)	1 698	1 381	1 347	2 063	1 989	1 989	1 838	1 937	2 016
1.10 - FX012001003001 - Public Transport Facilities and Operations Coordination (Road Transport)	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICE	153 678	144 289	154 808	264 044	245 662	245 662	268 098	282 397	292 555
2.1 - FX001002008 - Disaster Management (Community and Social Services)	1 701	1 522	1 415	2 471	2 566	2 566	2 607	2 742	2 863
2.2 - FX011001005 - Fire Fighting and Protection (Public Safety)	52 603	49 394	53 844	80 328	79 336	79 336	85 259	89 622	92 982
2.3 - FX012001005 - Taxi Ranks (Road Transport)	1 725	2 303	4 275	2 657	3 755	3 755	5 562	5 945	5 959
2.4 - FX014001003 - Solid Waste Removal (Waste Management)	67 003	60 666	64 036	132 516	113 947	113 947	123 896	130 642	135 419
2.5 - FX014001004 - Street Cleansing (Waste Management)	28 227	28 394	30 552	42 204	42 922	42 922	45 953	48 299	50 024
2.6 - FX015001001 - Public Toilets (Waste Water Management)	2 419	2 011	687	3 869	3 136	3 136	2 837	3 050	3 119
2.7 - FX006001001 - Public Health and Emergency Services (Environmental Protection)	-	-	-	-	-	-	1 985	2 096	2 189
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	55 753	50 988	58 628	88 449	87 484	87 484	95 144	100 152	104 062
3.1 - FX005001012 - Security Services (Finance and Administration)	7 025	7 967	11 042	13 200	13 969	13 969	16 224	17 156	17 857
3.2 - FX011001007 - Police Forces, Traffic and Street Parking Control (Road Transport)	37 700	33 148	37 446	60 267	58 384	58 384	61 807	64 992	67 493
3.3 - FX012002001 - Road and Traffic Regulation (Road Transport)	11 028	9 872	10 139	14 982	15 130	15 130	16 613	17 484	18 212
3.4 - FX011001006 - Public Safety Licensing and Control of Animals	-	-	-	-	-	-	501	521	501

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure by Vote									
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	177 790	172 616	187 088	256 051	258 759	258 759	278 923	293 951	305 566
4.1 - FX001001003 - Cemeteries, Funeral Parlours and Crematoriums (Community and Social Services)	8 880	9 362	9 302	14 264	14 505	14 505	15 607	16 323	16 921
4.2 - FX001001005002 - Halls (Community and Social Services)	21 816	18 111	21 685	30 055	30 697	30 697	33 260	34 794	36 141
4.3 - FX001001006001 - Libraries and Archives (Community and Social Services)	18 679	17 683	19 115	26 700	27 271	27 271	30 254	31 720	32 993
4.4 - FX001001006002 - Cyber Cadets (Community and Social Services)	1 151	1 356	1 152	2 283	1 271	1 271	1 865	1 973	2 058
4.5 - FX001001008 - Museums and Art Galleries (Community and Social Services)	6 505	5 551	2 117	3 794	3 887	3 887	3 726	4 296	4 474
4.6 - FX001002007 - Cultural Matters (Community and Social Services)	-	-	5 493	3 663	5 508	5 508	6 552	6 860	7 152
4.7 - FX013001001 - Beaches and Jetties (Community and Social Services)	13 479	13 152	12 751	22 173	21 911	21 911	22 789	24 125	24 750
4.8 - FX013001002 - Community Parks (including Nurseries) (Sport and Recreation)	51 510	55 456	59 324	74 863	76 391	76 391	83 605	87 663	90 822
4.9 - FX013002003001 - Recreational Facilities - Caravan Park (Sport and Recreation)	-	0	-	-	-	-	-	-	-
4.10 - FX013002003002 - Recreational Facilities - Parks Administration (Sport and Recreation)	9 241	7 775	6 407	9 737	9 006	9 006	8 583	9 103	9 420
4.11 - FX013002003003 - Recreational Facilities - Swimming Pools (Sport and Recreation)	17 822	17 064	16 844	29 159	28 210	28 210	29 512	31 129	32 741
4.12 - FX013002004001 - Sport Development and Sportfields (Sport and Recreation)	24 648	22 997	20 304	34 869	31 465	31 465	30 012	32 381	33 966
4.13 - FX013002004002 - Sports Grounds and Stadiums -Stadiums (Sport and Recreation)	4 060	4 110	12 596	4 492	8 636	8 636	13 158	13 585	14 129
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	(7 793)	134 613	158 780	9 537	26 260	26 260	15 039	28 767	29 637
5.1 - FX001001005003 - Municipal Buildings (Community and Social Services)	(13 560)	22 081	28 676	(1 000)	1 580	1 580	2 794	15 919	16 280
5.2 - FX004001001001 - Mayor and Council (Executive and Council)	846	85 688	100 639	564	14 679	14 679	526	555	561
5.3 - FX005001001 - Administrative and Corporate Support (Finance and Administration)	(1 237)	20 641	24 152	1 703	2 323	2 323	1 600	1 676	1 717
5.4 - FX005001008 - Legal Services (Finance and Administration)	4 346	4 385	3 519	6 516	5 549	5 549	7 468	7 846	8 204
5.5 - FX009001002 - Air Transport (Other)	120	840	810	291	594	594	1 004	1 033	1 066
5.6 - FX009001004 - Licensing and Regulation (Other)	1 692	978	984	1 462	1 535	1 535	1 647	1 738	1 810

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure by Vote									
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	2 834	51 918	59 192	8 569	26 488	26 488	8 037	8 385	8 701
6.1 - FX005001007 - Information Technology (Finance and Administration)	2 834	51 918	59 192	8 569	26 488	26 488	8 037	8 385	8 701
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	3 783	28 313	29 830	7 150	9 471	9 471	7 027	7 389	7 636
7.1 - FX005001006001 - Human Resources (Finance and Administration)	651	7 774	7 738	1 163	1 213	1 213	978	1 020	1 057
7.2 - FX005001006002 - Management Services (Finance and Administration)	1 894	1 727	1 708	2 518	2 653	2 653	2 848	3 027	3 127
7.3 - FX005001006004 - Training and Industrial Relations (Finance and Administration)	1 131	11 577	12 395	1 908	3 407	3 407	1 720	1 795	1 855
7.4 - FX005001006003 - Occupational Clinic (Finance and Administration)	108	7 235	7 990	1 562	2 198	2 198	1 481	1 547	1 596
Vote 8 - FINANCIAL SERVICES	15 777	119 945	232 393	23 052	18 375	18 375	28 885	30 806	31 320
8.1 - FX005001004001 - Financial Management Grant Interns (Finance and Administration)	2 444	2 344	2 695	2 650	2 753	2 753	2 600	2 600	2 650
8.2 - FX005001004002 - Revenue and Expenditure (Finance and Administration)	5 316	92 028	191 503	8 843	4 477	4 477	12 799	13 409	13 833
8.3 - FX005001004003 - Finance (Finance and Administration)	7 455	7 795	17 676	8 298	8 765	8 765	9 927	10 990	10 943
8.4 - FX005001013 - Supply Chain Management (Finance and Administration)	(687)	16 553	19 216	1 300	618	618	1 192	1 249	1 291
8.5 - FX005002001 - Asset Management (Finance and Administration)	1 249	1 226	1 304	1 961	1 762	1 762	2 367	2 559	2 603
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	1 356 159	1 061 791	1 100 965	1 359 795	1 354 069	1 354 069	1 435 043	1 506 787	1 590 892
9.1 - FX002001001001 - Marketing and Customer relations (Energy Sources)	13 643	14 399	15 687	24 631	24 098	24 098	25 054	26 349	27 267
9.2 - FX002001001002 - Administration (Energy Sources)	1 141 093	837 997	864 500	1 081 956	1 081 378	1 081 378	1 150 138	1 207 660	1 276 155
9.3 - FX002001001004 - Electricity Distribution (Energy Sources)	101 049	99 420	106 067	166 537	163 108	163 108	169 633	180 973	190 853
9.4 - FX002001001005 - Electricity Planning (Energy Sources)	-	7 311	7 477	12 308	11 775	11 775	13 313	14 023	14 609
9.5 - FX002001002001 - Street Lighting (Energy Sources)	20 252	19 659	16 200	43 294	42 335	42 335	43 886	46 212	47 527
9.6 - FX002001002002 - Process Control Systems (Energy Sources)	18 839	22 119	23 063	35 517	32 726	32 726	34 612	36 229	37 550
9.7 - FX005001005 - Fleet Management (Finance and Administration)	61 283	60 886	67 970	(4 448)	(1 351)	(1 351)	(1 593)	(4 659)	(3 069)

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure by Vote									
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	672 503	628 905	761 010	744 848	776 507	776 507	840 792	887 839	936 083
10.1 - FX015001002001 - Sewerage - Industrial Effluent Pipeline (Waste Water Management)	709	583	441	876	766	766	577	518	455
10.2 - FX015001002002 - Sewerage - Pumpstations (Waste Water Management)	38 340	36 736	34 776	48 535	49 652	49 652	48 506	50 646	52 331
10.3 - FX015001002003 - Sewerage - Sewerage Network (Waste Water Management)	114 755	89 173	164 527	101 602	143 341	143 341	192 842	201 849	212 104
10.4 - FX015001004 - Treatment (Waste Water Management)	35 533	44 346	55 275	68 491	68 135	68 135	57 531	60 273	62 769
10.5 - FX016001002004 - Water Distribution (Clarified Water)	10 284	18 245	14 448	14 823	14 777	14 777	16 927	17 734	18 652
10.6 - FX016001002005 - Water Distribution (Purification Works)	179 497	166 088	203 349	216 651	205 708	205 708	206 613	215 547	223 833
10.7 - FX016001001003 - Water Treatment - Scientific Services (Water Management)	23 439	23 478	19 815	27 914	27 167	27 167	28 793	30 081	30 958
10.8 - FX016001002001 - Water Distribution - Rural Water (Water Management)	75 083	64 418	37 299	61 307	55 103	55 103	49 355	53 956	59 094
10.9 - FX016001002002 - Water Distribution - Urban Water (Water Management)	189 416	180 632	211 508	192 811	195 217	195 217	216 778	233 718	251 644
10.10 - FX016001002003 - Water Distribution - Water Demand Management (Water Management)	5 447	5 205	19 571	11 839	16 641	16 641	22 870	23 520	24 243
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	206 623	211 615	241 546	281 853	289 953	289 953	310 291	324 420	336 003
11.1 - FX012001004001 - Roads - Railway Sidings (Road Transport)	1 165	1 026	1 533	1 393	1 306	1 306	1 279	1 340	1 394
11.2 - FX012001004002 - Roads - Urban Roads (Road Transport)	117 818	112 851	166 785	159 090	169 053	169 053	207 787	215 388	222 749
11.3 - FX012001004003 - Roads - Rural Roads (Road Transport)	50 692	60 256	54 030	73 748	72 521	72 521	73 972	79 073	82 483
11.4 - FX015001003 - Storm Water Management (Waste Water Management)	36 948	37 482	19 199	47 623	47 073	47 073	27 253	28 618	29 377
11.5 - FX003001002 - Coastal Protection (Environmental Protection)	-	-	-	-	-	-	-	-	-

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure by Vote									
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	36 631	40 505	39 828	44 953	46 322	46 322	35 000	32 373	33 556
12.1 - FX001001005001 - Buildings Maintenance (Community and Social Services)	13 680	11 536	11 926	19 637	19 484	19 484	22 016	23 177	24 018
12.2 - FX010001007001 - Project Management Unit - Administration (Planning and Development)	4 817	3 955	4 237	7 856	7 654	7 654	8 627	9 114	9 455
12.3 - FX010001007002 - Project Management Unit - Asset Management (Planning and Development)	8 382	8 392	9 350	12 898	14 715	14 715	3	3	3
12.4 - FX010001007003 - Project Management Unit - Expanded Public Works Programme (Planning and Development)	5 061	4 371	5 189	4 492	4 492	4 492	4 278	-	-
12.5 - FX010001007004 - Project Management Unit - Infrastructure Skills Development Grant (Planning and Development)	3 879	5 420	2 303	-	-	-	-	-	-
12.6 - FX010001007005 - Project Management Unit - PMU (Planning and Development)	812	6 831	6 823	71	(22)	(22)	75	79	79
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	85 148	44 450	37 108	35 279	35 613	35 613	47 887	50 199	52 084
13.1 - FX004001002001 - DMM - Corporate Services (Executive and Council)	2 497	2 535	2 498	3 529	3 583	3 583	3 628	3 824	3 989
13.2 - FX004001002002 - DMM - ITS (Executive and Council)	2 238	3 077	3 341	4 668	4 791	4 791	5 354	5 639	5 884
13.3 - FX004001002003 - DMM - City Development (Executive and Council)	2 469	2 381	2 668	3 510	3 580	3 580	3 862	4 066	4 235
13.4 - FX004001002004 - DMM - Community Services (Executive and Council)	1 480	1 791	2 528	3 295	3 294	3 294	5 792	6 100	6 311
13.5 - FX004001002005 - Municipal Manager (Executive and Council)	(799)	3 397	3 186	-	(817)	(817)	1	1	1
13.6 - FX004001002006 - Municipal Demarcation Transition Grant (Executive and Council)	6 314	6 209	-	-	-	-	-	-	-
13.7 - FX004001002007 - Performance Management (Executive and Council)	21 838	2 113	2 201	3 383	3 955	3 955	4 222	4 439	4 633
13.8 - FX005001009 - Marketing, Customer Relations, Publicity and Media Co-ordination (Finance and Administration)	27 807	9 013	3 927	7 836	7 368	7 368	7 925	7 992	8 224
13.9 - FX004001002008 - DMM - Chief Operations Officer (Executive and Council)	-	-	4 014	4 858	5 232	5 232	6 018	6 345	6 611
13.10 - FX005001011 - Risk Management (Finance and Administration)	20 282	965	1 201	2 058	1 980	1 980	2 499	2 679	2 750
13.11 - FX008001001 - Governance Function (Internal Audit)	(771)	11 840	10 463	47	147	147	51	54	56
13.12 - FX010001001 - Billboards (Planning and Development)	1 793	1 130	1 082	2 096	2 500	2 500	2 514	2 701	2 751
13.13 - FX004001002009 - Research, Knowledge Management and Innovation (Executive and Council)	-	-	-	-	-	-	2 794	2 952	3 081
13.14 - FX004001002010 - Mayoral Support Services (Executive and Council)	-	-	-	-	-	-	3 228	3 409	3 560
Total Expenditure by Vote	2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144
Surplus/(Deficit) for the year	213 235	290 254	(113 386)	165 753	87 014	87 014	129 377	117 712	199 132

Table 24 Surplus/ (Deficit) calculations for the trading services

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Electricity and Energy Sources									
Total revenue (excl capital grants and transfers)	1 536 037	1 307 468	1 322 210	1 582 492	1 581 009	1 581 009	1 677 702	1 775 402	1 891 600
Operating Expenditure	1 294 876	1 000 905	1 032 995	1 364 243	1 355 419	1 355 419	1 436 636	1 511 446	1 593 960
Surplus/(Deficit) for the year	241 161	306 563	289 215	218 249	225 590	225 590	241 066	263 957	297 640
Percentage Surplus	15.7%	23.4%	21.9%	13.8%	14.3%	14.3%	14.4%	14.9%	15.7%
Water Management									
Total revenue (excl capital grants and transfers)	438 419	499 523	540 929	531 217	531 228	531 228	569 003	607 159	649 768
Operating Expenditure	483 166	458 066	505 991	525 344	514 613	514 613	541 336	574 555	608 423
Surplus/(Deficit) for the year	(44 747)	41 456	34 939	5 873	16 615	16 615	27 667	32 604	41 346
Percentage Surplus	(10.2%)	8.3%	6.5%	1.1%	3.1%	3.1%	4.9%	5.4%	6.4%
Waste water management									
Total revenue (excl capital grants and transfers)	192 551	215 428	231 754	259 130	263 641	263 641	286 241	309 317	332 039
Operating Expenditure	228 704	210 331	274 905	270 996	312 102	312 102	329 546	344 953	360 157
Surplus/(Deficit) for the year	(36 153)	5 096	(43 151)	(11 866)	(48 462)	(48 462)	(43 305)	(35 636)	(28 118)
Percentage Surplus	(18.8%)	2.4%	(18.6%)	(4.6%)	(18.4%)	(18.4%)	(15.1%)	(11.5%)	(8.5%)
Waste management									
Total revenue (excl capital grants and transfers)	125 045	172 979	153 185	185 893	183 398	183 398	199 543	214 300	228 766
Operating Expenditure	95 230	89 060	94 588	174 720	156 870	156 870	169 849	178 942	185 442
Surplus/(Deficit) for the year	29 815	83 919	58 597	11 173	26 529	26 529	29 695	35 359	43 324
Percentage Surplus	23.8%	48.5%	38.3%	6.0%	14.5%	14.5%	14.9%	16.5%	18.9%

1. It needs to be noted that surpluses/deficits reflected above **exclude** capital revenues (Transfers recognised – capital), which shows the real picture of the actual operational surpluses for all trading services.
2. The electricity trading surplus is fairly constant over the 2020/21 MTREF from 14.4 per cent or R241 million in 2020/21 to 15.7 per cent by 2022/23.
3. The surplus on the water management account amounts to R 27.7 million (4.9 per cent) in the 2020/21 financial year and improves slightly to a surplus of R 41.3 million in 2022/23. The challenge here is that based on the fact that the bulk of the costs are fixed, the Water Service which is a trading service and meant to be making a significant surplus and is only making a marginal surplus. The Administration has to look at reducing costs in this service to make it self-sustaining in the long term.
4. The deficit of R 43.3 million on Waste Water Management is of concern and efforts will need to be made to reduce this deficit in the coming MTREF by reducing costs therefore the introduction of more efficient and effective operations.
5. The surplus on the waste management amounts to R 29.7 million (14.9 per cent) in the 2020/21 financial year and improves slightly to a surplus of R 43.3 million in 2022/23.

6. 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 25 Surplus/ (Deficit) calculations for other services

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Governance and administration									
Total revenue (excl capital grants and transfers)	543 179	598 399	545 387	595 656	585 488	585 488	628 560	663 879	705 176
Operating Expenditure	182 999	427 533	569 991	95 940	132 148	132 148	118 992	122 404	127 978
Surplus/(Deficit) for the year	360 180	170 866	(24 604)	499 716	453 340	453 340	509 568	541 475	577 198
Percentage Surplus	66.3%	28.6%	(4.5%)	83.9%	77.4%	77.4%	81.1%	81.1%	81.6%
Community and public safety									
Total revenue (excl capital grants and transfers)	36 368	66 820	101 211	24 007	23 106	23 106	37 595	36 855	38 994
Operating Expenditure	269 915	290 298	320 394	417 754	420 108	420 108	455 892	493 020	511 892
Surplus/(Deficit) for the year	(233 547)	(223 478)	(219 183)	(393 748)	(397 003)	(397 003)	(418 297)	(456 165)	(472 898)
Percentage Surplus/ (Deficit)	(642.2%)	(334.4%)	(216.6%)	(1640.2%)	(1718.2%)	(1718.2%)	(1112.6%)	(1112.6%)	(1237.7%)
Economic and environmental services									
Total revenue (excl capital grants and transfers)	28 699	55 019	27 006	25 577	25 449	25 449	27 981	25 522	27 033
Operating Expenditure	260 048	273 804	320 802	359 833	370 867	370 867	395 294	409 485	424 046
Surplus/(Deficit) for the year	(231 349)	(218 785)	(293 796)	(334 256)	(345 418)	(345 418)	(367 313)	(383 963)	(397 013)
Percentage Surplus/ (Deficit)	(806.1%)	(397.7%)	(1087.9%)	(1306.9%)	(1357.3%)	(1357.3%)	(1312.7%)	(1312.7%)	(1504.5%)
Housing									
Total revenue (excl capital grants and transfers)	3 278	4 252	5 433	4 034	4 034	4 034	3 311	3 446	3 573
Operating Expenditure	13 203	13 273	22 516	19 523	23 995	23 995	30 725	31 730	32 694
Surplus/(Deficit) for the year	(9 926)	(9 020)	(17 083)	(15 489)	(19 960)	(19 960)	(27 414)	(28 284)	(29 122)
Percentage Surplus/ (Deficit)	(302.8%)	(212.1%)	(314.4%)	(383.9%)	(494.8%)	(494.8%)	(828.1%)	(828.1%)	(820.7%)
Other									
Total revenue (incl capital grants and transfers)	638	773	429	763	761	761	858	905	951
Operating Expenditure	6 048	5 348	4 549	5 894	6 272	6 272	7 005	7 328	7 552
Surplus/(Deficit) for the year	(5 410)	(4 575)	(4 120)	(5 131)	(5 511)	(5 511)	(6 147)	(6 424)	(6 601)
Percentage Surplus/ (Deficit)	(848.5%)	(592.1%)	(959.6%)	(672.7%)	(724.1%)	(724.1%)	(716.5%)	(716.5%)	(710.2%)

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. **The major concern here is that all services are now running at an R 309.6 million deficit. This implies that the whole Municipality has a high risk dependency on Electricity, Water and Waste Management Revenue given that Waste Water trading service has a deficit.**
3. **Although Council has received Level II Accreditation, the subsidisation of Housing services can be construed as an “unfunded” mandate.**

Table 26 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Revenue By Source									
Property rates	397 694	442 661	477 138	520 380	510 227	510 227	540 840	572 209	608 108
Service charges - electricity revenue	1 515 882	1 289 012	1 306 558	1 573 324	1 571 924	1 571 924	1 666 177	1 762 757	1 877 909
Service charges - water revenue	337 297	378 129	417 712	388 299	388 299	388 299	411 574	435 424	463 924
Service charges - sanitation revenue	81 747	75 447	93 910	101 068	105 568	105 568	111 886	118 360	124 742
Service charges - refuse revenue	73 883	98 095	85 042	113 268	110 768	110 768	117 414	124 224	130 933
Rental of facilities and equipment	8 301	6 793	7 416	10 802	10 642	10 642	11 164	11 699	12 261
Interest earned - external investments	60 875	76 056	27 999	58 000	58 000	58 000	63 000	65 000	67 000
Interest earned - outstanding debtors	45	103	130	109	109	109	114	120	125
Fines, penalties and forfeits	20 402	15 818	86 379	7 981	7 481	7 481	10 597	11 143	11 702
Licences and permits	3 701	3 756	3 773	3 407	3 407	3 407	3 407	3 570	3 742
Agency services	6 595	6 356	6 407	5 970	5 970	5 970	5 970	6 257	6 557
Transfers and subsidies	284 193	329 088	352 730	390 676	390 019	390 019	424 643	456 492	496 649
Other revenue	113 599	199 346	62 351	35 484	35 700	35 700	64 008	69 529	74 249
Total Revenue (excluding capital transfers and contributions)	2 904 214	2 920 660	2 927 545	3 208 768	3 198 114	3 198 114	3 430 794	3 636 785	3 877 900
Expenditure By Type									
Employee related costs	644 228	746 160	782 436	859 550	859 564	859 564	986 781	1 034 073	1 087 004
Remuneration of councillors	25 542	29 342	30 395	32 404	32 404	32 404	34 026	35 728	37 516
Debt impairment	8 891	27 154	163 733	31 454	31 454	31 454	35 000	36 750	38 587
Depreciation & asset impairment	352 389	348 561	472 658	408 532	441 379	441 379	474 573	505 559	546 925
Finance charges	68 940	67 691	51 286	70 846	67 458	67 458	79 943	82 762	84 491
Bulk purchases	1 173 350	927 274	973 182	1 096 949	1 093 949	1 093 949	1 139 016	1 196 920	1 267 357
Other materials	97 320	105 046	109 730	121 110	119 504	119 504	143 840	150 606	145 744
Contracted services	303 088	339 556	369 218	323 135	363 432	363 432	289 827	300 388	307 803
Transfers and subsidies	9 319	11 517	15 782	12 087	13 755	13 755	13 778	14 329	15 007
Other expenditure	149 823	164 869	166 623	278 181	269 497	269 497	288 491	316 747	321 709
Total Expenditure	2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144
Surplus/(Deficit)	70 025	152 042	(219 187)	(25 479)	(94 280)	(94 280)	(54 480)	(37 077)	25 756
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	135 899	133 963	104 224	191 232	181 294	181 294	183 857	154 789	173 376
Surplus/(Deficit) after capital transfers & contributions	213 235	290 254	(113 386)	165 753	87 014	87 014	129 377	117 712	199 132
Surplus/(Deficit) for the year	213 235	290 254	(113 386)	165 753	87 014	87 014	129 377	117 712	199 132

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

1. Total revenue is R3.4 billion in 2020/21 and escalates to R3.6 billion by 2021/22 and R3.9 billion by 2022/23. This represents a year-on-year increase of 7.3 per cent for the 2020/21 financial year from the 2019/20 Adjusted Budget and 6 per cent for the 2021/22 financial year and 6.6 per cent for the 2022/23 financial year.
2. Revenue to be generated from Property Rates is R 541 million in the 2020/21 financial year and increases to R 608 million by 2022/23 which represents 16 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 16 per cent and 17 per cent for 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 R 2.3 billion for the 2020/21 financial year and increasing to R3.2 billion by 2022/23. For the 2020/21 financial year services charges amount to 67 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 tariffs to compensate for increase in expenditure.
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 term the grants receipts from national government having only increased marginally over the MTREF by 8.9 per cent and 7.5 per cent and 8.8 per cent for the two outer years.
5. The following graph illustrates the major expenditure items per type.

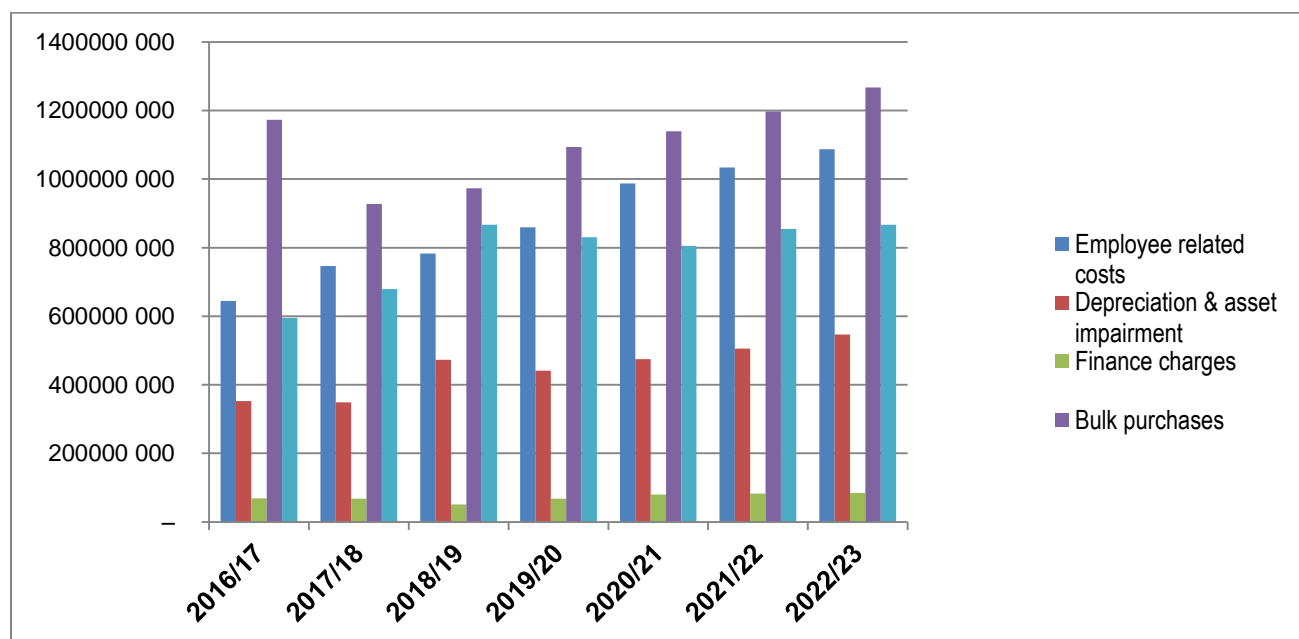


Figure 3 Expenditure by major type

Table 27 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	12 650	9 935	350	33 000	35 595	35 595	3 000	–	–
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	12 433	24 454	11 770	–	5 391	5 391	–	–	–
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	25 165	9 794	15 733	27 943	29 786	29 786	27 847	23 320	8 571
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	9 682	14 707	35 596	21 820	21 666	21 666	9 911	17 414	23 240
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	49 093	27 887	54 111	6 633	12 708	12 708	5 500	5 339	5 849
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	591	585	1 198	–	57	57	–	–	–
Vote 8 - FINANCIAL SERVICES	–	–	–	–	–	–	–	–	–
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	19 187	27 439	66 715	87 974	67 342	67 342	77 414	69 040	75 753
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	140 968	163 021	122 985	240 557	211 207	211 207	319 198	288 206	316 034
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	123 061	57 844	80 987	108 008	116 007	116 007	166 126	116 208	127 357
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	–	–	–	–	–	–	–	–	–
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	–	34	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	392 830	335 700	389 445	525 935	499 759	499 759	608 995	519 526	556 804

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote									
Single-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	798	9 254	118	–	6 360	6 360	–	–	–
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	2 030	2 017	2 604	4 100	4 100	4 100	4 724	3 780	3 619
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	383	495	275	272	421	421	305	297	326
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	791	3 440	4 122	8 842	12 951	12 951	–	11 846	27 596
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	4 129	8 689	4 864	3 261	13 376	13 376	16 630	4 223	464
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	2 542	45 291	11 963	4 498	17 759	17 759	523	537	589
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	23	24	31	40	1 556	1 556	258	252	276
Vote 8 - FINANCIAL SERVICES	182	578	558	217	249	249	254	248	272
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	80 769	84 030	67 517	36 469	36 522	36 522	35 704	47 941	59 780
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	22 979	9 747	33 741	10 500	24 303	24 303	3 500	3 500	3 500
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	–	621	1 028	3 400	5 550	5 550	800	1 500	1 000
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	454	565	87	–	–	–	90	88	96
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	–	68	327	–	–	–	51	50	55
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	115 079	164 821	127 235	71 598	123 147	123 147	62 839	74 262	97 572
Total Capital Expenditure - Vote	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional									
Governance and administration	81 039	128 345	121 623	37 500	58 719	58 719	34 647	45 228	52 424
Executive and council	182	20	171	–	–	–	130	133	142
Finance and administration	80 857	128 325	121 452	37 500	58 719	58 719	34 517	45 096	52 282
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	72 544	43 331	60 491	64 058	91 851	91 851	55 333	57 457	60 740
Community and social services	24 017	26 027	44 321	31 533	55 777	55 777	26 328	23 643	30 758
Sport and recreation	20 564	10 584	15 638	32 525	29 734	29 734	27 847	32 737	28 649
Public safety	17 433	6 926	531	–	–	–	1 158	1 077	1 333
Housing	9 576	(206)	–	–	6 340	6 340	–	–	–
Health	954	–	–	–	–	–	–	–	–
Economic and environmental services	126 626	97 197	93 770	144 408	157 172	157 172	170 016	117 855	128 515
Planning and development	3 531	19 313	1 067	33 000	35 615	35 615	3 090	88	96
Road transport	123 095	77 183	92 482	111 408	121 557	121 557	165 326	116 167	128 419
Environmental protection	–	701	222	–	–	–	1 600	1 600	–
Trading services	227 700	231 648	240 796	351 567	315 164	315 164	411 839	373 249	412 697
Energy sources	60 270	57 776	80 828	96 910	76 054	76 054	85 537	78 647	90 663
Water management	104 593	84 873	76 982	175 540	158 951	158 951	274 093	214 118	259 052
Waste water management	59 354	87 895	79 745	75 517	76 559	76 559	48 605	77 587	60 482
Waste management	3 484	1 103	3 242	3 600	3 600	3 600	3 604	2 896	2 500
Other	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376
Funded by:									
National Government	127 220	137 671	105 800	182 989	173 051	173 051	178 857	139 789	159 376
Provincial Government	10 365	541	–	8 243	8 243	8 243	5 000	15 000	14 000
District Municipality	5 625	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	143 210	138 212	105 800	191 232	181 294	181 294	183 857	154 789	173 376
Borrowing	204 961	9 969	265 391	–	50 608	50 608	157 000	143 000	154 000
Internally generated funds	159 738	352 341	145 489	406 301	391 004	391 004	330 977	296 000	327 000
Total Capital Funding	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, functional 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 functional 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 2020/21 R574 million has been allocated of the total R671.8 million capital budget, which totals 85 per cent. This allocation decreases slightly to R 501 million in 2021/22 and increases to R 545 million in 2022/23.
3. Single-year capital expenditure has been appropriated at R 98 million for the 2020/21 financial year and reduces slightly over the MTREF to levels of R 93 million and increases to R 109 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 national and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2020/21, capital transfers totals R 183.9 million (27 per cent) and decreases to R 154.8 million in the 2021/22 financial year (25 per cent). Borrowing has been provided at R 454 million over the MTREF with internally generated funding totaling R 331 million, R 296 million and R 327 million for each of the respective financial years of the MTREF.

Table 28 MBRR Table A5A - Budgeted Capital Expenditure by vote, Municipal classification

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 1 - CITY DEVELOPMENT	12 650	9 935	350	33 000	35 595	35 595	3 000	-	-
1.1 - FX005001014 - Valuation Service (Finance and Administration)	-	-	-	-	-	-	-	-	-
1.2 - FX007001001 - Housing (Housing)	9 576	-	-	-	-	-	-	-	-
1.3 - FX009002006 - Tourism (Other Development)	-	699	-	-	-	-	-	-	-
1.5 - FX010001004 - Development Facilitation (Planning and Development)	-	-	-	-	-	-	-	-	-
1.6 - FX010001005 - Economic Development/Planning (Planning and Development Engineer (Planning and Development)	3 074	9 236	350	33 000	35 595	35 595	3 000	-	-
1.8 - FX003001003 - Pollution Control (Environmental Protection)	-	-	-	-	-	-	-	-	-
1.9 - FX005001010 - Property Services (Finance and Administration)	-	-	-	-	-	-	-	-	-
Transport)	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	12 433	24 454	11 770	-	5 391	5 391	-	-	-
2.1 - FX001002008 - Disaster Management (Community and Social Services)	-	-	-	-	-	-	-	-	-
2.2 - FX011001005 - Fire Fighting and Protection (Public Safety)	5 910	5 745	-	-	-	-	-	-	-
2.3 - FX012001005 - Taxi Ranks (Road Transport)	4 996	18 442	10 365	-	5 391	5 391	-	-	-
2.4 - FX014001003 - Solid Waste Removal (Waste Management)	1 526	267	1 405	-	-	-	-	-	-
2.5 - FX014001004 - Street Cleansing (Waste Management)	-	-	-	-	-	-	-	-	-
2.6 - FX015001001 - Public Toilets (Waste Water Management)	-	-	-	-	-	-	-	-	-
2.7 - FX006001001 - Public Health and Emergency Services (Environmental Protection)	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	-	-	-	-	-	-	-	-	-
3.1 - FX005001012 - Security Services (Finance and Administration)	-	-	-	-	-	-	-	-	-
3.2 - FX011001007 - Police Forces, Traffic and Street Parking Control (Road Transport)	-	-	-	-	-	-	-	-	-
3.3 - FX012002001 - Road and Traffic Regulation (Road Transport)	-	-	-	-	-	-	-	-	-
3.4 - FX011001006 - Public Safety Licensing and Control of Animals	-	-	-	-	-	-	-	-	-

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	25 165	9 794	15 733	27 943	29 786	29 786	27 847	23 320	8 571
Social Services)	–	–	–	–	–	–	–	–	–
4.2 - FX001001005002 - Halls (Community and Social Services)	4 920	1 935	2 165	2 000	9 408	9 408	–	–	–
4.3 - FX001001006001 - Libraries and Archives (Community and Social Services)	43	84	392	–	–	–	–	–	–
4.4 - FX001001006002 - Cyber Cadets (Community and Social Services)	–	–	–	–	–	–	–	–	–
4.5 - FX001001008 - Museums and Art Galleries (Community and Social Services)	–	–	–	–	–	–	–	–	–
4.6 - FX001002007 - Cultural Matters (Community and Social Services)	–	–	–	–	–	–	–	–	–
4.7 - FX013001001 - Beaches and Jetties (Community and Social Services)	1 375	213	–	–	–	–	–	–	–
4.8 - FX013001002 - Community Parks (including Nurseries) (Sport and Recreation)	3 403	411	1 697	1 000	–	–	–	–	200
4.9 - FX013002003001 - Recreational Facilities - Caravan Park (Sport and Recreation)	–	–	–	–	–	–	–	–	–
4.10 - FX013002003002 - Recreational Facilities - Parks Administration (Sport and Recreation)	–	–	–	–	–	–	–	–	–
4.11 - FX013002003003 - Recreational Facilities - Swimming Pools (Sport and Recreation)	–	–	1 059	12 200	9 300	9 300	27 847	11 760	8 371
4.12 - FX013002004001 - Sport Development and Sportfields (Sport and Recreation)	15 424	6 375	10 420	8 243	8 243	8 243	–	–	–
	–	776	–	4 500	2 835	2 835	–	11 560	–
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	9 682	14 707	35 596	21 820	21 666	21 666	9 911	17 414	23 240
5.1 - FX001001005003 - Municipal Buildings (Community and Social Services)	9 682	14 707	35 596	21 820	21 666	21 666	9 911	17 414	23 240
5.2 - FX004001001001 - Mayor and Council (Executive and Council)	–	–	–	–	–	–	–	–	–
5.3 - FX005001001 - Administrative and Corporate Support (Finance and Administration)	–	–	–	–	–	–	–	–	–
5.4 - FX005001008 - Legal Services (Finance and Administration)	–	–	–	–	–	–	–	–	–
5.5 - FX009001002 - Air Transport (Other)	–	–	–	–	–	–	–	–	–
5.6 - FX009001004 - Licensing and Regulation (Other)	–	–	–	–	–	–	–	–	–

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	49 093	27 887	54 111	6 633	12 708	12 708	5 500	5 339	5 849
6.1 - FX005001007 - Information Technology (Finance and Administration)	49 093	27 887	54 111	6 633	12 708	12 708	5 500	5 339	5 849
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	591	585	1 198	-	57	57	-	-	-
7.1 - FX005001006001 - Human Resources (Finance and Administration)	-	-	-	-	-	-	-	-	-
7.2 - FX005001006002 - Management Services (Finance and Administration)	-	-	-	-	-	-	-	-	-
7.3 - FX005001006004 - Training and Industrial Relations (Finance and Administration)	-	-	-	-	-	-	-	-	-
7.4 - FX005001006003 - Occupational Clinic (Finance and Administration)	591	585	1 198	-	57	57	-	-	-
Vote 8 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-
8.1 - FX005001004001 - Financial Management Grant Interns (Finance and Administration)	-	-	-	-	-	-	-	-	-
8.2 - FX005001004002 - Revenue and Expenditure (Finance and Administration)	-	-	-	-	-	-	-	-	-
8.3 - FX005001004003 - Finance (Finance and Administration)	-	-	-	-	-	-	-	-	-
8.4 - FX005001013 - Supply Chain Management (Finance and Administration)	-	-	-	-	-	-	-	-	-
8.5 - FX005002001 - Asset Management (Finance and Administration)	-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	19 187	27 439	66 715	87 974	67 342	67 342	77 414	69 040	75 753
9.1 - FX002001001001 - Marketing and Customer relations (Energy Sources)	-	-	-	500	437	437	-	-	-
9.2 - FX002001001002 - Administration (Energy Sources)	-	-	-	-	-	-	-	-	-
9.3 - FX002001001004 - Electricity Distribution (Energy Sources)	5 940	25 282	48 712	71 674	51 434	51 434	70 228	61 348	66 701
9.4 - FX002001001005 - Electricity Planning (Energy Sources)	-	-	-	-	-	-	-	-	-
9.5 - FX002001002001 - Street Lighting (Energy Sources)	11 099	2 157	17 453	14 500	14 171	14 171	7 186	7 692	9 052
9.6 - FX002001002002 - Process Control Systems (Energy Sources)	-	-	550	1 300	1 300	1 300	-	-	-
9.7 - FX005001005 - Fleet Management (Finance and Administration)	2 149	-	-	-	-	-	-	-	-

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	140 968	163 021	122 985	240 557	211 207	211 207	319 198	288 206	316 034
Management)	–	–	–	–	–	–	–	–	–
10.2 - FX015001002002 - Sewerage - Pumpstations (Waste Water Management)	–	6 745	1 051	6 576	2 000	2 000	2 000	–	–
10.3 - FX015001002003 - Sewerage - Sewerage Network (Waste Water Management)	50 147	72 746	76 722	68 941	73 359	73 359	46 605	77 587	60 482
10.4 - FX015001004 - Treatment (Waste Water Management)	–	–	–	–	–	–	–	–	–
10.5 - FX016001002004 - Water Distribution (Clarified Water)	–	–	–	–	–	–	–	–	–
10.6 - FX016001002005 - Water Distribution (Purification Works)	–	–	–	–	–	–	–	–	–
10.7 - FX016001001003 - Water Treatment - Scientific Services (Water Management)	–	4 079	–	–	–	–	–	–	–
10.8 - FX016001002001 - Water Distribution - Rural Water (Water Management)	15 156	35 535	36 701	36 940	16 940	16 940	27 500	13 000	26 000
10.9 - FX016001002002 - Water Distribution - Urban Water (Water Management)	75 665	39 290	8 512	126 100	117 908	117 908	196 593	136 618	148 552
Management)	–	4 626	–	2 000	1 000	1 000	46 500	61 000	81 000
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	123 061	57 844	80 987	108 008	116 007	116 007	166 126	116 208	127 357
11.1 - FX012001004001 - Roads - Railway Sidings (Road Transport)	–	–	75 575	–	–	–	–	–	–
11.2 - FX012001004002 - Roads - Urban Roads (Road Transport)	94 393	49 707	5 412	88 383	94 707	94 707	135 565	93 409	95 386
11.3 - FX012001004003 - Roads - Rural Roads (Road Transport)	28 668	8 137	–	19 625	19 625	19 625	28 961	21 199	31 971
11.4 - FX015001003 - Storm Water Management (Waste Water Management)	–	–	–	–	–	–	–	–	–
11.5 - FX003001002 - Coastal Protection (Environmental Protection)	–	–	–	–	1 675	1 675	1 600	1 600	–

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	-	-	-	-	-	-	-	-	-
12.1 - FX001001005001 - Buildings Maintenance (Community and Social Services Development)	-	-	-	-	-	-	-	-	-
Development)	-	-	-	-	-	-	-	-	-
Programme (Planning and Development)	-	-	-	-	-	-	-	-	-
Grant (Planning and Development)	-	-	-	-	-	-	-	-	-
12.6 - FX010001007005 - Project Management Unit - PMU (Planning and Development)	-	-	-	-	-	-	-	-	-
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	-	34	-	-	-	-	-	-	-
13.1 - FX004001002001 - DMM - Corporate Services (Executive and Council)	-	-	-	-	-	-	-	-	-
13.2 - FX004001002002 - DMM - ITS (Executive and Council)	-	-	-	-	-	-	-	-	-
13.3 - FX004001002003 - DMM - City Development (Executive and Council)	-	-	-	-	-	-	-	-	-
13.4 - FX004001002004 - DMM - Community Services (Executive and Council)	-	-	-	-	-	-	-	-	-
13.5 - FX004001002005 - Municipal Manager (Executive and Council)	-	-	-	-	-	-	-	-	-
13.6 - FX004001002006 - Municipal Demarcation Transition Grant (Executive and Council)	-	-	-	-	-	-	-	-	-
13.7 - FX004001002007 - Performance Management (Executive and Council)	-	-	-	-	-	-	-	-	-
(Finance and Administration)	-	-	-	-	-	-	-	-	-
13.9 - FX004001002008 - DMM - Chief Operations Officer	-	-	-	-	-	-	-	-	-
13.10 - FX005001011 - Risk Management (Finance and Administration)	-	-	-	-	-	-	-	-	-
13.11 - FX008001001 - Governance Function (Internal Audit)	-	-	-	-	-	-	-	-	-
13.12 - FX010001001 - Billboards (Planning and Development)	-	34	-	-	-	-	-	-	-
and Council)	-	-	-	-	-	-	-	-	-
13.14 - FX004001002010 - Mayoral Support Services (Executive and Council)	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	392 830	335 700	389 445	525 935	499 759	499 759	608 995	519 526	556 804

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 1 - CITY DEVELOPMENT	798	9 254	118	-	6 360	6 360	-	-	-
1.1 - FX005001014 - Valuation Service (Finance and Administration)	-	-	-	-	-	-	-	-	-
1.2 - FX007001001 - Housing (Housing)	-	(206)	-	-	6 340	6 340	-	-	-
1.3 - FX009002006 - Tourism (Other Development)	-	-	-	-	-	-	-	-	-
1.5 - FX010001004 - Development Facilitation (Planning and Development)	-	-	-	-	-	-	-	-	-
1.6 - FX010001005 - Economic Development/Planning (Planning and Development Engineer (Planning and Development)	457	8 758	118	-	20	20	-	-	-
1.8 - FX003001003 - Pollution Control (Environmental Protection)	341	701	-	-	-	-	-	-	-
1.9 - FX005001010 - Property Services (Finance and Administration)	-	-	-	-	-	-	-	-	-
Transport)	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	2 030	2 017	2 604	4 100	4 100	4 100	4 724	3 780	3 619
2.1 - FX001002008 - Disaster Management (Community and Social Services)	-	-	-	500	500	500	220	-	-
2.2 - FX011001005 - Fire Fighting and Protection (Public Safety)	73	1 181	358	-	-	-	900	884	1 119
2.3 - FX012001005 - Taxi Ranks (Road Transport)	-	-	187	-	-	-	-	-	-
2.4 - FX014001003 - Solid Waste Removal (Waste Management)	1 957	814	1 837	-	-	-	3 604	2 896	2 500
2.5 - FX014001004 - Street Cleansing (Waste Management)	-	22	-	-	-	-	-	-	-
2.6 - FX015001001 - Public Toilets (Waste Water Management)	-	-	-	3 600	3 600	3 600	-	-	-
2.7 - FX006001001 - Public Health and Emergency Services (Environmental Protection)	-	-	222	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	383	495	275	272	421	421	305	297	326
3.1 - FX005001012 - Security Services (Finance and Administration)	174	219	173	-	-	-	47	45	50
3.2 - FX011001007 - Police Forces, Traffic and Street Parking Control (Road Transport)	175	176	102	219	421	421	258	193	214
3.3 - FX012002001 - Road and Traffic Regulation (Road Transport)	34	100	-	53	-	-	-	59	62
3.4 - FX011001006 - Public Safety Licensing and Control of Animals	-	-	-	-	-	-	-	-	-

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	791	3 440	4 122	8 842	12 951	12 951	-	11 846	27 596
4.1 - FX001001003 - Cemeteries, Funeral Parlours and Crematoriums (Community and Social Services)	219	305	83	900	2 645	2 645	-	-	1 862
4.2 - FX001001005002 - Halls (Community and Social Services)	209	(452)	921	-	260	260	-	2 429	2 071
4.3 - FX001001006001 - Libraries and Archives (Community and Social Services)	-	778	521	1 130	460	460	-	-	3 585
4.4 - FX001001006002 - Cyber Cadets (Community and Social Services)	-	-	-	-	-	-	-	-	-
4.5 - FX001001008 - Museums and Art Galleries (Community and Social Services)	-	-	134	-	-	-	-	-	-
4.6 - FX001002007 - Cultural Matters (Community and Social Services)	-	-	-	-	-	-	-	-	-
4.7 - FX013001001 - Beaches and Jetties (Community and Social Services)	-	-	317	380	380	380	-	-	2 273
4.8 - FX013001002 - Community Parks (including Nurseries) (Sport and Recreation)	177	484	185	200	200	200	-	1 417	3 300
4.9 - FX013002003001 - Recreational Facilities - Caravan Park (Sport and Recreation)	-	38	-	-	-	-	-	-	-
4.10 - FX013002003002 - Recreational Facilities - Parks Administration (Sport and Recreation)	-	-	-	-	-	-	-	-	-
4.11 - FX013002003003 - Recreational Facilities - Swimming Pools (Sport and Recreation)	-	-	403	150	150	150	-	-	-
4.12 - FX013002004001 - Sport Development and Sportfields (Sport and Recreation)	185	2 287	1 419	6 082	7 191	7 191	-	8 000	14 505
	-	-	138	-	1 665	1 665	-	-	-
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	4 129	8 689	4 864	3 261	13 376	13 376	16 630	4 223	464
5.1 - FX001001005003 - Municipal Buildings (Community and Social Services)	3 947	8 670	4 509	3 257	13 373	13 373	16 197	3 800	-
5.2 - FX004001001001 - Mayor and Council (Executive and Council)	182	20	171	-	-	-	79	83	87
5.3 - FX005001001 - Administrative and Corporate Support (Finance and Administration)	-	-	0	-	-	-	354	340	377
5.4 - FX005001008 - Legal Services (Finance and Administration)	-	-	-	3	3	3	-	-	-
5.5 - FX009001002 - Air Transport (Other)	-	-	184	-	-	-	-	-	-
5.6 - FX009001004 - Licensing and Regulation (Other)	-	-	-	-	-	-	-	-	-

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	2 542	45 291	11 963	4 498	17 759	17 759	523	537	589
6.1 - FX005001007 - Information Technology (Finance and Administration)	2 542	45 291	11 963	4 498	17 759	17 759	523	537	589
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	23	24	31	40	1 556	1 556	258	252	276
7.1 - FX005001006001 - Human Resources (Finance and Administration)	—	—	31	—	—	—	—	—	—
7.2 - FX005001006002 - Management Services (Finance and Administration)	—	—	—	—	—	—	—	—	—
7.3 - FX005001006004 - Training and Industrial Relations (Finance and Administration)	—	—	—	40	56	56	30	29	32
7.4 - FX005001006003 - Occupational Clinic (Finance and Administration)	23	24	—	—	1 500	1 500	228	223	244
Vote 8 - FINANCIAL SERVICES	182	578	558	217	249	249	254	248	272
8.1 - FX005001004001 - Financial Management Grant Interns (Finance and Administration)	97	307	46	—	62	62	—	—	—
8.2 - FX005001004002 - Revenue and Expenditure (Finance and Administration)	13	271	512	217	187	187	254	248	272
8.3 - FX005001004003 - Finance (Finance and Administration)	—	—	—	—	—	—	—	—	—
8.4 - FX005001013 - Supply Chain Management (Finance and Administration)	72	—	—	—	—	—	—	—	—
8.5 - FX005002001 - Asset Management (Finance and Administration)	—	—	—	—	—	—	—	—	—
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	80 769	84 030	67 517	36 469	36 522	36 522	35 704	47 941	59 780
9.1 - FX002001001001 - Marketing and Customer relations (Energy Sources)	—	—	33	36	34	34	—	—	—
9.2 - FX002001001002 - Administration (Energy Sources)	—	—	4	—	—	—	—	—	—
9.3 - FX002001001004 - Electricity Distribution (Energy Sources)	54 157	30 338	14 076	8 900	8 676	8 676	5 798	5 000	10 011
9.4 - FX002001001005 - Electricity Planning (Energy Sources)	—	—	—	—	—	—	—	—	—
9.5 - FX002001002001 - Street Lighting (Energy Sources)	2	—	—	—	—	—	573	2 800	3 000
9.6 - FX002001002002 - Process Control Systems (Energy Sources)	173	—	—	—	—	—	1 753	1 807	1 900
9.7 - FX005001005 - Fleet Management (Finance and Administration)	26 437	53 693	53 404	27 533	27 812	27 812	27 581	38 334	44 869

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	22 979	9 747	33 741	10 500	24 303	24 303	3 500	3 500	3 500
10.1 - FX015001002001 - Sewerage - Industrial Effluent Pipeline (Waste Water Management)	-	-	-	-	-	-	-	-	-
10.2 - FX015001002002 - Sewerage - Pumpstations (Waste Water Management)	-	279	54	-	-	-	-	-	-
10.3 - FX015001002003 - Sewerage - Sewerage Network (Waste Water Management)	9 208	8 125	1 918	-	1 200	1 200	-	-	-
10.4 - FX015001004 - Treatment (Waste Water Management)	-	-	-	-	-	-	-	-	-
10.5 - FX016001002004 - Water Distribution (Clarified Water)	-	-	-	-	-	-	-	-	-
10.6 - FX016001002005 - Water Distribution (Purification Works)	-	-	-	-	-	-	-	-	-
10.7 - FX016001001003 - Water Treatment - Scientific Services (Water Management)	-	1 539	2 197	6 000	5 800	5 800	-	-	-
10.8 - FX016001002001 - Water Distribution - Rural Water (Water Management)	-	665	8 191	1 000	11 943	11 943	-	-	-
10.9 - FX016001002002 - Water Distribution - Urban Water (Water Management)	13 772	(861)	17 828	1 500	1 360	1 360	500	500	500
10.10 - FX016001002003 - Water Distribution - Water Demand Management (Water Management)	-	-	3 553	2 000	4 000	4 000	3 000	3 000	3 000
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	-	621	1 028	3 400	5 550	5 550	800	1 500	1 000
11.1 - FX012001004001 - Roads - Railway Sidings (Road Transport)	-	-	-	-	-	-	-	-	-
11.2 - FX012001004002 - Roads - Urban Roads (Road Transport)	-	1 249	1 028	3 400	5 550	5 550	800	1 500	1 000
11.3 - FX012001004003 - Roads - Rural Roads (Road Transport)	-	(628)	-	-	-	-	-	-	-
11.4 - FX015001003 - Storm Water Management (Waste Water Management)	-	-	-	-	-	-	-	-	-
11.5 - FX003001002 - Coastal Protection (Environmental Protection)	-	-	-	-	-	-	-	-	-

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

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	454	565	87	-	-	-	90	88	96
12.1 - FX001001005001 - Buildings Maintenance (Community and Social Services)	-	-	-	-	-	-	-	-	-
12.2 - FX010001007001 - Project Management Unit - Administration (Planning and Development)	-	-	-	-	-	-	90	88	96
12.3 - FX010001007002 - Project Management Unit - Asset Management (Planning and Development)	454	454	76	-	-	-	-	-	-
12.4 - FX010001007003 - Project Management Unit - Expanded Public Works Programme (Planning and Development)	-	-	-	-	-	-	-	-	-
12.5 - FX010001007004 - Project Management Unit - Infrastructure Skills Development Grant (Planning and Development)	-	111	-	-	-	-	-	-	-
12.6 - FX010001007005 - Project Management Unit - PMU (Planning and Development)	-	-	11	-	-	-	-	-	-
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	-	68	327	-	-	-	51	50	55
13.1 - FX004001002001 - DMM - Corporate Services (Executive and Council)	-	-	-	-	-	-	-	-	-
13.2 - FX004001002002 - DMM - ITS (Executive and Council)	-	-	-	-	-	-	-	-	-
13.3 - FX004001002003 - DMM - City Development (Executive and Council)	-	-	-	-	-	-	-	-	-
13.4 - FX004001002004 - DMM - Community Services (Executive and Council)	-	-	-	-	-	-	-	-	-
13.5 - FX004001002005 - Municipal Manager (Executive and Council)	-	-	-	-	-	-	51	50	55
13.6 - FX004001002006 - Municipal Demarcation Transition Grant (Executive and Council)	-	-	-	-	-	-	-	-	-
13.7 - FX004001002007 - Performance Management (Executive and Council)	-	-	-	-	-	-	-	-	-
13.8 - FX005001009 - Marketing. Customer Relations. Publicity and Media Co-ordination (Finance and Administration)	-	-	-	-	-	-	-	-	-
13.9 - FX004001002008 - DMM - Chief Operations Officer (Executive and Council)	-	-	-	-	-	-	-	-	-
13.10 - FX005001011 - Risk Management (Finance and Administration)	-	48	-	-	-	-	-	-	-
13.11 - FX008001001 - Governance Function (Internal Audit)	-	-	-	-	-	-	-	-	-
13.12 - FX010001001 - Billboards (Planning and Development)	-	20	327	-	-	-	-	-	-
13.13 - FX004001002009 - Research. Knowledge Management and Innovation (Executive and Council)	-	-	-	-	-	-	-	-	-
13.14 - FX004001002010 - Mayoral Support Services (Executive and Council)	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	115 079	164 821	127 235	71 598	123 147	123 147	62 839	74 262	97 572
Total Capital Expenditure	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376

Table 29 MBRR Table A6 - Budgeted Financial Position

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
ASSETS									
Current assets									
Cash	70 116	45 422	71 155	70 841	91 349	91 349	97 282	95 715	96 711
Call investment deposits	645 000	415 000	390 000	300 000	250 000	250 000	270 000	270 000	280 000
Consumer debtors	350 981	412 171	361 728	334 889	351 726	351 726	414 158	437 679	463 097
Other debtors	156 427	97 606	103 047	97 606	97 606	97 606	129 865	121 476	122 385
Current portion of long-term receivables	30	46	–	–	–	–	–	–	–
Inventory	74 768	72 792	69 381	80 865	72 364	72 364	75 620	79 099	82 737
Total current assets	1 297 323	1 043 037	995 310	884 201	863 046	863 046	986 925	1 003 968	1 044 930
Non current assets									
Long-term receivables	48	–	–	–	–	–	–	–	–
Investment property	124 379	87 333	86 799	123 195	87 290	87 290	86 751	86 200	85 631
Property, plant and equipment	5 230 609	6 225 646	6 205 475	5 746 904	6 385 757	6 385 757	6 584 928	6 675 137	6 784 656
Intangible	31 411	63 504	116 081	126 023	137 425	137 425	136 055	134 626	133 127
Other non-current assets	2 767	2 767	2 465	3 012	2 465	2 465	2 465	2 465	2 465
Total non current assets	5 389 214	6 379 251	6 410 820	5 999 134	6 612 937	6 612 937	6 810 198	6 898 428	7 005 878
TOTAL ASSETS	6 686 537	7 422 288	7 406 130	6 883 336	7 475 982	7 475 982	7 797 124	7 902 396	8 050 808
LIABILITIES									
Current liabilities									
Borrowing	155 996	145 259	87 793	84 692	60 394	60 394	100 080	105 719	121 057
Consumer deposits	67 947	82 040	65 556	86 306	68 375	68 375	71 452	74 739	78 176
Trade and other payables	614 938	469 828	430 256	392 973	415 388	415 388	366 899	387 192	412 976
Provisions	13 900	15 176	16 518	16 296	14 954	14 954	15 889	16 763	17 685
Total current liabilities	852 781	712 303	600 123	580 268	559 111	559 111	554 319	584 412	629 895
Non current liabilities									
Borrowing	539 613	394 166	614 841	528 708	592 112	592 112	657 641	690 786	651 355
Provisions	332 532	220 079	224 236	270 495	224 236	224 236	247 429	274 268	304 793
Total non current liabilities	872 144	614 245	839 077	799 203	816 348	816 348	905 070	965 054	956 148
TOTAL LIABILITIES	1 724 925	1 326 548	1 439 200	1 379 471	1 375 459	1 375 459	1 459 389	1 549 466	1 586 042
NET ASSETS	4 961 612	6 095 740	5 966 930	5 503 865	6 100 523	6 100 523	6 337 734	6 352 930	6 464 766
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	4 958 862	5 902 354	5 966 930	5 385 726	5 990 265	5 990 265	6 041 734	6 025 930	6 122 724
Reserves	2 750	193 386	–	118 139	110 258	110 258	296 000	327 000	342 042
TOTAL COMMUNITY WEALTH/EQUITY	4 961 612	6 095 740	5 966 930	5 503 865	6 100 523	6 100 523	6 337 734	6 352 930	6 464 766

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 197 to 199 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 30 MBRR Table A7 - Budgeted Cash Flow Statement

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	400 906	444 674	477 138	499 565	489 818	489 818	519 206	549 321	583 784
Service charges	2 003 818	1 823 520	1 890 432	2 003 004	2 089 497	2 089 497	2 145 000	2 256 969	2 403 208
Other revenue	51 247	64 700	182 051	63 644	59 649	59 649	95 146	102 757	109 081
Transfers and Subsidies - Operational	279 992	321 424	348 733	390 676	390 019	390 019	424 643	456 492	496 649
Transfers and Subsidies - Capital	144 868	141 903	107 695	191 232	181 294	181 294	183 857	154 789	173 376
Interest	60 921	76 159	28 129	58 109	61 660	61 660	63 114	65 120	67 125
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(2 393 352)	(2 474 344)	(2 649 256)	(2 604 640)	(2 642 203)	(2 642 203)	(2 789 567)	(2 924 024)	(3 051 228)
Finance charges	(68 940)	(67 691)	(51 286)	(70 846)	(67 458)	(67 458)	(79 943)	(82 762)	(84 491)
Transfers and Grants	(9 319)	(11 517)	(15 782)	(12 087)	(13 756)	(13 756)	(13 778)	(14 329)	(15 007)
NET CASH FROM/(USED) OPERATING ACTIVITIES	470 138	318 828	317 854	518 656	548 520	548 520	547 677	564 333	682 497
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3 335	680	759	-	22 644	22 644	-	-	-
	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	36	33	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(507 909)	(500 090)	(516 646)	(589 340)	(610 907)	(610 907)	(662 695)	(604 125)	(646 838)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(504 538)	(499 378)	(515 887)	(589 340)	(588 263)	(588 263)	(662 695)	(604 125)	(646 838)

Table A7 - Budgeted Cash Flow Statement (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	385 500	–	310 000	–	–	–	237 000	142 964	84 036
Increase (decrease) in consumer deposits	67 947	82 040	65 556	–	2 759	2 759	–	–	–
Payments									
Repayment of borrowing	(166 337)	(156 185)	(146 790)	(84 326)	(85 864)	(85 864)	(96 048)	(104 180)	(108 129)
NET CASH FROM/(USED) FINANCING ACTIVITIES	287 110	(74 144)	228 766	(84 326)	(83 105)	(83 105)	140 952	38 783	(24 093)
NET INCREASE/ (DECREASE) IN CASH HELD	252 709	(254 694)	30 732	(155 010)	(122 848)	(122 848)	25 933	(1 009)	11 566
Cash/cash equivalents at the year begin:	462 406	715 116	460 422	525 851	464 198	464 198	341 349	367 282	366 274
Cash/cash equivalents at the year end:	715 116	460 422	491 155	370 841	341 349	341 349	367 282	366 274	377 840

Table 31 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available									
Cash/cash equivalents at the year end	715 116	460 422	491 155	370 841	341 349	341 349	367 282	366 274	377 840
Other current investments > 90 days	–	–	(30 000)	–	–	–	–	(559)	(1 129)
Cash and investments available:	715 116	460 422	461 155	370 841	341 349	341 349	367 282	365 715	376 711
Application of cash and investments									
Unspent conditional transfers	10 596	15 676	10 801	20 232	20 232	20 232	12 699	12 699	12 699
Unspent borrowing	9 969	–	–	–	–	–	35 550	21 445	12 605
Statutory requirements	(34 246)	10 602	14 328	4 845	4 845	4 845	(26 559)	(12 136)	(6 660)
Other working capital requirements	117 344	(29 218)	(60 159)	(34 218)	(40 864)	(40 864)	(156 869)	(158 726)	(166 008)
Other provisions	13 900	15 176	16 518	16 296	14 954	14 954	15 889	16 763	17 685
Reserves to be backed by cash/investments	2 750	193 386	176 173	121 202	113 322	113 322	296 000	327 000	342 042
Total Application of cash and investments:	120 312	205 622	157 660	128 357	112 489	112 489	176 710	207 045	212 363
Surplus(shortfall)	594 804	254 800	303 495	242 484	228 860	228 860	190 573	158 671	164 348

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 from previous financial years to 2020/21 period and the years thereafter owing directly to a myriad of cash flow interventions introduced over the past years.
4. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R 367 million as at the end of the 2020/21 financial year and increases to R 376 million by 2022/23 as more reliance is being placed on borrowings for capital projects instead of internal funds.

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. The surplus improved to R 190 million in the 2020/21 financial year from the deficit of previous financial years namely 2009/10.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 32 MBRR Table A9 - Asset Management

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE									
<u>Total New Assets</u>	477 353 889	367 570 776	290 756 430	460 960	478 810	478 810	547 920	487 890	464 512
<i>Roads Infrastructure</i>	128 056 583	14 503 839	6 259 720	132 208	140 795	140 795	151 026	100 608	90 357
<i>Storm water Infrastructure</i>	-	-	8 136 515	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	69 443 663	19 188 010	44 195 583	72 124	39 185	39 185	71 937	65 040	54 777
<i>Water Supply Infrastructure</i>	91 257 189	69 793 881	45 725 161	136 940	139 395	139 395	247 093	208 118	211 246
<i>Sanitation Infrastructure</i>	59 354 369	80 259 399	61 649 368	42 941	61 233	61 233	44 605	68 587	60 482
<i>Solid Waste Infrastructure</i>	1 526 468	266 716	149 000	-	-	-	1 104	396	-
<i>Coastal Infrastructure</i>	-	-	-	-	5 075	5 075	7 000	-	5 000
<i>Information and Communication Infrastructure</i>	23 868 567	32 312 192	5 394 888	2 764	2 164	2 164	5 558	5 376	5 888
Infrastructure	373 506 839	216 324 037	171 510 235	386 977	387 847	387 847	528 322	448 125	427 749
Community Facilities	14 253 698	32 778 317	10 829 700	13 019	18 735	18 735	3 048	2 975	7 391
Sport and Recreation Facilities	20 201 769	7 413 467	7 748 730	28 063	24 175	24 175	-	19 560	9 000
Community Assets	34 455 467	40 191 784	18 578 430	41 082	42 910	42 910	3 048	22 535	16 391
Revenue Generating	-	-	239 326	-	-	-	-	-	-
Investment properties	-	-	239 326	-	-	-	-	-	-
Operational Buildings	9 416 608	14 622 052	2 955 693	545	2 102	2 102	7 633	193	-
Housing	-	-	4 439 809	-	38	38	-	-	-
Other Assets	9 416 608	14 622 052	7 395 502	545	2 140	2 140	7 633	193	-
Servitudes	-	3 552 458	-	-	-	-	-	-	-
Licences and Rights	26 612 939	31 956 495	54 745 799	5 074	9 449	9 449	-	-	-
Intangible Assets	26 612 939	35 508 953	54 745 799	5 074	9 449	9 449	-	-	-
Computer Equipment	1 243 982	1 242 017	141 728	-	62	62	465	500	550
Furniture and Office Equipment	565 912	2 057 535	2 307 912	540	988	988	659	145	434
Machinery and Equipment	19 274 969	34 985 924	23 586 771	11 360	10 453	10 453	7 293	16 392	19 388
Transport Assets	12 277 173	22 638 474	12 250 727	15 383	24 961	24 961	500	-	-

Table MBRR Table A9 - Asset Management (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE									
<u>Total Renewal of Existing Assets</u>	30 555 095	116 030 973	74 097 617	75 482	111 770	111 770	90 414	82 459	169 184
Roads Infrastructure	-	39 733 939	-	6 000	8 768	8 768	10 300	15 500	33 000
Electrical Infrastructure	1 167 575	36 406 400	18 664 899	20 600	20 125	20 125	11 050	11 800	33 987
Water Supply Infrastructure	10 899 486	12 382 971	22 346 799	10 000	9 700	9 700	4 000	4 000	45 806
Sanitation Infrastructure	-	6 163 062	-	15 576	9 627	9 627	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	1 600	1 600	-
Information and Communication Infrastructure	-	-	699 758	-	3 300	3 300	925	950	1 000
Infrastructure	12 067 061	94 686 372	41 711 456	52 176	51 520	51 520	27 874	33 850	113 793
Community Facilities	411 930	1 432 401	2 690 480	2 300	12 422	12 422	-	2 429	3 457
Sport and Recreation Facilities	-	387 247	204 066	1 200	1 200	1 200	27 847	11 760	13 771
Community Assets	411 930	1 819 648	2 894 546	3 500	13 622	13 622	27 847	14 189	17 228
Operational Buildings	4 817 428	5 976 108	1 361 060	7 714	20 987	20 987	9 127	3 800	-
Housing	9 575 555	-	-	-	6 340	6 340	-	-	-
Other Assets	14 392 983	5 976 108	1 361 060	7 714	27 327	27 327	9 127	3 800	-
Licences and Rights	-	-	-	-	13 964	13 964	828	857	900
Intangible Assets	-	-	-	-	13 964	13 964	828	857	900
Computer Equipment	236 955	-	6 021 632	242	158	158	-	-	-
Furniture and Office Equipment	-	-	-	-	237	237	717	693	765
Machinery and Equipment	2 735 440	13 548 845	22 108 920	11 850	4 942	4 942	10 728	11 355	14 498
Transport Assets	710 726	-	-	-	-	-	13 293	17 716	22 000
Land	-	-	3	-	-	-	-	-	-

Table MBRR Table A9 - Asset Management (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE									
<u>Total Upgrading of Existing Assets</u>	-	16 919 212	151 826 360	61 091	32 326	32 326	33 500	23 439	20 680
<i>Roads Infrastructure</i>	-	3 356 047	66 684 032	3 400	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	1 700 740	17 920 374	2 850	12 708	12 708	-	-	-
<i>Water Supply Infrastructure</i>	-	2 879 926	7 871 896	22 100	5 056	5 056	23 000	-	-
<i>Sanitation Infrastructure</i>	-	4 260 662	16 934 990	17 000	4 500	4 500	2 000	9 000	-
<i>Solid Waste Infrastructure</i>	-	-	1 405 163	1 400	1 400	1 400	-	-	-
<i>Information and Communication Infrastructure</i>	-	529 252	579 014	4 000	-	-	-	-	-
Infrastructure	-	6 966 775	111 395 469	50 750	23 664	23 664	25 000	9 000	-
Community Facilities	-	300 768	10 795 973	1 330	-	-	200	-	-
Sport and Recreation Facilities	-	1 816 729	2 131 937	3 012	2 012	2 012	-	-	700
Community Assets	-	2 117 497	12 927 910	4 342	2 012	2 012	200	-	700
Revenue Generating	-	-	154 950	-	-	-	-	-	-
Non-revenue Generating	-	113 500	-	-	-	-	-	-	-
Investment properties	-	113 500	154 950	-	-	-	-	-	-
Operational Buildings	-	7 000 142	27 348 031	5 999	2 650	2 650	8 300	14 439	19 980
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	7 000 142	27 348 031	5 999	2 650	2 650	8 300	14 439	19 980
Licences and Rights	-	-	-	-	1 300	1 300	-	-	-
Intangible Assets	-	-	-	-	1 300	1 300	-	-	-
Machinery and Equipment	-	721 298	-	-	2 700	2 700	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-

Table MBRR Table A9 - Asset Management (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE									
<u>Total Capital Expenditure</u>	507 908 984	500 520 961	516 680 407	597 533	622 906	622 906	671 834	593 789	654 376
Roads Infrastructure	128 056 583	57 593 825	72 943 752	141 608	149 563	149 563	161 326	116 108	123 357
Storm water Infrastructure	-	-	8 136 515	-	-	-	-	-	-
Electrical Infrastructure	70 611 238	57 295 150	80 780 856	95 574	72 018	72 018	82 987	76 840	88 763
Water Supply Infrastructure	102 156 675	79 296 926	75 943 856	169 040	154 151	154 151	274 093	212 118	257 052
Sanitation Infrastructure	59 354 369	90 683 123	78 584 358	75 517	75 360	75 360	46 605	77 587	60 482
Solid Waste Infrastructure	1 526 468	266 716	1 554 163	1 400	1 400	1 400	1 104	396	-
Coastal Infrastructure	-	-	-	-	5 075	5 075	8 600	1 600	5 000
Information and Communication Infrastructure	23 868 567	32 841 444	6 673 660	6 764	5 464	5 464	6 483	6 326	6 888
Infrastructure	385 573 900	317 977 184	324 617 160	489 903	463 031	463 031	581 197	490 975	541 542
Community Facilities	14 665 628	34 511 486	24 316 153	16 649	31 157	31 157	3 248	5 404	10 848
Sport and Recreation Facilities	20 201 769	9 617 443	10 084 733	32 275	27 387	27 387	27 847	31 320	23 471
Community Assets	34 867 397	44 128 929	34 400 886	48 924	58 544	58 544	31 095	36 724	34 319
Revenue Generating	-	-	394 276	-	-	-	-	-	-
Non-revenue Generating	-	113 500	-	-	-	-	-	-	-
Investment properties	-	113 500	394 276	-	-	-	-	-	-
Operational Buildings	14 234 036	27 598 302	31 664 784	14 258	25 739	25 739	25 060	18 432	19 980
Housing	9 575 555	-	4 439 809	-	6 378	6 378	-	-	-
Other Assets	23 809 591	27 598 302	36 104 593	14 258	32 117	32 117	25 060	18 432	19 980
Servitudes	-	3 552 458	-	-	-	-	-	-	-
Licences and Rights	26 612 939	31 956 495	54 745 799	5 074	24 713	24 713	828	857	900
Intangible Assets	26 612 939	35 508 953	54 745 799	5 074	24 713	24 713	828	857	900
Computer Equipment	1 480 937	1 242 017	6 163 360	242	220	220	465	500	550
Furniture and Office Equipment	565 912	2 057 535	2 307 912	540	1 225	1 225	1 376	838	1 199
Machinery and Equipment	22 010 409	49 256 067	45 695 691	23 210	18 095	18 095	18 021	27 747	33 886
Transport Assets	12 987 899	22 638 474	12 250 727	15 383	24 961	24 961	13 793	17 716	22 000
TOTAL CAPITAL EXPENDITURE - Asset class	507 908 984	500 520 961	516 680 407	597 533	622 906	622 906	671 834	593 789	654 376

Table MBRR Table A9 - Asset Management (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE									
ASSET REGISTER SUMMARY - PPE (WDV)	5 389 166 247	6 379 250 797	6 410 819 836	5 999 134	6 612 937	6 612 937	6 810 198	6 898 428	7 005 878
<i>Roads Infrastructure</i>	927 820	842 870	821 479	1 057 959	889 694	889 694	960 657	981 481	1 003 036
<i>Storm water Infrastructure</i>	244 580	316 771	304 499	192 539	287 276	287 276	266 490	244 571	221 153
<i>Electrical Infrastructure</i>	482 500	543 692	595 306	629 605	635 191	635 191	692 938	740 476	794 562
<i>Water Supply Infrastructure</i>	1 314 797	1 489 210	1 449 023	1 272 544	1 488 566	1 488 566	1 644 653	1 729 001	1 845 076
<i>Sanitation Infrastructure</i>	880 673	786 430	752 252	964 905	754 592	754 592	687 545	645 755	579 139
<i>Solid Waste Infrastructure</i>	2 899	6 756	7 797	5 229	7 768	7 768	8 286	7 875	6 783
<i>Rail Infrastructure</i>	1 941	1 778	1 669	1 428	1 527	1 527	1 416	1 299	1 174
<i>Coastal Infrastructure</i>	–	19 219	18 410	–	22 700	22 700	30 482	31 238	35 358
<i>Information and Communication Infrastructure</i>	23 618	76 877	81 233	82 057	85 470	85 470	89 612	93 527	97 911
Infrastructure	3 878 828 817	4 083 602 252	4 031 668 005	4 206 267	4 172 784	4 172 784	4 382 080	4 475 223	4 584 193
Community Assets	300 004 951	319 344 208	325 251 581	393 963	361 197	361 197	365 030	373 480	378 210
Heritage Assets	2 766 994	2 766 994	2 464 611	3 012	2 465	2 465	2 465	2 465	2 465
Investment properties	124 379 463	87 333 176	86 798 938	123 195	87 290	87 290	86 751	86 200	85 631
Other Assets	855 797 661	312 595 748	323 040 846	885 598	330 451	330 451	330 498	323 084	316 133
Intangible Assets	31 410 940	63 504 226	116 081 094	126 023	137 425	137 425	136 055	134 626	133 127
Computer Equipment	22 832 231	13 592 370	15 325 886	9 314	8 969	8 969	5 253	1 446	526
Furniture and Office Equipment	10 029 648	9 725 827	9 409 293	6 376	7 741	7 741	6 345	3 966	1 348
Machinery and Equipment	120 773 428	160 982 003	178 042 295	178 044	173 488	173 488	163 612	161 277	159 215
Transport Assets	42 342 113	58 221 460	55 154 754	67 343	63 545	63 545	64 528	69 077	77 448
Land		1 267 582 533	1 267 582 533	–	1 267 583	1 267 583	1 267 583	1 267 583	1 267 583
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5 389 166 247	6 379 250 797	6 410 819 836	5 999 134	6 612 937	6 612 937	6 810 198	6 898 428	7 005 878

Table MBRR Table A9 - Asset Management (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE OTHER ITEMS	732 211 461	765 684 656	915 546 737	1 091 130	1 118 686	1 118 686	1 215 238	1 282 691	1 350 350
<u>Depreciation</u>	352 389 513	348 560 825	472 658 038	408 532	441 379	441 379	474 573	505 559	546 925
<u>Repairs and Maintenance by Asset Class</u>	379 821 948	417 123 831	442 888 699	682 598	677 307	677 307	740 665	777 131	803 425
<i>Roads Infrastructure</i>	75 976 239	69 390 835	87 405 884	98 921	110 976	110 976	117 534	123 348	126 370
<i>Storm water Infrastructure</i>	-	40 208 813	-	39 930	38 930	38 930	42 864	44 960	46 779
<i>Electrical Infrastructure</i>	53 744 077	65 780 086	70 774 193	170 117	154 117	154 117	165 339	173 517	179 488
<i>Water Supply Infrastructure</i>	81 723 423	92 451 528	-	109 014	109 014	109 014	121 858	127 800	132 615
<i>Sanitation Infrastructure</i>	34 815 636	29 988 723	159 825 073	63 219	61 719	61 719	70 423	73 876	76 489
<i>Rail Infrastructure</i>	1 384 834	852 559	-	1 211	1 211	1 211	1 270	1 331	1 385
<i>Coastal Infrastructure</i>	-	-	-	1 030	1 030	1 030	1 082	1 133	1 179
<i>Information and Communication Infrastructure</i>	20 689	3 368 892	-	3 208	4 053	4 053	-	-	-
Infrastructure	247 664 898	302 041 437	318 005 150	486 649	481 050	481 050	520 369	545 966	564 304
Community Facilities	6 028 274	68 532 179	4 226 564	102 021	84 058	84 058	89 228	93 673	97 582
Sport and Recreation Facilities	53 853 607	4 888 331	64 081 435	10 218	10 218	10 218	10 867	11 402	11 811
Community Assets	59 881 881	73 420 510	68 307 999	112 239	94 276	94 276	100 095	105 075	109 393
Heritage Assets	-	102 799	-	113	113	113	120	126	131
Operational Buildings	24 939 612	187 880	9 297 852	4 732	22 328	22 328	23 651	24 824	25 845
Housing	157 112	61 855	88 759	624	624	624	663	696	728
Other Assets	25 096 724	249 735	9 386 611	5 355	22 952	22 952	24 314	25 520	26 573
Computer Equipment	-	-	-	1 010	142	142	10 374	10 872	10 851
Furniture and Office Equipment	-	526 998	-	27	27	27	28	29	30
Machinery and Equipment	17 224 749	1 307 918	4 664 057	21 413	23 054	23 054	26 399	27 664	28 628
Transport Assets	29 953 696	39 474 434	42 524 882	55 793	55 693	55 693	58 967	61 880	63 515
Land	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	732 211 461	765 684 656	915 546 737	1 091 130	1 118 686	1 118 686	1 215 238	1 282 691	1 350 350

Table MBRR Table A9 - Asset Management (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	6.0%	26.6%	43.7%	22.9%	23.1%	23.1%	18.4%	17.8%	29.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	8.7%	38.1%	47.8%	33.4%	32.6%	32.6%	26.1%	20.9%	34.7%
<i>R&M as a % of PPE</i>	7.3%	6.7%	7.1%	11.9%	10.6%	10.6%	11.2%	11.6%	11.8%
<i>Renewal and upgrading and R&M as a % of PPE</i>	8.0%	9.0%	10.0%	14.0%	12.0%	12.0%	13.0%	13.0%	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.
3. Although the City will only spend 18.4 per cent of the capital budget on the renewal and upgrade of existing assets, this is as a result an initiative to promote economic development by the construction of various SMME structures as well as infrastructure for a new housing development.
4. Repairs and maintenance as a per cent age of PPE equates to 11.2 per cent, this is above the National norm and is encouraging as additional resources are allocated to aging infrastructure.
5. 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.

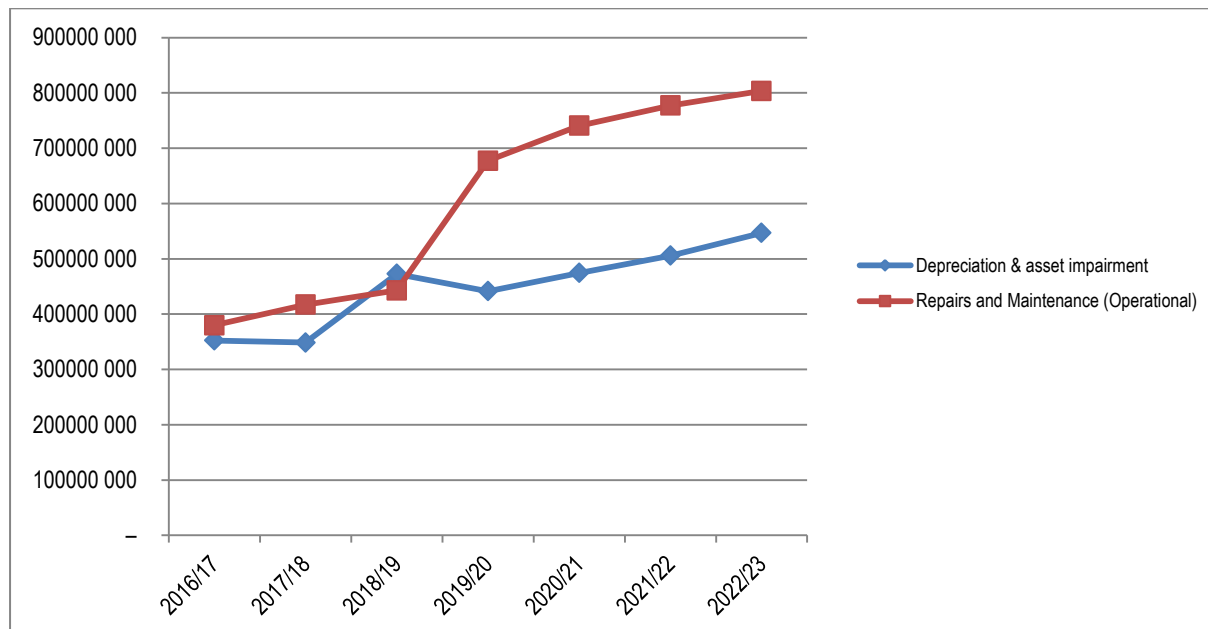


Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 33 MBRR Table A10 - Basic Service Delivery Measurement

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	44 308	47 511	47 511	47 511	47 511	47 511	47 511	47 511	47 511
Piped water inside yard (but not in dwelling)	41 846	55 276	55 276	57 276	57 276	57 276	57 776	58 276	58 776
<i>Minimum Service Level and Above sub-total</i>	86 154	102 787	102 787	104 787	104 787	104 787	105 287	105 787	106 287
Total number of households	86 154	102 787	102 787	104 787	104 787	104 787	105 287	105 787	106 287
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	43 068	43 068	43 068	43 068	43 068	43 068	43 068	43 068	43 068
Pit toilet (ventilated)	35 860	49 397	49 397	60 631	60 631	60 631	47 376	48 376	49 376
<i>Minimum Service Level and Above sub-total</i>	78 928	92 465	92 465	103 699	103 699	103 699	90 444	91 444	92 444
Total number of households	78 928	92 465	92 465	103 699	103 699	103 699	90 444	91 444	92 444
<u>Energy:</u>									
Electricity - prepaid (min.service level)	34 285	35 316	35 316	35 543	35 543	35 543	35 543	35 543	35 543
<i>Minimum Service Level and Above sub-total</i>	34 285	35 316	35 316	35 543	35 543	35 543	35 543	35 543	35 543
Electricity - prepaid (< min. service level)	132	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	132	–	–	–	–	–	–	–	–
Total number of households	34 417	35 316	35 316	35 543	35 543	35 543	35 543	35 543	35 543
<u>Refuse:</u>									
Removed at least once a week	73 356	74 856	74 856	78 856	78 856	78 856	78 856	78 856	78 856
<i>Minimum Service Level and Above sub-total</i>	73 356	74 856	74 856	78 856	78 856	78 856	78 856	78 856	78 856
Total number of households	73 356	74 856	74 856	78 856	78 856	78 856	78 856	78 856	78 856

Table MBRR A10 - Basic Service Delivery Measurement (continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	49 665	50 835	55 743	60 843	60 843	60 843	71 200	74 618	78 199
Sanitation (free minimum level service)	38 063	40 695	41 201	46 301	46 301	46 301	50 200	52 610	60 000
Electricity/other energy (50kwh per household per month)	545	518	475	521	521	521	530	530	530
Refuse (removed at least once a week)	18 470	18 470	29 049	34 149	34 149	34 149	35 822	37 578	39 419
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>									
Water (6 kilolitres per indigent household per month)	69 858	89 055	128 948	132 816	132 816	132 816	152 739	160 070	167 753
Sanitation (free sanitation service to indigent households)	18 698	21 537	20 039	23 115	23 115	23 115	25 427	26 647	27 926
Electricity/other energy (50kwh per indigent household per month)	921	921	1 173	1 278	1 278	1 278	1 393	1 460	1 530
Refuse (removed once a week for indigent households)	16 271	20 182	23 192	23 887	23 887	23 887	26 276	27 537	28 859
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>	–	–	–	12 011	12 011	12 011	13 686	14 490	15 343
Total cost of FBS provided	105 749	131 695	173 350	193 108	193 108	193 108	219 520	230 205	241 412
<u>Highest level of free service provided per household</u>									
Property rates (R value threshold)	120	120	120	130	130	130	130	130	130
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)	154	165	177	185	185	185	185	185	185
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
<u>Revenue cost of subsidised services provided (R'000)</u>									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	3 523	3 550	4 219	4 346	4 346	4 346	4 945	5 182	5 431
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	3 212	52 129	72 652	70 492	70 492	70 492	74 721	79 055	43 156
Water (in excess of 6 kilolitres per indigent household per month)	3 071	121 226	131 997	141 237	141 237	141 237	148 299	155 714	163 499
Sanitation (in excess of free sanitation service to indigent households)	2 306	700	5 633	4 473	4 473	4 473	4 697	4 931	5 178
Electricity/other energy (in excess of 50 kwh per indigent household per month)	267	4 776	144 736	8 084	8 084	8 084	8 489	8 913	9 359
Refuse (in excess of one removal a week for indigent households)	1 671	1 192	1 612	1 710	1 710	1 710	1 796	1 885	1 980
Total revenue cost of subsidised services provided	14 050	183 573	360 849	230 342	230 342	230 342	242 945	255 681	228 602

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.
3. The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2020/21 MTREF.
4. **This Municipality is of the view that following the strict Indigent route of free basic services for indigent consumers only and ignoring the plight of the poor and less wealthy is not the correct approach in the application of the Equitable Share. Instead equitable distribution that arises from a dual tiered or block tariffs structure accommodating seamless both indigent and poor households, but not providing subsidized (below cost) service tariffs to the middle to higher income consumers would be the fairest and equitable approach.**
5. Cost of Free Basic Services provided - Informal Formal Settlements – After an internal consultation with the Management of the Revenue Section it has been agreed that the cost of Free Basic Services provided for Informal Formal Settlements will be extracted from the financial System in preparation for the 2020/21 MTREF (Adopted).
6. City of uMhlathuze does not at the present moment have a system that automates the reporting of the Cost of Free Basic Services.
7. uM-SAP system is currently under way and will be effective from 1 July 2019, this will assist with providing Council with solutions to such challenges. The Expenditure and SCM modules went live on 1 July 2019 but it is anticipated that Revenue will only go live on 1 July 2020.
8. Equitable share is not a conditional grant, hence some of its funds are used to fund the community services, services that cannot be funded by rates and general.

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
- Municipal 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 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor adopted at the Executive Committee the required the budget time schedule on 28 August 2019. The report was adopted by Council on 28 August 2019. Key dates applicable to the process were:

- **August 2019** – Joint strategic planning session of the Financial Services Management team and the Budget Office. Aim: to assess Council's 2018/19 Financial Statements and current year's (2019/20) revised results and capacity, to determine the impact on future strategies and budgets;
- **November 2019** – Issuing of the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF) guideline memorandum and budget policy document addressing various budget assumptions, internal budget processes, policies and requirements in terms of the Municipal Budgeting and Reporting Regulations etc.;
- **January 2020** - Submission of the Adjusted Capital and Operating Budget for the 2019/20 Medium Term Revenue and Expenditure Framework Plan (MTREF),

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 2020/21 Medium Term Revenue and Expenditure Framework Plan (MTREF);

- **22 January 2020** - Council considered the 2019/20 Mid-year Review;
- **19 to 20 February 2020** – National Treasury's 2019/20 Mid-year Budget and Performance Assessment Visit;
- **26 February 2020** – Council considered the 2019/20 Adjusted Budget;
- **26 March 2020** - Tabling in Council of the Draft 2020/21 IDP and 2020/21 MTREF for public consultation;
- **April/May 2020** – Publication of Budget insert in various publications in light of Coronavirus lockdown for 21 days. Furthermore, the Mayor discussed the budget on local radio stations as well as on regional television programmes;
- **12 May 2020** - Closing date for written comments;
- **21 May 2020** – National Treasury's 2020/21 Tabled MTREF Engagement and Municipal Benchmarking Exercise – virtual meeting held due to National Lockdown;
- **6 to 19 May 2020** – finalisation of the 2020/21 IDP and 2020/21 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Act and financial framework; and
- **27 May 2020** - Adopting of the 2020/21 MTREF before Council for consideration and approval.

There have been no significant deviations from the key dates set out in the Budget Time Schedule adopted by Council.

However, challenges have also been experienced as a large number of officials directly responsible for budget compilation have been directly involved with SAP implementation since November 2017. This has placed a considerable burden on the affected officials in ensuring that the daily tasks and the budget preparation and the target dates are met.

The impact of the Country's lockdown due to the Coronavirus pandemic meant that normal public participation process was not undertaken during this budget process. The Mayor after consultation with Executive Management resolved to present the budget to the community on local radio stations as well as on regional television programmes. The community was invited to phone in their questions and to submit their comments via email.

2.1.2 Enterprise Resource Planning (ERP) uM-SAP

uMhlathuze Municipality in 2014 took a decision to do away with multi-systems that existed within the municipality and to have one single system. During that time the Municipality went out on Tender for a company that was going to assist the Municipality in finding a solution that was going to meet the business requirements of uMhlathuze. In 2015 the Municipality eventually went out on Tender for an ERP solution and the solution of choice was SAP which was proposed by EOH in their Bid document through a Bidding process.

The Scope of work for the ERP at a high level was as follows:

- Time and attendance integration with Human Resources and Payroll
- Maintaining the data integrity of all master data shared across IT environments
- Reduction in the number of manual processes and Controls that are currently in place
- Improvement in the level of and timeliness of reporting
- Increase in the use of automated controls and notification

- A move towards a more electronic based environment
- Consolidation, optimisation and integration initiative that will focus on detailed business process re-alignment, systems enhancement and the implementation of the listed SAP applications that can aid the resolution of challenges and support the Municipality towards mSCOA compliance.

The implementation of the SAP solution started in October 2017 with an initial date of going live in December 2018. There were however delays in the system going live due to a number of reasons. The new planned date of going live on the system is July 2019. The system is currently at 88% completion, and in some modules training is currently taking place. The payroll is currently being run parallel to the existing municipal payroll to eliminate mistakes.

This implementation has also come at a time where National Treasury is also introducing some reforms and those embedded in this new system. The system also required the municipality to make some changes to how certain things were done and to move into an environment that has very little manual intervention. In that case because of anxiety, administration needed to have a Change Management Specialist to allay the fears of staff, and the Unions were also consulted in order to ensure that every employee understands the objective of having to change ways of doing things.

The Municipality will implement the approved 2020/21 budget in the new SAP environment and administration is implementing ways and means of having a smooth transition without affecting both internal and external customers.

2.1.3 IDP and Service Delivery and Budget Implementation Plan

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.

The 2017/2022 Fourth Generation IDP is a five year IDP for the term of office which is reviewed on an annual basis. Council is in a process of drafting the third review of the 2017/2022 which is 2020/2021 IDP Review. Similarly to the third generation IDP, the Fourth Generation is outcome based and built on the foundations of Government Priorities which includes National Development Plan, Provincial Development Plan, State of the Nation Address, State of the Province Address, Integrated Urban Development Framework and other important government imperatives.

Through the IDP, Government 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. This fair alignment between IDP and Government priorities is confirmed through our budgeting, which takes into serious consideration the strategic objectives when budgeting.

The fourth generation IDP was developed with special consideration to the following aspects:

- Development of new council strategic agenda for long term aligned to NDP and PGDS;
- Development and review of IDP core sector plans;
- Implementation of the Economic Transformation Roadmap for uMhlathuze Municipality;
- Localisation of Sustainable Development Goals (SDG's)
- Alignment with Government Priorities e.g. State of the Nation Address, KZN State of the Province Address, NDP, PGDP, DGDP, IUUDF etc.;
- Community inputs received during the community outreach programs (IDP Roadshows);
- MEC Letter with assessment comments on the Final IDP Review 2019/2020;
- Self-Assessment;
- Different stakeholder comments and requirements; and
- Legislative compliance in terms of chapter, 4, 5 and 6 of MSA Act No 32 of 2000.

Council engaged with all relevant stakeholders to solicit views and inputs for the uMhlathuze Draft IDP Review (2020/2021).

The IDP has been taken into a business and financial planning process leading up to the 2020/21 MTREF, based on the approved 2017/2022 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 2020/21 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 2019/2020 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.

2.1.4 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 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 2020/21 MTREF:

- City growth – None put into this three year MTREF;
- Policy priorities and strategic objectives;
- In absence of an IDP prioritization model, capital allocations are based on a arithmetic calculation using historic distribution of assets and income generation per function proportionately;
- Asset maintenance resource allocations based on best practice;
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns);
- Performance trends;
- The approved 2019/20 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; and

- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 98 and 99 has been taken into consideration in the planning and prioritisation process.

2.1.5 Community Consultation

The 2020/21 MTREF was tabled before Council on 26th March 2020.

The State President Hon Cyril Ramaphosa announced a 21 days national shutdown as of the midnight of the 26th March 2020. This is in light of the global pandemic Coronavirus that is ravaging the world. The level 5 lockdown was downgraded to a level 4 from 1 May 2020 but this still meant that no public meetings could be held.

A detailed insert was included the local newspapers highlighting the Tabled 2020/21 Medium Term Revenue and Expenditure Framework (MTREF) on 14 May 2020 and inviting comments from the public via email. Due to the timing thereof any pertinent comments received from the community will be documented and taken into account on the 2020/21 Adjusted Budget.

The Tabled Budget will be published on the municipality's website. However, copies of the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF) cannot be made available for inspection at all municipal offices and libraries within the City of uMhlathuze due to the National Lockdown.

All documents in the appropriate format (electronic and printed) have been 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.

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 are reflected in the IDP uMhlathuze municipality. The City of uMhlathuze has a clear understanding of such intent, and is therefore consistently ensuring that strategically it complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. The Municipality's budget is fully 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 NPA	uMhlathuze Goals	uMhlathuze Mission	SDG	National Plan Priorities	12 National Outcomes	5 National Priorities	PGDS Goals	Municipal Intervention/ Programme
Good Governance and Public Participation	Democratic, responsible, transparent, objective and equitable Municipal Governance	Good governance, capable and developmental municipality	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels	Inclusive Planning	Responsive, accountable, effective and efficient local government system	Nation Building and Good Governance	Governance and Policy	Clean Audit Customer Care Policy and Service Standards Anti-Fraud and Corruption Policy including whistle bower hotline
				Unite the Nation				
				Fight Corruption				
Basic Service Delivery and Infrastructure Provision	Integrated infrastructure and efficient services	Good governance, capable and developmental municipality	Ensure availability and sustainable management of water and sanitation for all; ensure access to affordable, reliable and modern energy for all	Expand Infrastructure	An efficient, competitive and responsive infrastructure network		Strategic Infrastructure	City of uMhlathuze 2030 Long Term Strategic Plan including infrastructure investment
			End hunger achieve food security and improved nutrition and promote sustainable agriculture		Vibrant, equitable, sustainable rural communities contributing towards food security for all			Strategic Roadmap for Economic Development, Transformation and Job creation
	Integrated urban and rural development	Promotion and maintenance of spatial equity and transformation	Make cities and human settlement inclusive, safe, resilient and sustainable		Sustainable human settlements and improved quality of household life		Spatial Equity	Integrated Human Settlement Plan and Spatial Development Framework for 2017/2022
		Optimal management of natural resources and commitment to sustainable environmental management	Take urgent action to combat climate change and its impacts		Protect and enhance our environmental assets and natural resources		Environmental sustainability	City of uMhlathuze Climate Change Strategy and Action Plan
Local Economic Development	Viable economic growth and development	Job Creation through and inclusive economic growth	Promote sustained, inclusive and sustainable economic growth, full and production employment and decent work for all	Create Jobs		Job Creation	Inclusive economic growth	Strategic Roadmap for Economic Development, Transformation and Job creation
		Enhancing industry based skills development and strategic support to education priority programs	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Quality Education	Skilled and capable workforce to support an inclusive growth path	Education		City of uMhlathuze Operation Sukuma Sakhe and War Rooms Strategic partnership with institutions of higher learning including SETAs
					Quality basic education			
	Safe and healthy living environment	Community based initiatives to improve quality of citizens health and well-being	Ensure healthy lifestyles and promote well-being for all at all ages	Quality Healthcare	A long and healthy life for all South Africans	Health		City of uMhlathuze Operation Sukuma Sakhe and War Rooms
			Reduce Child Mortality					
	Job Creation through and inclusive economic growth				Decent employment through inclusive economic growth	Rural development, food security and land reform		Strategic Roadmap for Economic Development, Transformation and Job creation
	Public safety and security	Creating a safer city through integrated and community based public safety	Achieve gender equality and empower all women and girls		All people in South Africa are and feel safe	Fighting crime and corruption		City of uMhlathuze Crime Prevention Strategy
Municipal Institutional Development and Transformation	Municipality that is resources and committed to attaining the vision and mission of the organisation	Use of ICT to improve productivity and efficiencies in line with Smart City principles		Build a Capable State	Create a better South Africa, a better Africa, and a better world		Human Resource Development	uMhlathuze Human Resources Development Strategy
					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 and supply chain management	Good governance, capable and developmental municipality		Use Resources Properly				Supply Chain Management Policy Revenue Enhancement Plan 15 Catalytic Projects Capex Project Steering Committee Operation Clean Audit

The 2020/21 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	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
National KPA 1: Good Governance and Public Participation											
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To ensure effective and efficient administration complying with its Legal Mandates	1.1.1	6 988	13 307	1 452	35 254	200	200	1 667	1 878	2 041
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To maintain an organizational performance management system as a tool to monitor progress of service	1.1.2	16	–	33	–	–	–	44	51	55
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure Institutionalisation of Batho Pele Culture	1.1.3	–	–	–	–	–	–	–	–	–
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote a municipal governance system that enhances and embraces the system of participatory	1.1.4	2 560	1 425	516	373	435	435	800	874	939
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	111	3 743	2 639	2 587	2 588	2 588	2 644	2 776	2 912
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	11	140	28	–	–	–	38	44	48
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	6	75	30	–	–	–	40	46	50
National KPA 2: Basic Services and Infrastructure Provision											
2.1 Efficient and integrated infrastructure and services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	2.1.1	2 455 085	2 414 566	2 364 729	2 749 617	2 715 200	2 715 200	2 932 732	3 073 566	3 289 297
2.1 Efficient and integrated infrastructure and services	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.2	–	4 019	5 433	4 034	4 034	4 034	3 311	3 446	3 573
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	655	2 822	2 194	1 897	2 212	2 212	2 908	3 126	3 334
National KPA 3: Local Economic Development											
3.1 Viable Economic Growth And Development	To develop and promote the agricultural potential of uMhlathuze Municipality	3.1.1	–	–	–	–	–	–	–	–	–
3.1 Viable Economic Growth And Development	Enhanced sectoral development trough trade investment and business retention)	3.1.2	4 525	22 823	–	–	–	–	–	–	–
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	–	186	7 263	1 329	43 240	43 240	16 028	11 086	11 766
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	14	–	37	–	4 492	4 492	50	57	62
3.1 Viable Economic Growth And Development	To Improve the efficiency, innovation and variety of government-led jobs	3.1.5	–	–	7 489	–	–	–	4 278	–	–
3.1 Viable Economic Growth And Development	Promote SMME and Entrepreneurial development	3.1.6	–	–	–	–	–	–	–	–	–
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	15 446	15 415	–	1 240	–	–	–	–	–
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	1 436	8 379	78 281	1 033	1 243	1 243	6 245	6 713	7 128
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	30	382	2 059	10	840	840	2 601	2 880	3 104
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	617	1 093	73	490	11	11	111	126	137
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	23 714	–	566	–	492	492	657	702	743
3.4 Social Cohesion	To promote social cohesion	3.4.1	–	–	23 018	–	25 627	25 627	21 513	30 628	31 875

Table MBRR SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue (continued)

Strategic Objective R thousand	Goal	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
National KPA 4 : Municipal Institutional Development and Transformation			1 351	3 649	2 406	14	17	17	790	898	979
4.1 Municipality Resourced and Committed to attaining the vision and mission of the organisation	To create an appropriate organisational climate that will attract and ensure retention of staff	4.1.1	–	–	–	–	–	–	–	–	–
National KPA 5: Municipal Financial Viability and Management											
5.1 Sound Financial And Supply Chain Management	Compliance with financial legislation and policies	5.1.1	531 608	554 231	532 858	588 051	578 062	578 062	616 321	650 618	691 021
5.1 Sound Financial And Supply Chain Management	Sustainable Financial and supply chain Management	5.2.1.	1 813	5 521	1 919	1 180	681	681	1 443	1 578	1 689
National KPA 6: Cross Cutting											
6.1 Integrated Urban and Rural Development	To plan and manage existing and future development	6.1.1	16	–	–	–	–	–	–	–	–
6.2 Immovable Property Management	To ensure fair valuation of properties	6.2.1	1 409	6 938	–	12 890	–	–	–	–	–
6.2 Immovable Property Management	Effective Management of Council owned Immovable properties.	6.2.2	12	154	296	–	37	37	391	441	480
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	–	–	26	–	–	–	36	40	44
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			3 047 423	3 058 872	3 033 345	3 400 000	3 379 408	3 379 408	3 614 651	3 791 573	4 051 276

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

Strategic Objective	Goal	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
National KPA 1: Good Governance and Public Participation											
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To ensure effective and efficient administration complying with its Legal Mandates	1.1.1	19 846	130 905	147 529	33 488	43 749	43 749	35 895	37 789	39 321
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To maintain an organizational performance management system as a tool to monitor progress of service delivery	1.1.2	21 838	–	2 201	–	3 955	3 955	10 252	10 808	11 282
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure Institutionalisation of Batho Pele Culture	1.1.3	–	–	–	–	–	–	–	–	–
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	27 807	51 346	59 192	8 569	26 488	26 488	8 037	8 385	8 701
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	2 834	8 782	3 927	7 836	7 368	7 368	7 925	7 992	8 224
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	20 282	908	1 201	2 058	1 980	1 980	2 499	2 679	2 750
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	(771)	11 810	10 463	47	147	147	51	54	56
National KPA 2: Basic Services and Infrastructure Provision											
2.1 Efficient and integrated infrastructure and services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	2.1.1	2 320 798	2 164 338	2 209 683	2 847 888	2 655 114	2 655 114	2 843 491	3 005 984	3 158 300
2.1 Efficient and integrated infrastructure and services	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.2	–	12 686	22 516	19 523	23 995	23 995	30 725	31 730	32 694
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	61 283	59 953	67 970	(4 448)	(1 351)	(1 351)	(1 593)	(4 659)	(3 069)
National KPA 3: Local Economic Development											
3.1 Viable Economic Growth And Development	To develop and promote the agricultural potential of uMhlathuze Municipality	3.1.1	45 664	–	–	–	–	–	–	–	–
3.1 Viable Economic Growth And Development	Enhanced sectoral development trough trade investment and business retention)	3.1.2	–	58 669	57 939	76 719	75 552	75 552	72 436	76 177	78 683
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	–	4 585	3 837	6 237	6 643	6 643	6 867	7 258	7 428
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	6 028	–	7 492	–	–	–	–	–	–
3.1 Viable Economic Growth And Development	To Improve the efficiency, innovation and variety of government-led jobs	3.1.5	–	–	–	–	–	–	–	–	–
3.1 Viable Economic Growth And Development	Promote SMME and Entrepreneurial development	3.1.6	–	–	–	–	–	–	–	–	–
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	44 725	38 185	48 488	73 467	72 353	72 353	78 031	82 148	85 349
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	52 603	46 400	53 844	80 328	79 336	79 336	85 759	90 143	93 483
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	–	–	–	11 760	–	–	–	–	–
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	7 214	6 020	8 178	–	11 865	11 865	10 776	11 296	11 733
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	8 880	9 097	9 302	14 264	14 505	14 505	17 592	18 419	19 111
3.4 Social Cohesion	To promote social cohesion	3.4.1	168 910	–	156 102	–	213 556	213 556	230 049	242 826	252 496

Table MBRR SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure (continued)

Strategic Objective	Goal	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
National KPA 4 : Municipal Institutional Development and Transformation								–			
4.1 Municipality Resourced and Committed to attaining the vision and mission of the organisation	To create an appropriate organisational climate that will attract and ensure retention of staff	4.1.1	3 783	26 874	29 830	7 150	9 471	9 471	7 027	7 389	7 636
National KPA 5: Municipal Financial Viability and Management								–			
5.1 Sound Financial And Supply Chain Management	Compliance with financial legislation and policies	5.1.1	15 214	97 846	211 874	19 790	15 995	15 995	25 326	26 999	27 426
5.1 Sound Financial And Supply Chain Management	Sustainable Financial and supply chain Management	5.2.1.	562	16 616	20 519	3 261	2 380	2 380	3 559	3 807	3 894
National KPA 6: Cross Cutting											
6.1 Integrated Urban and Rural Development	To plan and manage existing and future development	6.1.1	–	–	–	–	–	–	–	–	–
6.2 Immovable Property Management	To ensure fair valuation of properties	6.2.1	3 289	–	–	–	–	–	–	–	–
6.2 Immovable Property Management	Effective Management of Council owned Immovable properties.	6.2.2	1 698	22 137	13 229	23 839	26 728	26 728	7 964	3 897	3 785
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	1 701	1 460	1 415	2 471	2 566	2 566	2 607	2 742	2 863
Total Expenditure			2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144

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

Strategic Objective	Goal	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
National KPA 1: Good Governance and Public Participation											
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To ensure effective and efficient administration complying with its Legal Mandates	1.1.1	815	20	171	–	–	–	51	50	55
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To maintain an organizational performance management system as a tool to monitor progress of service delivery	1.1.2	–	–	–	–	–	–	–	–	–
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure Institutionalisation of Batho Pele Culture	1.1.3	–	–	–	–	–	–	–	–	–
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	–	73 168	66 073	11 131	9 144	9 144	6 023	5 876	6 438
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	49 093	–	–	–	–	–	–	–	–
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	–	48	–	–	–	–	–	–	–
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	72	–	–	–	–	–	–	–	–
National KPA 2: Basic Services and Infrastructure Provision											
2.1 Efficient and integrated infrastructure and services	To expand and maintain infrastructure in order to improve access to basic services and promote local	2.1.1	331 878	344 970	376 552	512 005	517 211	517 211	448 934	338 585	397 163
2.1 Efficient and integrated infrastructure and services	To promote the achievement of a non-racial, integrated society, through the development of sustainable human	2.1.2	–	(206)	–	–	–	–	–	–	–
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	2 149	53 693	53 404	27 533	27 812	27 812	8 000	8 632	9 981
National KPA 3: Local Economic Development											
3.1 Viable Economic Growth And Development	To develop and promote the agricultural potential of uMhlathuze Municipality	3.1.1	29 686	–	–	–	–	–	–	–	–
3.1 Viable Economic Growth And Development	Enhanced sectoral development trough trade investment and business retention)	3.1.2	–	18 805	479	43 364	65 178	65 178	3 090	88	96
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	–	54	327	500	500	500	–	–	–
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	54 157	–	–	–	–	–	–	–	–
3.1 Viable Economic Growth And Development	To Improve the efficiency, innovation and variety of government-led jobs	3.1.5	–	–	–	–	–	–	–	–	–
3.1 Viable Economic Growth And Development	Promote SMME and Entrepreneurial development	3.1.6	–	–	–	–	–	–	–	–	–
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	–	395	275	–	–	–	305	238	264
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	5 910	6 926	358	2 500	2 500	2 500	900	884	1 119
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	–	–	–	–	–	–	–	–	–
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	174	701	222	–	–	–	–	–	–
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	–	305	83	–	–	–	–	–	–
3.4 Social Cohesion	To promote social cohesion	3.4.1	26 076	–	16 686	–	–	–	–	–	5 858

Table MBRR SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure (continued)

Strategic Objective	Goal	Goal Code	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
National KPA 4 : Municipal Institutional Development and Transformation											
4.1 Municipality Resourced and Committed to attaining the vision and mission of the organisation	To create an appropriate organisational climate that will attract and ensure retention of staff	4.1.1	4 720	609	1 416	–	–	–	204 312	239 436	233 402
National KPA 5: Municipal Financial Viability and Management											
5.1 Sound Financial And Supply Chain Management	Compliance with financial legislation and policies	5.1.1	185	578	558	–	62	62	–	–	–
5.1 Sound Financial And Supply Chain Management	Sustainable Financial and supply chain Management	5.2.1.	13	–	–	–	–	–	–	–	–
National KPA 6: Cross Cutting			–	–	–	500	–	–	–	–	–
6.1 Integrated Urban and Rural Development	To plan and manage existing and future development	6.1.1	–	–	–	–	500	500	–	–	–
6.2 Immovable Property Management	To ensure fair valuation of properties	6.2.1	97	–	–	–	–	–	–	–	–
6.2 Immovable Property Management	Effective Management of Council owned Immovable properties.	6.2.2	2 542	454	76	–	–	–	–	–	–
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	341	–	–	–	–	–	220	–	–
Total Capital Expenditure			507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376

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 adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended during 2012/2013 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 framework/policy was again reviewed in May 2015 to address the Auditor General's finding that the municipality did not have documented and approved internal policies and procedures to address the process of collection, recording, processing, monitoring and reporting of performance information.

The Reviewed Performance Management Framework and Policy has been enhanced to include the National Treasury Communications Directive: Framework for Managing Programme Performance Information (FMPPI). The Local Government Regulations on the appointment and conditions of employment of Senior Managers (Reg. 21 of 17 January

2014) were also included in the reviewed framework, since it was promulgated after the adoption of the previous Performance Management Framework and Policy.

The reviewed Performance Management Framework/Policy has been adopted in June 2016, per item on RPT 160112 and framework/policy document on DMS 1122026 together with the newly established Standard Operating Procedure (DMS 1077198) to clarify the processes to collect, collate, verify and store of performance information and documents are available on Councils official website (www.umhlathuze.gov.za under the “Performance Management” link).

The Organisational Performance Management function of uMhlathuze Municipality is delivered by an internal Performance Management Unit within the Office of the Municipal Manager under the direct supervision of the Chief Operations Officer. The Performance Management unit consists of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist.

Organisational Performance Management Process

The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.

The following diagram illustrates performance at various levels in the organisation:

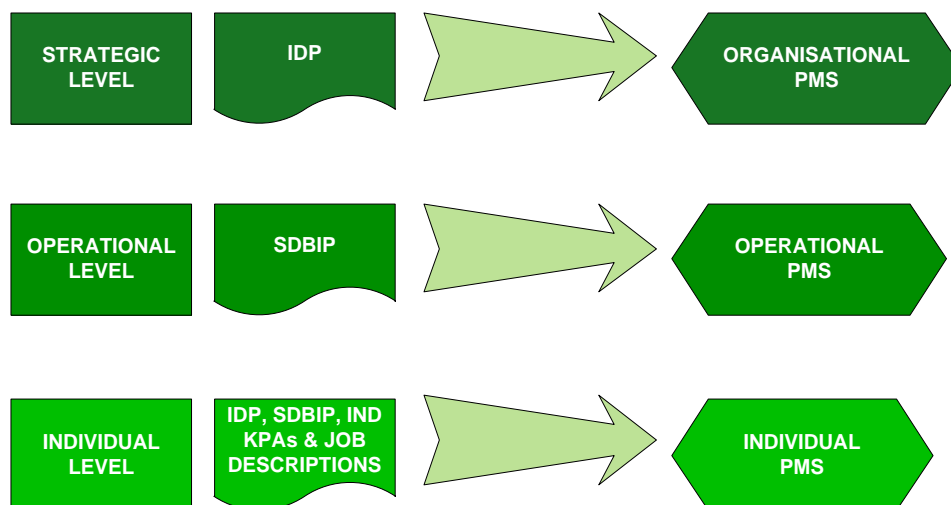


Figure 5 Performance at various levels

The process of managing performance at organisational level in the uMhlathuze Municipality involves the stages as set out in the following diagram:

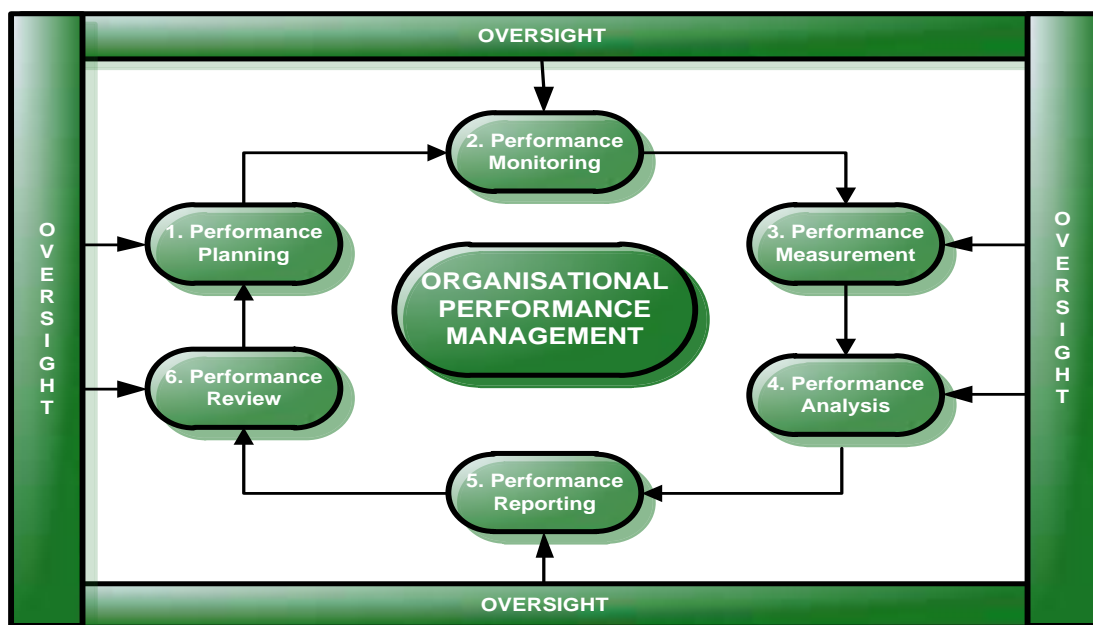


Figure 6 Performance process

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 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 were established and are reflected on the 2015/2016 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 were 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 (No 56 of 2003)

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

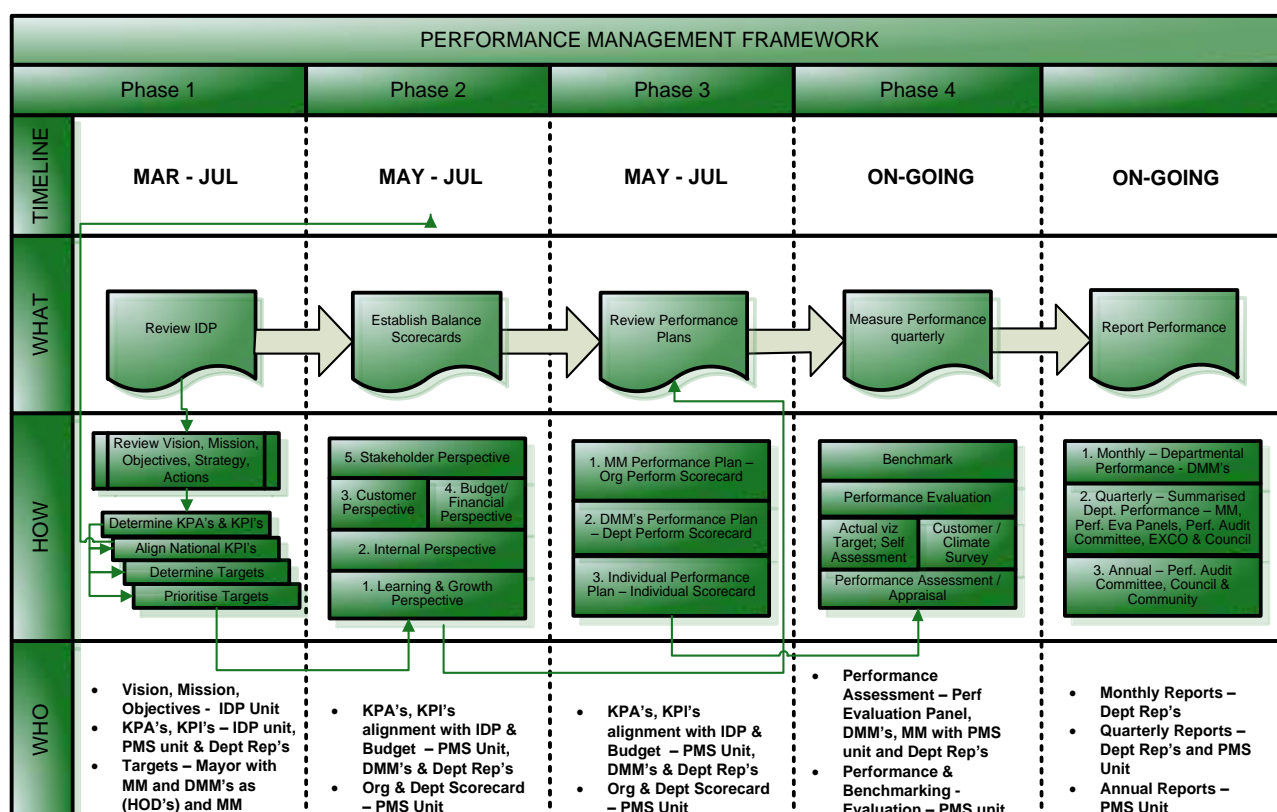


Figure 7 uMhlathuze Performance Management Framework

Performance Audit Committee

The Performance Audit Committee established in 2003 in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and membership changed over time. The appointment of Performance Audit Committee for the period 1 February 2019 to 30 June 2022 was adopted by Council on the 28 February 2019, Council Resolution 13065 (Item on RPT 165088).

- Dr M J Ndlovu – Chairperson (external member);
- Mr R M J Baloyi (external member);
- Cllr K D Sibiya (Deputy Mayor) or;
- Cllr R M Zikhali

The Performance Audit Committee is meeting on a quarterly basis for each financial year to consider the reported quarterly performance achievements reported on the OPMS Scorecard (Top Layer of the Service Delivery Budget Implementation Plan) as well as the Non-Financial Performance Achievements reported in terms of the Departmental Service Delivery Budget Implementation Plans (Component 3).

Auditing of Performance Information

The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides for a single audit committee as further being recommended by National Treasury in terms of their MFMA Circular no. 65 of November 2012. The municipal Council has however taken a decision to continue with a separate Performance Audit Committee and Audit Committee to allow for Councillors to serve on the Performance Audit Committee to enable Councillors to provide input towards Performance Management related matters.

The Audit Committee relies on the work done by the Performance Audit Committee in terms of the Audit Committee charter and receives and considers reports presented to it by the Performance Audit Committee at its scheduled meetings.

In carrying out its mandate, the Audit Committee and Performance Audit Committee must have a good understanding of the strategic goals of the Municipality, strategic focus areas as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) and should:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements.
- Review and comment on relevance of indicators to ensure they are measureable and relate to services performed by the Municipality.
- Review compliance with in-year reporting requirements.
- Review the quarterly performance reports submitted by internal audit.
- Review and comment on the Municipality's annual reports within the stipulated timeframes. Review and comment on the Municipality's performance management system and make recommendations for its improvement at least twice a year.
- At least twice during a financial year submit an audit report to the municipal council concerned.

In reviewing the municipality's performance management system, the Performance Audit Committee focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

The Internal Audit Unit within the office of the Municipal Manager coordinates and manages the Internal Audit function within the municipality.

As part of their scope, auditing of the Performance Management System and Predetermined Objectives are performed and reported on for each quarter in terms of the following internal audit plan:

Audit Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Performance score verification (Municipal Manager and Deputy Municipal Managers); • Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 4 (Annual Performance Report)	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations

Figure 8 Performance Management internal audit plan

The Auditor General finally audits all achievements reported in the Organisational Performance Management System Scorecard as reported in the Draft Annual Performance Report that is submitted together with the Draft Annual Financial Statements at the end of August of each year. Their findings are reported in their management letter and are included in the Annual Report. The information reported therefore is validated for correctness.

Customer Satisfaction

Council has appointed Siloam People Development Agency to conduct the 2017 Customer Satisfaction Survey. The comprehensive analysis feedback report is available in the GroupWise document management system on DMS 1214687 as well as on Council's official website (www.umhlathuze.gov.za) under the "Performance Management" link. Provision was made on the 2018/19 Adjusted Budget for a Customer Satisfaction Survey.

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 31 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 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 in the municipal licensed area, through purchasing electricity from ESKOM. Also other Basic Services delivered by uMhlathuze Municipality include, solid waste removal (refuse collection) and sanitation. The uMhlathuze municipality is fortunate not to become 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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Vote 1 - Water and Sanitation Services									
Function 1 - Delivery of Basic Water Services									
Sub-function 1 - House Connection									
Connection	48.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%
Sub-function 2 - Yard Connection									
Connection	45.3%	50.0%	51.0%	52.0%	51.0%	51.0%	52.0%	53.0%	54.0%
Sub-function 3 - Communal Supply >200m									
Water Connection	6.7%	5.2%	5.9%	5.1%	5.6%	5.6%	4.7%	3.8%	2.9%
Function 2 - Basic Sanitation Services									
Sub-function 1 - Waterborne Sewerage									
Sewerage Services	46.7%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%
Sub-function 2 - VIP's									
Sewerage	38.9%	44.7%	41.9%	43.6%	42.1%	42.1%	43.9%	45.8%	48.5%
Vote 2 - Electricity Supply									
Function 1 - Electricity Connection									
Sub-function 1 - Household Connection									
Municipality Household Connection	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Sub-function 2 - Free Household									
Free Connections	1.7%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Sub-function 3 - Eskom Supply									
Household Connections	93.0%	94.0%	94.0%	94.0%	94.0%	94.0%	95.0%	96.0%	97.0%
Vote 3 - Solid Waste Removal									
Function 1 - Weekly Refuse Removal Services									
Sub-function 1 - Urban 240 litre Bin									
Litre Refuse Bin Services	50.3%	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%
Sub-function 2 - Basic Refuse Removal									
Communal bins	29.2%	25.1%	27.7%	30.0%	30.0%	30.0%	32.1%	34.0%	35.8%

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/21 MTREF.

Table 39 MBRR SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Borrowing Management</u>										
Credit Rating		Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	8.3%	8.1%	6.3%	4.8%	4.7%	4.7%	5.0%	5.1%	5.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	9.0%	8.6%	7.7%	5.5%	5.5%	5.5%	5.9%	5.9%	5.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	105.7%	0.0%	75.4%	0.0%	0.0%	0.0%	48.6%	32.6%	17.5%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	10.9%	6.5%	10.3%	9.6%	9.7%	9.7%	10.4%	10.9%	10.1%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.5	1.5	1.7	1.5	1.5	1.5	1.8	1.7	1.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.5	1.3	0.8	0.8	0.8	1.1	1.0	1.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.6	0.8	0.6	0.6	0.6	0.7	0.6	0.6
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.9%	99.3%	99.5%	92.8%	96.0%	0.0%	93.6%	93.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.9%	99.3%	99.5%	92.8%	96.0%	96.0%	93.6%	93.1%	93.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.5%	17.5%	15.9%	13.5%	14.0%	14.0%	15.9%	15.4%	15.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<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		60.6%	72.0%	52.2%	65.7%	75.8%	75.8%	58.7%	59.9%	61.0%

MBRR SA8 - Performance indicators and benchmarks (continued)

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	87249273	63838475	62427737	62427737	62427737	62427737	62427737	62427737	62427737
	Total Cost of Losses (Rand '000)	92 484	79 798	55 268	55 268	55 268	55 268	55 268	55 268	55 268
	% Volume (units purchased and generated less units sold)/units purchased and generated	8	6	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	8 502	7 662	9 119	9 119	9 119	9 119	9 119	9 119	9 119
	Total Cost of Losses (Rand '000)	34006624	39615021	60733885	60733885	60733885	60733885	60733885	60733885	60733885
	% Volume (units purchased and generated less units sold)/units purchased and generated	26	21	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	22.2%	25.5%	26.7%	26.8%	26.9%	26.9%	28.8%	28.4%	28.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	23.1%	25.0%	27.7%	27.8%	27.9%	27.9%	29.8%	29.4%	29.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	13.1%	14.3%	15.1%	21.3%	21.2%	21.2%	21.6%	21.4%	20.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14.5%	14.3%	17.9%	14.9%	15.9%	15.9%	16.2%	16.2%	16.3%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.3	14.8	18.1	19.1	19.1	19.1	17.8	18.1	19.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.0%	22.3%	19.5%	16.0%	16.7%	16.7%	19.0%	18.5%	18.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.0	2.6	2.5	1.8	1.6	1.6	1.7	1.6	1.6

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 uMhlathuze'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 2020/21 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 is 5 per cent in 2020/21 and remaining at 5 per cent in 2022/23. 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 48.6 per cent over the MTREF. 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 2012/13 financial year this ratio peaked at 17.7 per cent however has stabilised to between 10.4 and 10.9 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 2020/21 MTREF the current ratio is 1.8:1 and 1.7:1 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 2012/13 financial year the ratio was 0.5 and as part of the financial planning strategy this ratio has been maintained and increased slightly in the 2021/22 financial year to 1.1. This slight increase is mainly due to the decision to use own funding to fund capital expenditure in the 2018/19 financial year. As the debtors' collection rate is at 93.6 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. It is anticipated that with the ERP system, the management of creditors will become easier.

2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue increases slightly over the MTREF. Although the ratio is 28.8 per cent for the 2020/21 MTREF, this may appear favourable however needs to be read in conjunction with the comments under section 1.6 – 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 applied as well where individual customers are found destitute completely that despite the universal approach still cannot afford their accounts. These customers' accounts are administered on a dedicated personal basis and then written off according to the Credit Control and Debt Collection Policy.

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 33 MBRR A10 (Basic Service Delivery Measurement) on pages 94 to 95.

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.

The only weakness in the current service charge can be found in the residential Water and Electricity Tiered (Block) Tariff structure, where medium to upper income consumers are payment below cost tariffs for the bottom scales. A solution here has been proposed to the

National Treasury through a Policy document on Free & Subsidized Services they are working on.

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 last reviewed and approved by Council during the 2017/18 budget year in terms of Council Resolution number 11979 dated 21 November 2017 and is available on DMS 1158108.

The policy in its current format is effective and assists in maintaining a healthy debtor's collection rate.

The 2020/21 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 96 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).

No amendments are proposed for this policy in the 2020/21 financial year.

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.

No amendments are proposed for this policy in the 2020/21 financial year.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council on the 4 October 2005. The sixth amendment of the Supply Chain Management Policy was done in terms of Supply Chain Management Regulations clause 3(1) (b) and was adopted by Council on 19 September 2017 in terms of Council Resolution number 11867 and incorporates the relevant Code of Conduct to the Supply Chain Management.

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. A further amendment was necessary in the 2017/18 Budget year to ensure compliance with mSCOA regulations. The revised policy was approved in terms of Council resolution number 11645 dated 31 May 2017.

There are a number of challenges which the Virement Policy brings about. It allows room for funds from very important Repairs and Maintenance projects to be moved around, simply because of no proper maintenance plans informing the very generous allocation of resources to this activity in the first instance. It generally allows the too liberal movement of funds from one project to another where there is no proper mandate/planning but emergency/ad hoc perceived needs/wants arise.

No amendments are proposed for this policy in the 2020/21 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 introduce time frames to achieve certain benchmarks.

No amendments are proposed for this policy in the 2020/21 financial year.

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;
- Trade Effluent Management 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. This comment may appear contradictory to the very clear improvement in Cash Flows overall, however that is simply due to the accumulations for the Capital Replacement Reserves (Capital Funds), funds of which disguise the very tight situation the Municipality finds itself with the Operating Budget.

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 2020/21 MTREF:

- National Government macro-economic targets as per MFMA circular 98 and 99;
- 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 28.8 per cent of total operating expenditure in the 2020/21 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 2020/21 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 (96 per cent) of annual billings. Cash flow is assumed to be 96 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

Debtor's 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 collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. In terms of the agreement, the year one increase has been calculated as an across the board increase of 6.25 per cent. For budget purposes a 6.25 per cent increase has been utilised.

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 2019/20 Adjusted Capital Budget was of serious concern to Administration, however procurement plan will be prepared to expedite the implementation of the procurement process for the 2020/21 MTREF. Despite a monthly monitoring of the procurement plan being undertaken through the Capital Spend Project Team, spending in the 2019/20 financial year still remains a challenge. Executive Management Committee (EMCO) is investigating mechanisms to try to resolve numerous internal and external factors hindering performance here.

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	2020/21 Medium Term Revenue & Expenditure Framework					
	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Revenue By Source						
Property rates	540 840	15.8%	572 209	15.7%	608 108	15.7%
Service charges	2 307 051	67.2%	2 440 766	67.1%	2 597 507	67.0%
Interest earned - external investments	63 000	1.8%	65 000	1.8%	67 000	1.7%
Transfers recognised - operational	424 643	12.4%	456 492	12.6%	496 649	12.8%
Other own revenue	95 260	2.8%	102 318	2.8%	108 636	2.8%
Total Operating Revenue (excluding capital transfers and contributions)	3 430 794	100.0%	3 636 785	100.0%	3 877 900	100.0%
Total Operating Expenditure	3 485 274		3 673 862		3 852 144	
Surplus/(Deficit)	(54 480)		(37 077)		25 756	

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

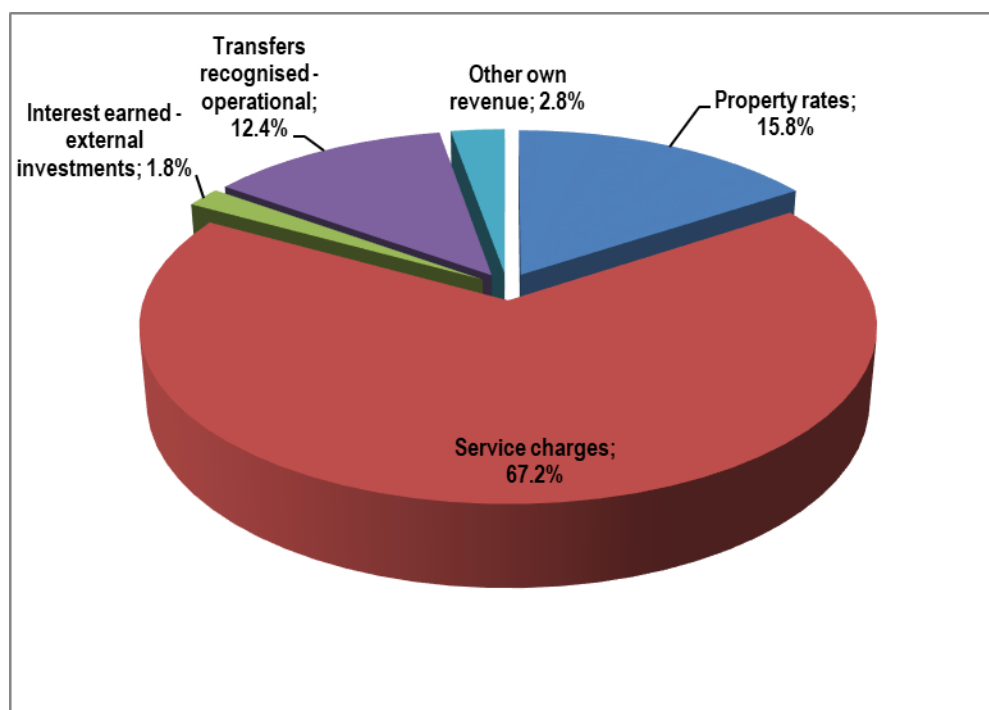


Figure 9 Breakdown of operating revenue over the 2020/21 MTREF

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 94 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 2020/21 MTREF on the different revenue categories are:

Table 41 Proposed tariff increases over the medium-term

Revenue category	2019/20 current revenue increase	2020/21 proposed revenue increase	2020/21 additional revenue for each 1% increase	2020/21 additional revenue per service	2020/21 Total Budgeted revenue
	%	%	R'000	R'000	R'000
Property rates	7,00	(10,00)	5 408	30 613	540 840
Sanitation	7,00	6,00	1 119	6 318	111 886
Solid Waste	12,60	6,00	1 174	6 646	117 414
Water	7,00	22,00	4 116	23 275	411 574
Electricity	9,05	4,8	16 662	94 252	1 666 177
TOTAL			28 479	161 104	2 847 891

Revenue to be generated from property rates is R540.8 million in the 2020/21 financial year which represents 16 per cent of the operating revenue base of the City. The rate base has remained constant when compared to the previous year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R 2.3 billion for the 2020/21 financial year.

As reflected in table 41 above, the City has projected about R161 million as additional revenue, with electricity service charges being the biggest contributor at 80% of the additional revenue expected.

Operational grants and subsidies amount to R425 million, R456 million and R497 million for each of the respective financial years of the MTREF, or 12.4, 12.6 and 12.8 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 8.9 per cent and increases to 7.5 and 8.8 per cent for the two outer years.

Investment revenue contributes negligibly to the revenue base of the City with a budget allocation of R63 million, R65 million and R67 million for the respective three financial years of the 2020/21 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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Parent municipality									
Deposits - Bank	645 000	415 000	390 000	300 000	250 000	250 000	270 000	270 000	280 000
Municipality sub-total	645 000	415 000	390 000	300 000	250 000	250 000	270 000	270 000	280 000
Consolidated total:	645 000	415 000	390 000	300 000	250 000	250 000	270 000	270 000	280 000

Table 43 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
NEDBANK LTD	1	FIXED	NO	FIXED	7.41%	0	0	15/07/2020	70 000	1 791	(71 791)	-	-
NEDBANK LTD	2	FIXED	NO	FIXED	6.55%	0	0	14/02/2020	70 000	1 809	(71 809)	-	-
UNKNOWN					UNKNOWN			UNKNOWN	270 000	-	-	-	270 000
TOTAL INVESTMENTS AND INTEREST									410 000		(143 599)	-	270 000

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table 44 Sources of capital revenue over the MTREF

Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funded by:									
National Government	127 220	137 671	105 800	182 989	173 051	173 051	178 857	139 789	159 376
Provincial Government	10 365	541	–	8 243	8 243	8 243	5 000	15 000	14 000
District Municipality	5 625	–	–	–	–	–	–	–	–
Transfers recognised - capital	143 210	138 212	105 800	191 232	181 294	181 294	183 857	154 789	173 376
Borrowing	204 961	9 969	265 391	–	50 608	50 608	157 000	143 000	154 000
Internally generated funds	159 738	352 341	145 489	406 301	391 004	391 004	330 977	296 000	327 000
Total Capital Funding	507 909	500 521	516 680	597 533	622 906	622 906	671 834	593 789	654 376

The above table is graphically represented as follows for the 2020/21 financial year.

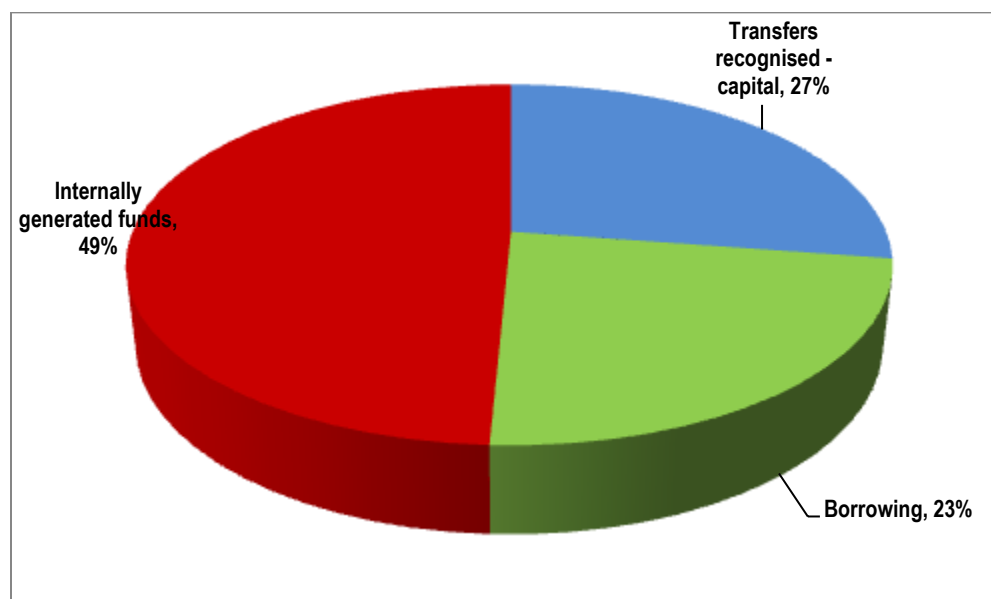


Figure 10 Sources of capital revenue for the 2020/21 financial year

Capital grants and receipts equates to 27 per cent of the total funding source which represents R183.9 million for the 2020/21 financial year and decrease to R 165 million or 25 per cent by 2022/23.

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

Table 45 MBRR SA17 - Detail of borrowings

Borrowing - Categorised by type	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality									
Annuity and Bullet Loans	695 609	539 424	702 634	613 400	616 770	616 770	757 721	796 505	772 412
Municipality sub-total	695 609	539 424	702 634	613 400	616 770	616 770	757 721	796 505	772 412
Total Borrowing	695 609	539 424	702 634	613 400	616 770	616 770	757 721	796 505	772 412
Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	9 969	-	-	-	-	-	35 550	21 445	12 605
Municipality sub-total	9 969	-	-	-	-	-	35 550	21 445	12 605
Total Unspent Borrowing	9 969	-	-	-	-	-	35 550	21 445	12 605

The following graph illustrates the growth in outstanding borrowing for the 2016/17 to 2021/22 period.

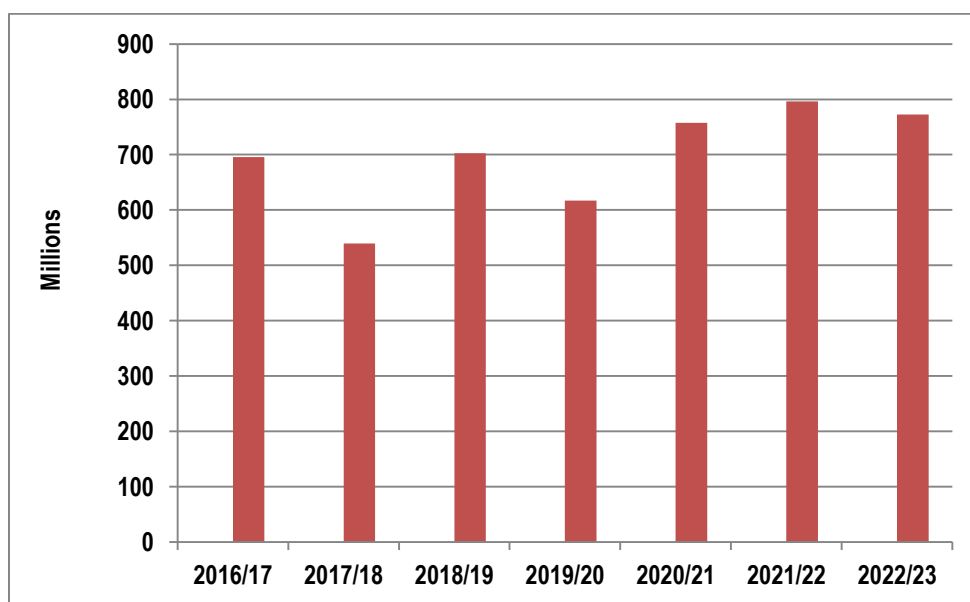


Figure 11 Growth in outstanding borrowing (long-term liabilities)

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 R331 million in 2020/21, R296 million in 2021/22 and R327 million in 2022/23.

Table 46 MBRR SA18 - Capital transfers and grant receipts

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
RECEIPTS:									
Capital Transfers and Grants									
National Government:	126 466	152 305	103 670	182 989	173 051	173 051	183 857	146 789	165 376
Municipal Infrastructure Grant (MIG)	96 473	103 305	102 590	–	–	–	–	–	–
Integrated Urban Development Grant	–	–	–	132 989	132 989	132 989	153 857	109 789	116 376
Integrated National Electrification Programme Grant	(349)	10 000	–	–	–	–	–	–	8 000
Water Service Infrastructure Grant	31 392	34 000	–	40 000	40 000	40 000	25 000	30 000	35 000
Department of Water Affairs	(1 049)	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management	–	5 000	1 080	10 000	–	–	5 000	7 000	6 000
Finance Management	–	–	–	–	62	62	–	–	–
Provincial Government:	1 643	2 087	7 900	8 243	8 243	8 243	–	8 000	8 000
Housing	643	–	–	–	–	–	–	–	–
Richards Bay Airport Feasibility Study	1 000	–	–	–	–	–	–	–	–
District Municipality:	5 625	–	–	–	–	–	–	–	–
Donated Assets - Ntambanana Water Treatment	5 625	–	–	–	–	–	–	–	–
Other grant providers:	–	5 135	11	–	–	–	–	–	–
National Lotto - Sports Development	–	4 070	–	–	–	–	–	–	–
Engen Garage Durban - Fire Water Tanker	–	415	–	–	–	–	–	–	–
Lotto Ntambanana	–	650	–	–	–	–	–	–	–
IQMS - Television Sets	–	–	11	–	–	–	–	–	–
Total Capital Transfers and Grants	133 733	159 527	111 581	191 232	181 294	181 294	183 857	154 789	173 376

The integrated urban development grant (IUDG) is allocated to selected urban local municipalities in place of the municipal infrastructure grant. The grant recognises that municipalities differ in terms of their context and introduces a differentiated approach to encourage integrated development in cities. It is intended to:

- Support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces;
- Enable and incentivise municipalities to invest more non-grant funding in infrastructure projects in intermediate cities.

The grant extends some of the fiscal reforms already implemented in metropolitan municipalities to non-metropolitan cities and is administered by the Department of Cooperative Governance.

Municipalities must meet certain criteria and apply to receive the integrated urban development grant instead of the municipal infrastructure grant in terms of a process set out in section 27 (5) of the Division of Revenue Act. The qualification criteria cover the following areas:

- Management stability (low vacancy rates among senior management)
- Audit findings
- Unauthorised, irregular, fruitless and wasteful expenditure
- Capital expenditure
- Reporting in terms of the MFMA

To remain in the grant, cities must continue to meet or exceed the entry criteria. If they do not do so, they will be placed on a performance improvement plan. If they still do not meet the criteria in the subsequent year, they will shift back to receiving grant transfers through the municipal infrastructure grant, which comes with closer oversight and support from National and Provincial departments.

In addition to the basic formula based allocation, municipalities participating in the IUDG are also eligible to receive a performance-based incentive component, which is based on performance against weighted indicators as determined by CoGTA.

Based on the above Council will receive an incentive for the IUDG for the 2020/21 financial year only amounting to R 55.9 million. This incentive will be used to fast track economic development in the City.

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 provided for as cash inflow based on actual performance. In other words, the *actual collection rate* of billed revenue; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 47 MBRR Table A7 - Budget cash flow statement

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	400 906	444 674	477 138	499 565	489 818	489 818	519 206	549 321	583 784
Service charges	2 003 818	1 823 520	1 890 432	2 003 004	2 089 497	2 089 497	2 145 000	2 256 969	2 403 208
Other revenue	51 247	64 700	182 051	63 644	59 649	59 649	95 146	102 757	109 081
Transfers and Subsidies - Operational	279 992	321 424	348 733	390 676	390 019	390 019	424 643	456 492	496 649
Transfers and Subsidies - Capital	144 868	141 903	107 695	191 232	181 294	181 294	183 857	154 789	173 376
Interest	60 921	76 159	28 129	58 109	61 660	61 660	63 114	65 120	67 125
Payments									
Suppliers and employees	(2 393 352)	(2 474 344)	(2 649 256)	(2 604 640)	(2 642 203)	(2 642 203)	(2 789 567)	(2 924 024)	(3 051 228)
Finance charges	(68 940)	(67 691)	(51 286)	(70 846)	(67 458)	(67 458)	(79 943)	(82 762)	(84 491)
Transfers and Grants	(9 319)	(11 517)	(15 782)	(12 087)	(13 756)	(13 756)	(13 778)	(14 329)	(15 007)
NET CASH FROM/(USED) OPERATING ACTIVITIES	470 138	318 828	317 854	518 656	548 520	548 520	547 677	564 333	682 497
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3 335	680	759	–	22 644	22 644	–	–	–
Decrease (increase) in non-current receivables	36	33	–	–	–	–	–	–	–
Payments									
Capital assets	(507 909)	(500 090)	(516 646)	(589 340)	(610 907)	(610 907)	(662 695)	(604 125)	(646 838)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(504 538)	(499 378)	(515 887)	(589 340)	(588 263)	(588 263)	(662 695)	(604 125)	(646 838)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	385 500	–	310 000	–	–	–	237 000	142 964	84 036
Increase (decrease) in consumer deposits	67 947	82 040	65 556	–	2 759	2 759	–	–	–
Payments									
Repayment of borrowing	(166 337)	(156 185)	(146 790)	(84 326)	(85 864)	(85 864)	(96 048)	(104 180)	(108 129)
NET CASH FROM/(USED) FINANCING ACTIVITIES	287 110	(74 144)	228 766	(84 326)	(83 105)	(83 105)	140 952	38 783	(24 093)
NET INCREASE/ (DECREASE) IN CASH HELD	252 709	(254 694)	30 732	(155 010)	(122 848)	(122 848)	25 933	(1 009)	11 566
Cash/cash equivalents at the year begin:	462 406	715 116	460 422	525 851	464 198	464 198	341 349	367 282	366 274
Cash/cash equivalents at the year end:	715 116	460 422	491 155	370 841	341 349	341 349	367 282	366 274	377 840

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 from previous financial years to 2020/21 period and the years thereafter owing directly to a myriad of cash flow interventions introduced over the past

years. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents totals R 367 million as at the end of the 2020/21 financial year and increases to R 377 million by 2022/23.

For the 2020/21 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 367 million by 2020/21 and increase slightly to R 377 billion by 2022/23. Until such time that there is real organic growth in the local economy, these cash levels will not increase especially given the capital stance of reducing tendency for external borrowing and rather using internal reserves.

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

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available									
Cash/cash equivalents at the year end	715 116	460 422	491 155	370 841	341 349	341 349	367 282	366 274	377 840
Other current investments > 90 days	-	-	(30 000)	-	-	-	-	(559)	(1 129)
Non current assets - Investments	-	-	-	-	-	-	-	-	-
Cash and investments available:	715 116	460 422	461 155	370 841	341 349	341 349	367 282	365 715	376 711
Application of cash and investments									
Unspent conditional transfers	10 596	15 676	10 801	20 232	20 232	20 232	12 699	12 699	12 699
Unspent borrowing	9 969	-	-	-	-	-	35 550	21 445	12 605
Statutory requirements	(34 246)	10 602	14 328	4 845	4 845	4 845	(26 559)	(12 136)	(6 660)
Other working capital requirements	117 344	(29 218)	(60 159)	(34 218)	(40 864)	(40 864)	(156 869)	(158 726)	(166 008)
Other provisions	13 900	15 176	16 518	16 296	14 954	14 954	15 889	16 763	17 685
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	2 750	193 386	176 173	121 202	113 322	113 322	296 000	327 000	342 042
Total Application of cash and investments:	120 312	205 622	157 660	128 357	112 489	112 489	176 710	207 045	212 363
Surplus(shortfall)	594 804	254 800	303 495	242 484	228 860	228 860	190 573	158 671	164 348

From the above table it can be seen that the cash and investments available total R 190 million in the 2020/21 financial year and decreases slightly to R 164 million by 2022/23, 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 construction 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 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 R16 million has been provided for the 2020/21 financial year and this increase to R18 million by 2022/23.

It can be concluded that the City has a surplus against the cash backed and accumulated surpluses reconciliation. The level of non-cash-backing has improved from previous financial years escalating to R 190 million in 2020/21. The 2020/21 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.

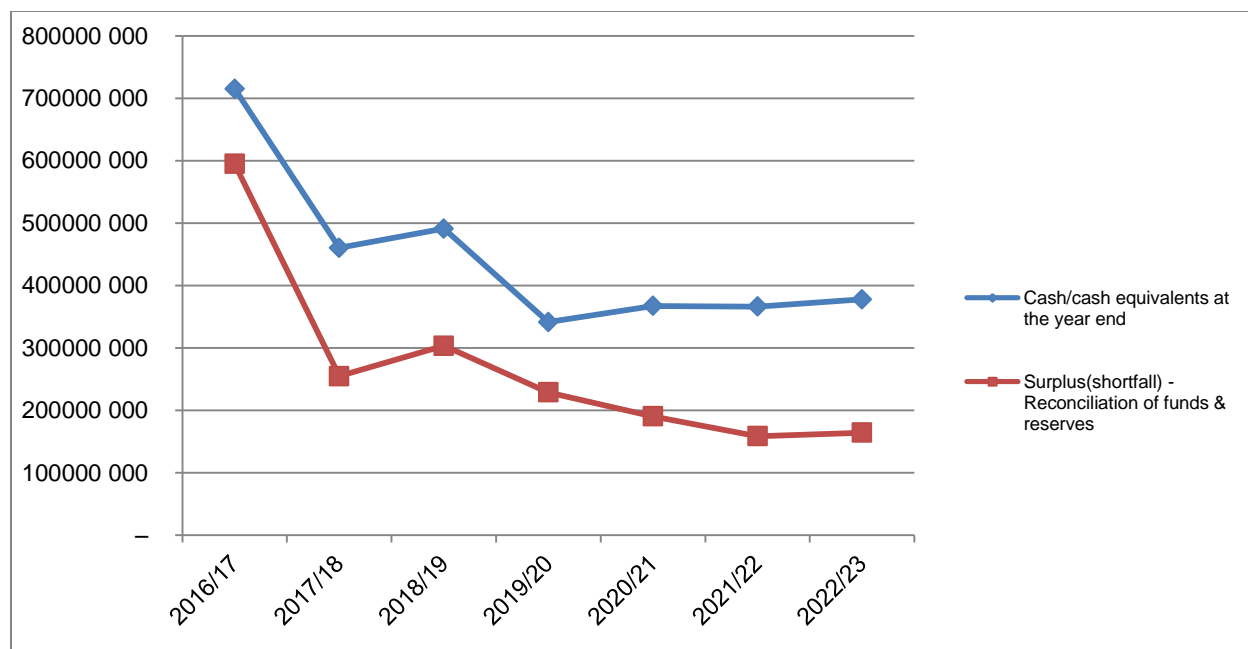


Figure 12 Cash and cash equivalents / Cash backed reserves and accumulated funds

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 49 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	715 116	460 422	491 155	370 841	341 349	341 349	367 282	366 274	377 840
Cash + investments at the yr end less applications - R'000	18(1)b	594 804	254 800	303 495	242 484	228 860	228 860	190 573	158 671	164 348
Cash year end/monthly employee/supplier payments	18(1)b	4.0	2.6	2.5	1.8	1.6	1.6	1.7	1.6	1.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	213 235	290 254	(113 386)	165 753	90 077	90 077	129 377	117 712	199 132
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(11.1%)	(1.8%)	7.3%	(6.4%)	(6.0%)	(0.0%)	(0.2%)	0.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	96.0%	92.7%	100.1%	93.0%	96.0%	96.0%	93.8%	93.4%	93.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.4%	1.2%	6.9%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Capital payments % of capital expenditure	18(1)c;19	100.0%	99.9%	100.0%	98.6%	98.1%	98.1%	98.6%	101.7%	98.8%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	105.7%	0.0%	75.4%	0.0%	0.0%	0.0%	48.6%	32.6%	17.5%
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.	0.5%	(8.8%)	(6.9%)	3.9%	0.0%	21.1%	2.8%	4.7%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	7.3%	6.7%	7.1%	11.9%	10.6%	10.6%	11.2%	11.6%	11.8%
Asset renewal % of capital budget	20(1)(vi)	6.0%	23.2%	14.3%	12.6%	17.9%	17.9%	13.5%	13.9%	25.9%
High Level Outcome of Funding Compliance										
Total Operating Revenue		2 904 214	2 920 660	2 927 545	3 208 768	3 198 114	3 198 114	3 430 794	3 636 785	3 877 900
Total Operating Expenditure		2 834 188	2 768 618	3 146 732	3 234 247	3 292 395	3 292 395	3 485 274	3 673 862	3 852 144
Surplus/(Deficit) Budgeted Operating Statement		70 025	152 042	(219 187)	(25 479)	(94 280)	(94 280)	(54 480)	(37 077)	25 756
Surplus/(Deficit) Considering Reserves and Cash Backing		594 804	254 800	303 495	242 484	228 860	228 860	190 573	158 671	164 348
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		✓	✓	✓	✓	✓	✓	✓	✓	✓

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 2020/21 MTREF shows R 367 million, R 366 million and R 377 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 31, on page 84. 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 2020/21 MTREF the municipality's improving cash position sets the ratio at 1.7 and then decreases slightly to 1.6 for the outer years respectively. 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 somewhat 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 2020/21 MTREF the indicative outcome is a surplus of R129 million, R118 million and R199 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 declines from remains at 0 percent for the respective financial year of the 2020/21 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 94 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 93 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 94 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 1.2 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.

Council has performed an assessment of the Debt impairment and revised its method of calculating the budgeted outstanding debtors. The change is reflected on Table 29 - A6 Budgeted Financial Position and Table 73 SA3 - Supporting detail to Statement of Financial Position

In terms of the debt impairment, the municipality is of the view that the provision that it currently has is sufficient to cover the risk of non-payment. Included in the debtors outstanding is the portion that will have not reached 90 days and therefore may still be recoverable. The trend is that about 50% of the outstanding debt is between current and 60 days. The Municipality is of the view that budgeting 4% of the annual budgeted billing (anticipated recovery of 96%) will be an overstatement of expenditure as sufficient provision is available as reflected in table 73 SA3 - Supporting detail to Statement of Financial Position. Also the Municipality's actual write off has for the past years has never reached R32 million annually which is in line with the proposed budget for 2020/21 financial year of R35m.

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 2019/20 Adjusted budget but does assume that with improved procurement and project management plans, spending will accelerate in the 2020/21 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 48.6, 32.6 and 17.5 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 are 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 are contained in Table 66 MBRR SA34c on page 170 to 171.

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 64 MBRR SA34b on page 165 to 167.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 50 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	272 535	314 786	338 362	377 106	377 044	377 044	411 846	443 307	482 868
Local Government Equitable Share	251 497	292 009	326 255	362 965	362 965	362 965	396 870	434 729	472 093
Finance Management	2 440	2 343	2 604	2 650	2 588	2 588	2 600	2 600	2 650
Municipal Systems Improvement	–	–	–	–	–	–	–	200	2 000
EPWP Incentive	5 061	4 143	5 189	4 492	4 492	4 492	4 278	–	–
Project Management Unit	3 344	4 650	2 014	6 999	6 999	6 999	8 098	5 778	6 125
Infrastructure Skills Development Grant	3 879	5 422	2 300	–	–	–	–	–	–
Municipal Demarcation Transition Grant	6 314	6 209	–	–	–	–	–	–	–
Restructuring Grant	–	9	–	–	–	–	–	–	–
Provincial Government:	10 322	13 066	13 842	13 570	12 975	12 975	12 797	13 185	13 781
Museums	175	183	192	202	202	202	214	225	235
Provincialisation of Libraries	7 506	7 881	8 275	8 689	8 689	8 689	8 932	9 136	9 593
Libraries	1 093	1 352	1 151	2 283	1 688	1 688	2 445	2 618	2 747
Housing	904	1 316	3 447	2 396	2 396	2 396	1 206	1 206	1 206
Enhanced Extended Discount Benefit Scheme	97	96	24	–	–	–	–	–	–
Cleanest Town Awards	6	1	96	–	–	–	–	–	–
Hostels	526	337	–	–	–	–	–	–	–
Sport and Recreational	–	58	–	–	–	–	–	–	–
Career Exp - Dept of Public Works	–	800	–	–	–	–	–	–	–
Richards Bay Airport Feasibility Study	–	1 000	–	–	–	–	–	–	–
Community Development Workers Programme	–	19	–	–	–	–	–	–	–
GIS Support	–	0	–	–	–	–	–	–	–
Urban Development Framework Plan Tourism Development	–	20	657	–	–	–	–	–	–
Land Use Management	8	–	–	–	–	–	–	–	–
Service Delivery On Electrical Services	7	4	–	–	–	–	–	–	–

Table SA19 - Expenditure on transfers and grant programmes (Continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
District Municipality:	479	114	-	-	-	-	-	-	-
Beach Festival	-	-	-	-	-	-	-	-	-
Refuse Removal Grant	318	-	-	-	-	-	-	-	-
Speakers Funeral	-	100	-	-	-	-	-	-	-
Museums	-	12	-	-	-	-	-	-	-
Capacity Building	-	2	-	-	-	-	-	-	-
Beach Protection - Alkandstrand	161	-	-	-	-	-	-	-	-
Other grant providers:	857	1 123	526	-	-	-	-	-	-
Umhlathuze Village Beneficiaries Contribution	-	-	-	-	-	-	-	-	-
Chieta Funding	752	63	333	-	-	-	-	-	-
Absa Bank - SCM Indaba	5	-	-	-	-	-	-	-	-
SM Xulu Chartered Accountants - Strategic Session	15	-	-	-	-	-	-	-	-
EOH Mthombo (Pty) Ltd - Strategic Session	10	-	-	-	-	-	-	-	-
Joat Consulting - Strategic Session	25	-	-	-	-	-	-	-	-
Deloitte La Lucia - Strategic Session	20	-	-	-	-	-	-	-	-
Absa Bank - Strategic Session	20	-	-	-	-	-	-	-	-
Other	-	240	-	-	-	-	-	-	-
State of the City - Various	-	740	-	-	-	-	-	-	-
Mayor Back to school - Various	-	78	170	-	-	-	-	-	-
LG Seta	-	-	-	-	-	-	-	-	-
Standard Bank - Wellness Day	2	-	-	-	-	-	-	-	-
WSSA - Youth Awareness Day	8	2	-	-	-	-	-	-	-
Absa Bank - Building Ngema House	-	-	24	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	284 193	329 088	352 730	390 676	390 019	390 019	424 643	456 492	496 649

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
EXPENDITURE:									
Capital expenditure of Transfers and Grants									
National Government:	125 534	132 877	98 168	182 989	173 051	173 051	183 857	146 789	165 376
Municipal Infrastructure Grant (MIG)	84 701	91 028	89 217	–	–	–	–	–	–
Integrated Urban Development Grant	–	–	–	132 989	132 989	132 989	153 857	109 789	116 376
Integrated National Electrification Programme Grant	–	7 350	2 650	–	–	–	–	–	8 000
Water Service Infrastructure Grant	34 937	34 000	–	40 000	40 000	40 000	25 000	30 000	35 000
Department of Water Affairs	5 799	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management	–	80	6 000	10 000	–	–	5 000	7 000	6 000
Finance Management	97	307	46	–	62	62	–	–	–
Infrastructure Skills Development Grant	–	111	–	–	–	–	–	–	–
Municipal Systems Improvement	–	–	255	–	–	–	–	–	–
Provincial Government:	10 365	2 485	6 056	8 243	8 243	8 243	–	8 000	8 000
Sport and Recreation	–	657	5 871	8 243	8 243	8 243	–	8 000	8 000
Dept of Arts and Culture	–	541	–	–	–	–	–	–	–
Cleanest Town Awards	–	22	–	–	–	–	–	–	–
Corridor Development - New and Upgrading Informal Trading Stalls	–	343	–	–	–	–	–	–	–
Urban Development Framework Plan Tourism Development	1 130	213	–	–	–	–	–	–	–
Upgrade of Airport	–	–	184	–	–	–	–	–	–
Hostels	9 235	353	–	–	–	–	–	–	–
Municipal Excellence Award	–	356	–	–	–	–	–	–	–
District Municipality:	5 625	–	–	–	–	–	–	–	–
<i>Donated Assets - Ntambanana Water Treatment</i>	5 625	–	–	–	–	–	–	–	–
Other grant providers:	1 686	2 849	1 577	–	–	–	–	–	–
<i>National Lotto - Sports Development</i>	1 512	2 434	–	–	–	–	–	–	–
<i>Engen Garage Durban - Fire Water Tanker</i>	–	415	1 566	–	–	–	–	–	–
<i>Lotto Ntambanana</i>	–	–	–	–	–	–	–	–	–
<i>BAC Zululand - CCTV</i>	174	–	–	–	–	–	–	–	–
<i>IMQS - Television Sets</i>	–	–	11	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants	143 210	138 212	105 800	191 232	181 294	181 294	183 857	154 789	173 376
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	427 402	467 300	458 531	581 908	571 313	571 313	608 500	611 281	670 025

Table 51 MBRR SA20 - Reconciliation between of transfers, grant receipts and unspent funds

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	302 413	3 014 973	2 556 553	3 657 606	3 657 606	3 657 606	3 657 606	3 657 606	3 657 606
Current year receipts	275 247 686	314 327 200	339 463 031	377 106 000	377 044 000	377 044 000	411 845 800	443 307 400	482 868 100
Conditions met - transferred to revenue	272 535 126	314 785 620	338 361 978	377 106 000	377 044 000	377 044 000	411 845 800	443 307 400	482 868 100
Conditions still to be met - transferred to liabilities	3 014 973	2 556 553	3 657 606	3 657 606	3 657 606	3 657 606	3 657 606	3 657 606	3 657 606
Provincial Government:									
Balance unspent at beginning of the year	1 130 707	825 332	411 593	331 537	331 537	331 537	331 537	331 537	331 537
Current year receipts	10 016 640	12 652 420	13 762 047	13 570 000	12 975 000	12 975 000	12 797 000	13 185 000	13 781 000
Conditions met - transferred to revenue	10 322 015	13 066 159	13 842 103	13 570 000	12 975 000	12 975 000	12 797 000	13 185 000	13 781 000
Conditions still to be met - transferred to liabilities	825 332	411 593	331 537	331 537	331 537	331 537	331 537	331 537	331 537
District Municipality:									
Balance unspent at beginning of the year	213 620	52 992	39 372	169 372	169 372	169 372	169 372	169 372	169 372
Current year receipts	318 040	100 000	130 000	-	-	-	-	-	-
Conditions met - transferred to revenue	478 668	113 620	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	52 992	39 372	169 372	169 372	169 372	169 372	169 372	169 372	169 372
Other grant providers:									
Balance unspent at beginning of the year	1 423 239	885 562	2 121 400	1 030 113	1 030 113	1 030 113	1 030 113	1 030 113	1 030 113
Current year receipts	319 250	2 358 738	-494 637	-	-	-	-	-	-
Conditions met - transferred to revenue	856 927	1 122 900	526 306	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	885 562	2 121 400	1 030 113	1 030 113	1 030 113	1 030 113	1 030 113	1 030 113	1 030 113
Total operating transfers and grants revenue	284 192 736	329 088 299	352 730 387	390 676 000	390 019 000	390 019 000	424 642 800	456 492 400	496 649 100
Total operating transfers and grants - CTBM	4 778 859	5 128 918	5 188 628	5 188 628	5 188 628	5 188 628	5 188 628	5 188 628	5 188 628

Table SA20 - Reconciliation between of transfers, grant receipts and unspent funds (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	9 693 176	-1 146 049	5 218 523	-2 652 299	-2 652 299	-2 652 299	-2 652 299	-2 652 299	-2 652 299
Current year receipts	126 466 314	152 304 800	103 670 369	182 989 000	173 051 000	173 051 000	183 857 200	146 788 600	165 375 900
Conditions met - transferred to revenue	125 533 659	132 876 835	98 168 300	182 989 000	173 051 000	173 051 000	183 857 200	146 788 600	165 375 900
Conditions still to be met - transferred to liabilities	-1 146 049	5 218 523	-2 652 299	-2 652 299	-2 652 299	-2 652 299	-2 652 299	-2 652 299	-2 652 299
Provincial Government:									
Balance unspent at beginning of the year	16 571 198	7 848 805	7 450 356	9 294 292	9 294 292	9 294 292	9 294 292	9 294 292	9 294 292
Current year receipts	1 642 576	2 087 025	7 899 500	8 243 000	8 243 000	8 243 000	-	8 000 000	8 000 000
Conditions met - transferred to revenue	10 364 969	2 485 474	6 055 564	8 243 000	8 243 000	8 243 000	-	8 000 000	8 000 000
Conditions still to be met - transferred to liabilities	7 848 805	7 450 356	9 294 292	9 294 292	9 294 292	9 294 292	9 294 292	9 294 292	9 294 292
District Municipality:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	5 624 601	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	5 624 601	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	1 834 289	147 903	2 433 958	868 291	868 291	868 291	868 291	868 291	868 291
Current year receipts	-	5 135 386	10 836	-	-	-	-	-	-
Conditions met - transferred to revenue	1 686 386	2 849 331	1 576 503	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	147 903	2 433 958	868 291	868 291	868 291	868 291	868 291	868 291	868 291
Total capital transfers and grants revenue	143 209 615	138 211 640	105 800 367	191 232 000	181 294 000	181 294 000	183 857 200	154 788 600	173 375 900
Total capital transfers and grants - CTBM	6 850 659	15 102 837	7 510 284	7 510 284	7 510 284	7 510 284	7 510 284	7 510 284	7 510 284
TOTAL TRANSFERS AND GRANTS REVENUE	427 402 351	467 299 939	458 530 754	581 908 000	571 313 000	571 313 000	608 500 000	611 281 000	670 025 000
TOTAL TRANSFERS AND GRANTS - CTBM	11 629 518	20 231 755	12 698 912	12 698 912	12 698 912	12 698 912	12 698 912	12 698 912	12 698 912

Table 52 MBRR SA21 - Transfers and grants made by the municipality

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Cash Transfers to other Organs of State									
Empangeni SPCA	–	199	210	217	217	217	225	234	245
Richards Bay SPCA	–	199	210	217	217	217	225	234	245
Richards Bay Country Club	73	205	–	–	–	–	–	–	–
Other	1 078	866	–	–	–	–	–	–	–
Cultural Matters	–	–	–	2 839	4 631	4 631	4 863	5 057	5 300
Dolos Festival	–	200	200	–	–	–	–	–	–
Youth Gathering	109	73	542	360	360	360	360	374	393
Women Summit	16	95	66	170	170	170	100	104	109
Policy Formation - People Living With Disability	–	–	–	114	114	114	–	–	–
Senior Citizens	16	401	536	360	360	360	50	52	55
Christmas Party For Senior Citizens	–	–	–	–	–	–	450	468	491
World Aids Day	–	12	–	–	–	–	–	–	–
Children	–	–	168	180	180	180	27	28	29
Christmas Party For Children	–	–	–	–	–	–	76	79	83
Children Back 2 School Campaign	–	–	–	–	–	–	24	25	26
Mens Summit	–	11	–	114	114	114	45	47	49
16 Days Of Activism	53	–	–	150	150	150	200	208	218
Human Rights/Freedom Day	–	118	50	100	100	100	69	71	75
Religious Sector	–	–	74	50	50	50	50	52	55
Operation Sukuma Sakhe Programmes	20	201	213	250	250	250	200	208	212
Disability Sector	–	133	118	150	150	150	50	52	55
Talent Show For People With Disabilities	–	–	–	–	–	–	80	83	87
Diwali Festival	–	50	–	–	–	–	–	–	–
Last Dance	1 000	1 000	1 000	–	–	–	–	–	–
Community Outreach - Mayor	48	342	356	400	35	35	376	391	411
Thanda Royal Zulu	2 500	–	–	–	–	–	–	–	–
University Registrations	616	336	178	500	500	500	400	416	437
Bursaries Employees Children	571	632	519	1 082	711	711	746	776	813
DownStream Aluminium Centre For Technology (DACT)	150	150	188	300	450	450	473	491	515
Profiling Of People With Disabilities	51	–	–	–	–	–	–	–	–

Table SA21 - Transfers and grants made by the municipality (continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Cash Transfers to other Organs of State									
SATMA Awards	1 500	–	–	–	–	–	–	–	–
Second Annual Spring Music Tour Festival	–	200	–	–	–	–	–	–	–
Hippo Rally	60	50	–	–	–	–	–	–	–
Umhlathuze Music Festival	–	200	100	–	–	–	–	–	–
Soccer Madness Tournament	–	450	–	–	–	–	–	–	–
Richards Bay FC	–	2 500	2 500	–	–	–	–	–	–
Umhlathuze Local Football Association	179	–	170	–	–	–	–	–	–
Amenisto Christmas Jam	67	–	–	–	–	–	–	–	–
Keep Girls In School	23	–	–	–	–	–	–	–	–
Black Industrialist Business Breakfast Partnership	100	–	–	–	–	–	–	–	–
Empangeni Rugby Club	50	–	–	–	–	–	–	–	–
Cluster Elimination Games	83	–	–	–	–	–	–	–	–
Netball Athletics	11	–	–	–	–	–	–	–	–
National Rhythmical Gymnastics Championship	2	–	–	–	–	–	–	–	–
Maskanda Festival	182	500	–	–	–	–	–	–	–
eSikhaleni Kyokushin Karate Club	16	–	–	–	–	–	–	–	–
Richards Bay Primary School	20	–	–	–	–	–	–	–	–
Agricultural Cooperatives	–	–	499	–	–	–	–	–	–
Reed Dance	–	351	203	–	–	–	–	–	–
Civic Funeral - Late Cllr Mthenjana	–	842	–	–	–	–	–	–	–
Mayoral School Uniform Campaign	–	151	–	–	–	–	–	–	–
Umhlathuze Tourism Organisation	–	150	172	300	450	450	473	491	515
Phakama Music Festival	–	150	–	–	–	–	–	–	–
Umhlathuze Operation Sibaya Emhlangeni	–	71	–	–	–	–	–	–	–
Kufeziwe Gospel Celebrations	–	150	150	–	–	–	–	–	–
Community Outreach - Speaker	–	–	–	75	75	75	50	52	55
Federations - Boxing	–	–	50	–	–	–	–	–	–
Street Dancers Competition	–	–	54	–	–	–	–	–	–
House For Mr Ngema	–	–	24	–	–	–	–	–	–
Mavuso RG - Reimbursement Of Home Contents	–	–	134	–	–	–	–	–	–
Ngwelezane Beneficiaries Subsidy	–	–	219	–	–	–	–	–	–
Albinism Awareness Campaign	–	–	–	–	–	–	20	21	22
Total Cash Transfers To Other Organs Of State:	8 593	10 989	15 485	11 581	13 256	13 256	13 263	13 794	14 456
TOTAL CASH TRANSFERS AND GRANTS	8 593	10 989	15 485	11 581	13 256	13 256	13 263	13 794	14 456

Table SA21 - Transfers and grants made by the municipality (continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Cash Transfers to other Organs of State									
Groups of Individuals									
<i>Rates Rebates and Exemptions</i>	–	–	–	–	–	–	–	–	–
Disaster Management	726	528	297	507	499	499	515	536	552
	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:	726	528	297	507	499	499	515	536	552
TOTAL NON-CASH TRANSFERS AND GRANTS	726	528	297	507	499	499	515	536	552
TOTAL TRANSFERS AND GRANTS	9 319	11 517	15 782	12 087	13 755	13 755	13 778	14 329	15 007

2.8 Councillor and employee benefits

Table 53 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	17 480	18 280	18 834	20 048	20 048	20 048	21 050	22 103	23 209
Pension and UIF Contributions	2 604	2 741	2 950	2 942	2 942	2 942	3 089	3 244	3 407
Medical Aid Contributions	1 146	1 786	1 831	1 833	1 833	1 833	1 925	2 021	2 123
Motor Vehicle Allowance	2 575	3 570	4 004	4 181	4 181	4 181	4 390	4 610	4 841
Cellphone Allowance	1 737	2 966	2 776	3 124	3 124	3 124	3 280	3 444	3 617
Housing Allowances	–	–	–	277	277	277	291	306	321
Sub Total - Councillors	25 542	29 342	30 395	32 404	32 404	32 404	34 026	35 728	37 516
% increase		14.9%	3.6%	6.6%	–	–	5.0%	5.0%	5.0%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	7 011	8 864	10 917	11 587	11 516	11 516	12 076	12 679	13 313
Pension and UIF Contributions	299	442	670	715	853	853	1 013	1 064	1 117
Medical Aid Contributions	109	175	248	267	273	273	296	311	327
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	1 364	982	1 305	2 127	2 127	2 127	2 259	2 416	2 537
Motor Vehicle Allowance	1 003	1 331	1 563	1 718	1 620	1 620	1 684	1 769	1 857
Cellphone Allowance	159	209	252	269	261	261	283	298	313
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	121	480	846	916	1 015	1 015	1 084	1 139	1 197
Payments in lieu of leave	96	56	260	1 058	1 042	1 042	803	926	973
Sub Total - Senior Managers of Municipality	10 161	12 540	16 061	18 655	18 707	18 707	19 498	20 600	21 633
% increase		23.4%	28.1%	16.2%	0.3%	–	4.2%	5.7%	5.0%

Table MBRR SA22 - Summary of councillor and staff benefits (continued)

Summary of Employee and Councillor remuneration	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	A	B	C	D	E	F	G	H	I
Other Municipal Staff									
Basic Salaries and Wages	377 798	412 132	438 462	471 124	487 709	487 709	524 002	546 147	573 379
Pension and UIF Contributions	64 872	70 700	76 273	95 016	88 082	88 082	108 089	113 427	119 105
Medical Aid Contributions	33 668	36 148	38 212	43 824	42 321	42 321	47 897	50 296	52 814
Overtime	43 339	44 523	50 992	66 124	62 182	62 182	70 917	74 465	78 192
Motor Vehicle Allowance	39 969	42 733	45 975	49 685	50 933	50 933	55 150	57 530	60 409
Cellphone Allowance	2 714	3 391	3 613	5 033	4 061	4 061	5 548	5 829	6 124
Housing Allowances	4 414	4 316	4 239	4 378	4 280	4 280	5 065	5 324	5 594
Other benefits and allowances	46 965	52 519	60 245	68 657	69 198	69 198	77 510	81 351	85 425
Payments in lieu of leave	14 859	16 176	17 907	30 344	25 611	25 611	38 766	40 703	42 742
Long service awards	194	156	430	161	391	391	950	998	1 047
Post-retirement benefit obligations	5 291	5 721	29 548	6 549	6 088	6 088	33 388	37 402	40 539
Sub Total - Other Municipal Staff	634 083	688 514	765 897	840 895	840 857	840 857	967 283	1 013 472	1 065 370
% increase		8.6%	11.2%	9.8%	(0.0%)	-	15.0%	4.8%	5.1%
Total Parent Municipality	669 787	730 396	812 353	891 954	891 968	891 968	1 020 807	1 069 801	1 124 520
TOTAL SALARY, ALLOWANCES & BENEFITS	669 787	730 396	812 353	891 954	891 968	891 968	1 020 807	1 069 801	1 124 520
% increase		9.0%	11.2%	9.8%	0.0%	-	14.4%	4.8%	5.1%
TOTAL MANAGERS AND STAFF	644 245	701 054	781 958	859 550	859 564	859 564	986 781	1 034 073	1 087 004

Table 54 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	720 200	168 000	49 000			937 200
Chief Whip	1	723 900	108 700	49 000			881 600
Executive Mayor	1	887 400	222 800	340 100			1 450 300
Deputy Executive Mayor	1	541 600	124 500	271 100			937 200
Executive Committee	8	4 190 100	1 013 100	1 848 800			7 052 000
Chairperson Section 79 Committee	1	478 400	127 800	251 100			857 300
Total for all other councillors	54	13 508 700	3 249 200	5 152 100			21 910 000
Total Councillors	67	21 050 300	5 014 100	7 961 200			34 025 600
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 569 900	282 600	457 900	318 300		2 628 700
Chief Finance Officer	1	1 639 400	–	378 500	277 300		2 295 200
Deputy Municipal Manager - Infrastructure and Technical Services	1	1 284 600	279 900	453 400	277 300		2 295 200
Deputy Municipal Manager - Corporate Services	1	1 284 600	279 900	453 400	277 300		2 295 200
Deputy Municipal Manager - City Development	1	1 580 200	48 700	389 000	277 300		2 295 200
Deputy Municipal Manager - Community Services	1	1 544 600	41 800	431 500	277 300		2 295 200
Deputy Municipal Manager - Specialised Services	1	1 770 300	54 000	193 600	277 300		2 295 200
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE	75	33 126 000	6 307 400	11 027 900	2 259 400		52 720 700

Table 55 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	2018/19			Current Year 2019/20			Budget Year 2020/21		
	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)	67	67	–	67	67	–	67	67	–
Municipal employees	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	8	8	–	8	8	–	8	8	–
Other Managers	17	15	–	17	12	–	18	12	–
Professionals	394	304	–	394	346	–	394	355	–
<i>Finance</i>	46	32	–	46	42	–	46	48	–
<i>Spatial/town planning</i>	33	29	–	33	23	–	33	23	–
<i>Information Technology</i>	11	10	–	11	11	–	11	11	–
<i>Roads</i>	22	19	–	22	20	–	22	19	–
<i>Electricity</i>	41	32	–	41	31	–	41	33	–
<i>Water</i>	16	12	–	16	10	–	16	10	–
<i>Sanitation</i>	24	17	–	24	12	–	24	14	–
<i>Refuse</i>	10	10	–	10	8	–	10	9	–
<i>Other</i>	191	143	–	191	189	–	191	188	–
Technicians	533	455	–	533	457	–	545	474	–
<i>Finance</i>	31	22	–	31	19	–	31	20	–
<i>Spatial/town planning</i>	26	23	–	26	22	–	26	22	–
<i>Information Technology</i>	6	5	–	6	5	–	6	5	–
<i>Roads</i>	48	42	–	48	40	–	48	41	–
<i>Electricity</i>	60	49	–	60	53	–	60	53	–
<i>Water</i>	34	37	–	34	34	–	40	40	–
<i>Sanitation</i>	34	25	–	34	23	–	40	31	–
<i>Refuse</i>	13	13	–	13	13	–	13	13	–
<i>Other</i>	281	239	–	281	248	–	281	249	–
Clerks (Clerical and administrative)	315	285	–	315	289	–	320	292	–
Skilled agricultural and fishery workers	2	2	–	2	2	–	2	2	–
Craft and related trades	3	3	–	3	3	–	3	3	–
Plant and Machine Operators	87	82	–	87	81	–	131	106	–
Elementary Occupations	1 592	1 437	–	1 592	1 478	–	1 708	1 587	–
TOTAL PERSONNEL NUMBERS	3 018	2 658	–	3 018	2 743	–	3 196	2 906	–
% increase				–	3.2%	–	5.9%	5.9%	–
Total municipal employees headcount	2 951	2 591	–	2 951	2 676	–	3 129	2 839	–
Finance personnel headcount	237	173	–	237	192	–	237	188	–
Human Resources personnel headcount	42	33	–	42	29	–	42	34	–

2.9 Monthly targets for revenue, expenditure and cash flow

Table 56 MBRR SA25 - Budgeted monthly revenue and expenditure

Description R thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source															
Property rates	57 614	44 721	42 496	42 007	44 155	44 144	44 661	44 282	44 266	44 132	44 204	44 159	540 840	572 209	608 108
Service charges - electricity revenue	139 548	205 282	167 176	114 180	128 704	132 614	117 189	131 767	136 809	116 279	97 379	179 250	1 666 177	1 762 757	1 877 909
Service charges - water revenue	55 373	50 819	45 528	16 518	39 823	29 726	27 115	44 381	40 827	27 962	10 305	23 197	411 574	435 424	463 924
Service charges - sanitation revenue	9 819	8 048	9 044	9 132	8 674	9 547	10 066	9 539	9 642	9 533	9 744	9 097	111 886	118 360	124 742
Service charges - refuse revenue	10 290	10 518	10 707	10 213	5 136	10 673	9 256	10 485	10 456	8 709	10 462	10 511	117 414	124 224	130 933
Rental of facilities and equipment	1 090	1 071	578	638	1 291	723	654	1 223	1 119	1 276	509	990	11 164	11 699	12 261
Interest earned - external investments	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	63 000	65 000	67 000
Interest earned - outstanding debtors	8	6	7	8	7	9	11	11	12	13	12	11	114	120	125
Fines, penalties and forfeits	599	867	466	437	1 915	585	720	1 188	896	699	1 176	1 050	10 597	11 143	11 702
Licences and permits	–	578	277	318	228	255	349	338	233	167	364	299	3 407	3 570	3 742
Agency services	65	885	523	458	460	452	589	517	454	376	625	567	5 970	6 257	6 557
Transfers and subsidies	162 717	3 670	17 030	–	1 925	138 801	–	1 283	99 218	–	–	–	424 643	456 492	496 649
Other revenue	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 096	29 940	64 008	69 529	74 249
Total Revenue (excluding capital transfers and contributions)	445 469	334 811	302 179	202 257	240 666	375 876	218 956	253 361	352 278	217 493	183 126	304 322	3 430 794	3 636 785	3 877 900
Expenditure By Type															
Employee related costs	79 521	79 517	79 372	79 615	79 372	84 522	79 371	81 740	79 363	79 363	79 363	105 662	986 781	1 034 073	1 087 004
Remuneration of councillors	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 833	34 026	35 728	37 516
Debt impairment	2 917	2 917	2 917	2 917	2 917	2 917	2 917	2 917	2 917	2 917	2 917	2 916	35 000	36 750	38 587
Depreciation & asset impairment	39 549	39 549	39 549	39 549	39 549	39 549	39 549	39 549	39 548	39 548	39 547	39 540	474 573	505 559	546 925
Finance charges	6 662	6 662	6 662	6 662	6 662	6 662	6 662	6 662	6 662	6 662	6 662	6 661	79 943	82 762	84 491
Bulk purchases	121 937	121 071	78 275	84 296	83 261	81 220	85 068	84 292	88 673	95 240	101 173	114 511	1 139 016	1 196 920	1 267 357
Other materials	10 076	13 633	14 601	10 102	10 566	14 113	11 585	9 907	13 989	11 806	10 420	13 043	143 840	150 606	145 744
Contracted services	15 176	21 484	23 911	24 790	22 573	28 644	24 352	29 478	28 197	25 816	22 315	23 089	289 827	300 388	307 803
Transfers and subsidies	1 283	289	6 750	234	809	1 432	1 019	93	465	93	634	677	13 778	14 329	15 007
Other expenditure	17 440	20 124	20 486	27 365	13 439	34 183	18 329	28 089	34 226	32 010	18 366	24 436	288 491	316 747	321 709
Total Expenditure	297 396	308 080	275 358	278 365	261 982	296 077	271 687	285 561	296 877	296 290	284 234	333 369	3 485 274	3 673 862	3 852 144
Surplus/(Deficit)	148 073	26 732	26 822	(76 109)	(21 317)	79 799	(52 731)	(32 200)	55 402	(78 798)	(101 107)	(29 047)	(54 480)	(37 077)	25 756
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	40 869	2 500	–	2 000	8 000	58 304	1 000	14 500	56 684	–	–	–	183 857	154 789	173 376
Surplus/(Deficit) after capital transfers & contributions	188 942	29 232	26 822	(74 109)	(13 317)	138 103	(51 731)	(17 700)	112 086	(78 798)	(101 107)	(29 047)	129 377	117 712	199 132
Surplus/(Deficit)	188 942	29 232	26 822	(74 109)	(13 317)	138 103	(51 731)	(17 700)	112 086	(78 798)	(101 107)	(29 047)	129 377	117 712	199 132

Table 57 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description R thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote															
Vote 1 - CITY DEVELOPMENT	542	542	542	542	542	4 748	542	542	542	542	543	2 363	12 529	10 091	10 608
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	42 910	10 595	10 784	10 290	5 213	37 738	9 333	10 562	30 377	8 786	10 539	15 095	202 223	217 269	231 967
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	96	1 494	832	808	2 237	862	1 173	1 558	1 056	672	1 619	3 701	16 107	17 091	18 028
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	447	968	9 411	514	1 190	3 282	554	1 095	623	505	536	4 273	23 397	32 657	34 031
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	144	269	266	289	267	264	267	281	3 003	935	137	1 621	7 741	5 235	5 555
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	38	38	38	38	38	38	38	38	38	38	38	378	800	874	939
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	1	1	1	1	1	1	1	1	1	1	1	775	790	898	979
Vote 8 - FINANCIAL SERVICES	63 576	53 490	48 320	47 837	49 980	50 037	50 619	50 172	50 197	50 083	50 076	53 377	617 764	652 196	692 710
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	145 126	205 616	167 519	116 481	129 011	142 047	118 491	132 097	139 149	116 632	97 753	182 118	1 692 040	1 792 531	1 916 358
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	232 565	62 987	56 138	27 225	58 031	175 472	38 707	69 986	133 223	39 065	21 655	37 256	952 309	1 028 018	1 103 240
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	675	12	12	12	12	19 472	12	28	50 532	12	12	1 879	72 666	24 726	26 261
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	4	1 074	8 102	4	1 929	4	4	1 287	4	4	4	856	13 276	6 798	7 236
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	214	225	216	216	216	214	216	215	216	217	214	631	3 010	3 192	3 365
Total Revenue by Vote	486 338	337 311	302 179	204 257	248 666	434 180	219 956	267 861	408 962	217 493	183 126	304 322	3 614 651	3 791 573	4 051 276
Expenditure by Vote to be appropriated															
Vote 1 - CITY DEVELOPMENT	8 228	10 696	10 095	9 243	9 470	9 669	8 840	8 955	9 735	9 204	10 611	10 363	115 108	120 397	124 050
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	21 612	21 893	23 231	21 714	21 679	22 633	21 628	22 011	21 783	22 099	21 762	26 054	268 098	282 397	292 555
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	7 584	7 562	8 258	8 201	7 785	7 956	7 681	7 634	7 599	7 570	7 756	9 559	95 144	100 152	104 062
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	21 518	22 237	29 750	23 103	22 536	23 664	22 159	22 492	22 526	21 810	22 134	24 994	278 923	293 951	305 566
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	8 754	(825)	(1 413)	(56)	(1 292)	(1 159)	1 119	139	9 323	1 167	(1 256)	538	15 039	28 767	29 637
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	717	786	1 078	723	717	1 172	717	511	453	157	142	864	8 037	8 385	8 701
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	70	308	1 062	216	522	848	968	1 136	226	148	710	813	7 027	7 389	7 636
Vote 8 - FINANCIAL SERVICES	(1 537)	(1 194)	(402)	2 814	3 884	1 814	3	6 539	4 174	4 607	4 208	3 975	28 885	30 806	31 320
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	131 639	144 144	104 178	109 986	96 491	124 757	102 171	110 850	120 603	126 279	118 032	145 912	1 435 043	1 506 787	1 590 892
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	68 963	69 646	68 186	67 604	68 520	69 299	73 729	70 016	68 251	71 125	69 900	75 554	840 792	887 839	936 083
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	24 064	26 770	25 335	26 637	24 721	27 416	24 783	27 284	25 621	26 048	23 936	27 677	310 291	324 420	336 003
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	2 306	2 402	2 742	3 246	3 138	4 309	3 584	2 461	2 557	2 429	2 650	3 178	35 000	32 373	33 556
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	3 478	3 654	3 260	4 934	3 812	3 700	4 306	5 533	4 026	3 647	3 650	3 889	47 887	50 199	52 084
Total Expenditure by Vote	297 396	308 080	275 358	278 365	261 982	296 077	271 687	285 561	296 877	296 290	284 234	333 369	3 485 274	3 673 862	3 852 144
Surplus/(Deficit)	188 942	29 232	26 822	(74 109)	(13 317)	138 103	(51 731)	(17 700)	112 086	(78 798)	(101 107)	(29 047)	129 377	117 712	199 132

Table 58 MBRR SA27 - Budgeted monthly revenue and expenditure (functional classification)

Description R thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional															
<i>Governance and administration</i>	64 160	54 086	48 906	48 424	50 566	50 622	51 205	50 757	50 783	50 670	50 662	57 721	628 560	663 879	705 176
Executive and council	17	17	17	17	17	17	17	17	17	17	17	818	1 001	1 120	1 214
Finance and administration	64 144	54 069	48 889	48 407	50 549	50 605	51 188	50 741	50 767	50 653	50 645	56 863	627 519	662 713	703 912
Internal audit	—	—	—	—	—	—	—	—	—	—	—	40	40	46	50
<i>Community and public safety</i>	820	1 467	9 907	1 033	3 204	5 107	1 253	2 277	4 194	980	1 501	9 164	40 905	48 301	50 567
Community and social services	199	518	9 319	446	407	3 088	363	401	3 103	234	254	1 976	20 308	18 260	19 240
Sport and recreation	374	702	340	340	1 032	441	440	957	506	401	401	2 916	8 850	17 467	18 030
Public safety	104	104	104	104	1 622	229	307	776	442	202	702	3 743	8 437	9 128	9 725
Housing	143	143	143	143	143	1 349	143	143	143	143	143	528	3 311	3 446	3 573
Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	1 025	2 829	9 195	1 073	2 910	23 464	1 236	2 451	51 504	840	1 286	5 492	103 305	46 720	49 503
Planning and development	283	1 353	8 381	283	2 208	3 283	283	1 566	283	283	283	2 174	20 663	11 488	12 203
Road transport	741	1 476	813	789	701	20 180	952	884	51 220	556	1 002	3 217	82 531	35 107	37 163
Environmental protection	1	1	1	1	1	1	1	1	1	1	1	101	111	126	137
<i>Trading services</i>	420 332	278 929	234 171	153 726	191 986	354 987	166 262	212 375	302 480	164 214	129 677	231 886	2 841 023	3 031 768	3 245 079
Energy sources	144 930	205 421	167 324	116 285	128 816	141 851	118 296	131 901	138 954	116 437	97 558	181 359	1 689 131	1 789 405	1 913 023
Water management	141 234	54 764	46 919	17 918	49 182	78 314	28 467	60 272	76 922	29 357	11 736	26 420	621 503	650 159	710 768
Waste water management	91 331	8 223	9 219	9 307	8 849	97 158	10 240	9 714	56 301	9 708	9 919	10 877	330 846	377 904	392 521
Waste management	42 836	10 521	10 710	10 216	5 139	37 664	9 259	10 488	30 303	8 712	10 465	13 230	199 543	214 300	228 766
<i>Other</i>	1	1	1	1	1	1	1	1	1	789	1	61	858	905	951
Total Revenue - Functional	486 338	337 311	302 179	204 257	248 666	434 180	219 956	267 861	408 962	217 493	183 126	304 322	3 614 651	3 791 573	4 051 276

Table MBRR SA27 - Budgeted monthly revenue and expenditure (functional classification) (continued)

Description R thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure - Functional															
Governance and administration	11 238	5 372	7 185	9 476	8 085	7 948	7 027	15 067	18 604	9 655	7 509	11 827	118 992	122 404	127 978
Executive and council	10 231	594	72	1 900	220	474	2 551	3 350	10 871	3 067	374	1 720	35 425	37 329	38 864
Finance and administration	930	4 704	7 162	7 094	8 190	7 473	4 149	11 665	7 486	6 849	7 423	10 389	83 515	85 022	89 058
Internal audit	77	75	(49)	481	(325)	0	327	52	247	(262)	(288)	(283)	51	54	56
Community and public safety	38 202	39 035	47 456	40 695	39 537	41 276	39 056	39 342	39 464	38 616	38 805	45 133	486 617	524 749	544 586
Community and social services	9 011	9 087	13 916	9 886	9 314	10 525	9 251	9 054	9 303	9 254	9 412	10 670	118 682	137 804	142 900
Sport and recreation	14 605	15 382	18 200	15 610	15 505	15 604	15 182	15 663	15 427	14 850	14 896	16 735	187 659	197 985	205 828
Public safety	11 909	11 872	12 646	12 506	12 041	12 374	11 946	11 932	12 057	11 818	11 807	14 657	147 566	155 135	160 975
Housing	2 513	2 530	2 531	2 529	2 513	2 593	2 513	2 529	2 513	2 529	2 526	2 907	30 725	31 730	32 694
Economic and environmental services	30 649	32 919	33 401	32 121	32 694	34 458	33 131	32 347	33 791	32 123	33 124	34 537	395 294	409 485	424 046
Planning and development	5 198	7 104	6 683	6 281	6 326	7 800	6 813	5 789	6 581	5 988	7 297	7 448	79 306	78 960	81 517
Road transport	24 726	24 915	25 739	25 009	25 189	25 669	25 497	25 663	26 336	25 187	24 921	26 363	305 212	319 230	330 797
Environmental protection	725	901	979	831	1 180	990	821	896	874	948	906	726	10 776	11 296	11 733
Trading services	216 831	230 066	186 841	195 260	180 951	211 885	191 996	198 286	204 538	215 414	203 979	241 320	2 477 367	2 609 895	2 747 982
Energy sources	132 839	142 749	102 259	110 322	97 132	124 384	103 209	110 635	121 273	127 300	118 968	145 568	1 436 636	1 511 446	1 593 960
Water management	44 733	44 325	43 663	43 509	44 041	44 270	49 218	44 718	43 442	45 936	45 115	48 368	541 336	574 555	608 423
Waste water management	25 579	29 193	26 130	27 751	26 027	28 871	25 841	28 934	26 107	28 063	26 023	31 025	329 546	344 953	360 157
Waste management	13 680	13 798	14 789	13 679	13 751	14 360	13 728	14 000	13 716	14 115	13 873	16 359	169 849	178 942	185 442
Other	475	688	475	814	714	511	477	518	480	483	817	553	7 005	7 328	7 552
Total Expenditure - Functional	297 396	308 080	275 358	278 365	261 982	296 077	271 687	285 561	296 877	296 290	284 234	333 369	3 485 274	3 673 862	3 852 144
Surplus/(Deficit)	188 942	29 232	26 822	(74 109)	(13 317)	138 103	(51 731)	(17 700)	112 086	(78 798)	(101 107)	(29 047)	129 377	117 712	199 132

Table 59 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure to be appropriated															
Vote 1 - CITY DEVELOPMENT	-	-	-	-	-	-	500	500	1 000	1 000	-	-	3 000	-	-
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	500	1 500	1 500	1 500	1 500	1 500	-	2 000	3 500	4 500	4 500	5 347	27 847	23 320	8 571
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	-	1 000	-	1 000	-	1 000	500	1 411	1 500	1 000	1 000	1 500	9 911	17 414	23 240
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	-	-	2 000	-	-	2 000	-	-	-	1 500	-	-	5 500	5 339	5 849
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	5 000	6 337	5 930	6 849	6 849	6 349	10 304	8 671	7 874	6 836	2 958	3 458	77 414	69 040	75 753
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	32 500	27 910	26 500	40 500	47 550	28 593	16 500	27 160	20 500	17 755	21 080	12 650	319 198	288 206	316 034
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	870	17 230	24 890	20 305	19 550	17 170	25 337	14 167	14 007	6 400	4 090	2 111	166 126	116 208	127 357
SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	38 870	53 977	60 820	70 154	75 449	56 612	53 141	53 909	48 381	38 991	33 628	25 066	608 995	519 526	556 804
Single-year expenditure to be appropriated															
Vote 1 - CITY DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	220	400	200	300	-	-	-	2 500	-	-	1 104	-	4 724	3 780	3 619
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	-	155	103	-	-	-	47	-	-	-	-	-	305	297	326
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	11 846	27 596
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	1 331	2 850	4 199	3 150	1 300	500	975	325	500	500	500	500	16 630	4 223	464
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	-	165	5	-	-	310	-	10	-	15	8	10	523	537	589
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	-	130	-	100	28	-	-	-	-	-	-	-	258	252	276
Vote 8 - FINANCIAL SERVICES	-	-	50	-	-	-	-	50	-	154	-	-	254	248	272
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	500	4 568	280	1 068	1 365	1 318	6 823	1 113	300	1 811	13 023	3 536	35 704	47 941	59 780
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	-	150	-	-	1 250	-	-	900	-	-	1 200	-	3 500	3 500	3 500
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	-	100	100	-	100	100	-	150	50	100	100	-	800	1 500	1 000
SERVICES	-	90	-	-	-	-	-	-	-	-	-	-	90	88	96
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	-	-	51	-	-	-	-	-	-	-	-	-	51	50	55
Capital single-year expenditure sub-total	2 051	8 608	4 988	4 618	4 043	2 228	7 845	5 048	850	2 580	15 935	4 046	62 839	74 262	97 572
Total Capital Expenditure	40 921	62 585	65 808	74 771	79 492	58 839	60 985	58 956	49 231	41 570	49 563	29 112	671 834	593 789	654 376

Table 60 MBRR SA29 - Budgeted monthly capital expenditure (functional classification)

Description R thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional															
<i>Governance and administration</i>	611	4 783	2 228	100	28	2 310	5 070	60	–	3 169	12 761	3 526	34 647	45 228	52 424
Executive and council	79	–	51	–	–	–	–	–	–	–	–	–	130	133	142
Finance and administration	532	4 783	2 177	100	28	2 310	5 070	60	–	3 169	12 761	3 526	34 517	45 096	52 282
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>	1 940	5 705	5 880	5 950	2 800	3 000	1 475	3 736	5 500	6 000	6 000	7 347	55 333	57 457	60 740
Community and social services	1 440	3 650	4 077	4 150	1 300	1 500	1 475	1 736	2 000	1 500	1 500	2 000	26 328	23 643	30 758
Sport and recreation	500	1 500	1 500	1 500	1 500	1 500	–	2 000	3 500	4 500	4 500	5 347	27 847	32 737	28 649
Public safety	–	555	303	300	–	–	–	–	–	–	–	–	1 158	1 077	1 333
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	870	17 420	24 990	20 305	19 650	17 270	25 837	14 817	15 057	7 500	4 190	2 111	170 016	117 855	128 515
Planning and development	–	90	–	–	–	–	500	500	1 000	1 000	–	–	3 090	88	96
Road transport	750	17 200	24 850	20 185	19 500	17 100	25 177	14 127	13 877	6 350	4 100	2 111	165 326	116 167	128 419
Environmental protection	120	130	140	120	150	170	160	190	180	150	90	–	1 600	1 600	–
<i>Trading services</i>	37 500	34 677	32 710	48 416	57 014	36 259	28 604	40 344	28 674	24 901	26 612	16 128	411 839	373 249	412 697
Energy sources	5 000	6 617	6 210	7 916	8 214	7 666	12 104	9 784	8 174	7 146	3 228	3 478	85 537	78 647	90 663
Water management	30 000	23 060	20 500	35 000	42 800	23 093	11 500	22 560	15 500	15 800	21 780	12 500	274 093	214 118	259 052
Waste water management	2 500	5 000	6 000	5 500	6 000	5 500	5 000	5 500	5 000	1 955	500	150	48 605	77 587	60 482
Waste management	–	–	–	–	–	–	–	2 500	–	–	1 104	–	3 604	2 896	2 500
Total Capital Expenditure - Functional	40 921	62 585	65 808	74 771	79 492	58 839	60 985	58 956	49 231	41 570	49 563	29 112	671 834	593 789	654 376
Funded by:															
National Government	2 500	11 910	18 000	20 500	27 550	20 000	19 600	20 023	12 500	13 184	8 580	4 511	178 857	139 789	159 376
Provincial Government	–	–	–	–	–	–	1 155	1 155	1 155	1 534	–	–	5 000	15 000	14 000
Transfers recognised - capital	2 500	11 910	–	20 500	27 550	20 000	20 755	21 178	13 655	14 717	8 580	4 511	183 857	154 789	173 376
Borrowing	35 000	25 407	20 000	30 000	30 000	16 593	–	–	–	–	–	–	157 000	143 000	154 000
Internally generated funds	3 421	25 268	27 808	24 271	21 942	22 246	40 230	37 778	35 575	26 853	40 983	24 601	330 977	296 000	327 000
Total Capital Funding	40 921	62 585	47 808	74 771	79 492	58 839	60 985	58 956	49 231	41 570	49 563	29 112	671 834	593 789	654 376

Table 61 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source															
Property rates	55 309	42 933	40 797	40 327	42 389	42 378	42 874	42 511	42 496	42 366	42 435	42 392	519 206	549 321	583 784
Service charges - electricity revenue	129 885	192 990	156 409	105 532	119 476	123 229	108 420	122 416	127 257	107 547	89 404	168 002	1 550 566	1 630 785	1 738 306
Service charges - water revenue	51 992	47 620	42 541	14 691	37 064	27 371	24 865	41 440	38 028	25 678	8 727	21 107	381 124	400 449	426 944
Service charges - sanitation revenue	9 247	7 547	8 503	8 587	8 148	8 985	9 483	8 978	9 077	8 972	9 175	8 555	105 257	111 369	117 387
Service charges - refuse revenue	9 489	9 708	9 890	9 415	4 541	9 857	8 497	9 676	9 649	7 972	9 655	9 703	108 052	114 366	120 571
Rental of facilities and equipment	1 090	1 071	578	638	1 291	723	654	1 223	1 119	1 276	509	990	11 164	11 699	12 261
Interest earned - external investments	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	5 250	63 000	65 000	67 000
Interest earned - outstanding debtors	8	6	7	8	7	9	11	11	12	13	12	11	114	120	125
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	599	867	466	437	1 915	585	720	1 188	896	699	1 176	1 050	10 597	11 143	11 702
Licences and permits	–	578	277	318	228	255	349	338	233	167	364	299	3 407	3 570	3 742
Agency services	65	885	523	458	460	452	589	517	454	376	625	567	5 970	6 257	6 557
Transfers and Subsidies - Operational	162 717	3 670	17 030	–	1 925	138 801	–	1 283	99 218	–	–	–	424 643	456 492	496 649
Other revenue	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 096	29 940	64 008	69 529	74 249
Cash Receipts by Source	428 748	316 221	285 367	188 760	225 791	360 993	204 810	237 928	336 783	203 413	170 428	287 867	3 247 108	3 430 100	3 659 277
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	40 869	2 500	–	2 000	8 000	58 304	1 000	14 500	56 684	–	–	–	183 857	154 789	173 376
Borrowing long term/refinancing	–	237 000	–	–	–	–	–	–	–	–	–	–	237 000	142 964	84 036
Total Cash Receipts by Source	469 617	555 721	285 367	190 760	233 791	419 297	205 810	252 428	393 468	203 413	170 428	287 867	3 667 965	3 727 852	3 916 689

Table MBRR SA30 - Budgeted monthly cash flow (continued)

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Payments by Type															
Employee related costs	77 931	77 926	77 785	78 023	77 784	82 831	77 784	80 105	77 776	77 776	77 776	103 549	967 045	1 013 391	1 065 264
Remuneration of councillors	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 833	34 026	35 728	37 516
Finance charges	–	–	–	–	–	39 099	–	–	–	–	–	40 845	79 943	82 762	84 491
Bulk purchases - Electricity	112 137	112 043	69 493	75 499	74 816	72 200	75 868	74 733	79 889	85 402	91 295	105 222	1 028 596	1 082 083	1 147 008
Bulk purchases - Water & Sewer	9 800	9 027	8 781	8 798	8 445	9 020	9 200	9 559	8 784	9 838	9 879	9 289	110 420	114 836	120 349
Other materials	10 076	13 633	14 601	10 102	10 566	14 113	11 585	9 907	13 989	11 806	10 420	13 043	143 840	150 606	145 744
Contracted services	15 176	21 484	23 911	24 790	22 573	28 644	24 352	29 478	28 197	25 816	22 315	23 089	289 827	300 388	307 803
Transfers and grants - other	1 283	289	6 750	234	809	1 432	1 019	93	465	93	634	677	13 778	14 329	15 007
Other expenditure	21 456	14 530	21 368	17 995	16 255	15 200	16 267	18 241	25 861	15 977	15 663	17 001	215 814	226 990	227 544
Cash Payments by Type	250 694	251 768	225 525	218 275	214 083	265 374	218 911	224 952	237 798	229 544	230 817	315 547	2 883 289	3 021 114	3 150 726
Other Cash Flows/Payments by Type															
Capital assets	40 159	56 823	60 046	69 010	73 730	55 078	55 224	58 195	48 469	41 354	49 414	55 193	662 695	604 125	646 838
Repayment of borrowing	–	–	–	–	–	49 040	–	–	–	–	–	47 009	96 048	104 180	108 129
Total Cash Payments by Type	290 853	308 592	285 571	287 285	287 814	369 491	274 135	283 146	286 267	270 898	280 231	417 749	3 642 032	3 729 419	3 905 693
NET INCREASE/(DECREASE) IN CASH HELD	178 764	247 129	(204)	(96 526)	(54 023)	49 806	(68 325)	(30 718)	107 201	(67 485)	(109 803)	(129 882)	25 933	(1 567)	10 996
Cash/cash equivalents at the month/year begin:	341 349	520 113	767 242	767 038	670 512	616 489	666 295	597 970	567 252	674 453	606 968	497 164	341 349	367 282	365 715
Cash/cash equivalents at the month/year end:	520 113	767 242	767 038	670 512	616 489	666 295	597 970	567 252	674 453	606 968	497 164	367 282	367 282	365 715	376 711

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 62 MBRR SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Total Contract Value
	Total	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Expenditure Obligation By Contract													
Anti Virus renewal (Secure Data)	199	72	76	79	83	89	95	102	109	117	125	134	1 281
Audio-visual SLA (AviPRO)	45	18	19	21	22	24	26	28	30	33	35	38	338
Audio-visual SLA (Omega Digital)	76	27	29	30	32	34	36	39	42	44	48	51	487
CCTV (Intellisec)	–	16	17	18	20	21	23	25	27	29	31	33	258
Civil Designer (Articpoint)	840	323	348	376	406	439	474	512	553	597	645	696	6 208
Electrical pre-payment hosting and support (ONTEC)	2 385	864	907	953	1 000	1 070	1 145	1 225	1 311	1 403	1 501	1 606	15 370
ESRI Enterprise Agreement/ SLA	3 265	1 183	1 242	1 304	1 369	1 465	1 568	1 677	1 795	1 921	2 055	2 199	21 043
ESS (Sysman)	355	118	128	–	–	–	–	–	–	–	–	–	601
Fibre & UTP infrastructure maint. (panel of 5)	600	1 000	1 080	1 166	1 260	1 360	1 469	1 587	1 714	1 851	1 999	2 159	17 245
Financial System - Income (Fujitsu Services (Pty.) Ltd)	3 685	801	841	908	–	–	–	–	–	–	–	–	6 235
Financial System - Expenditure (Intenda)	403	403	403	404	–	–	–	–	–	–	–	–	1 614
Hazchem (Vital Link)	100	26	28	30	33	35	38	41	45	48	52	56	533
HSEC (SARYX)	212	77	81	–	–	–	–	–	–	–	–	–	370
IMQS (Fixed Asset management)	–	1 285	1 290	1 300	1 404	1 516	1 638	1 769	1 910	2 063	2 228	2 406	18 809
Internet services: ADSL	138	50	53	55	58	62	66	71	76	81	87	93	889
Internet services: Fibre (Liquid Telecommunications)	386	210	221	232	243	260	278	298	319	341	365	390	3 543
Internet services: Fibre (Liquid Telecommunications)	222	121	127	133	140	150	160	171	183	196	210	224	2 036
Internet services: Least Cost Routing (Liquid Telecommunications)	594	323	339	356	374	400	428	458	490	525	561	601	5 450
LabWare LIMS	130	140	152	164	177	191	206	223	241	260	281	303	2 467
Micro Focus (Novell) - SITA	8 527	3 089	3 244	3 406	3 576	3 827	4 095	4 381	4 688	5 016	5 367	5 743	54 960
Microsoft Ireland	6 624	2 400	2 520	2 646	2 778	2 973	3 181	3 404	3 642	3 897	4 169	4 461	42 695
Network Infrastructure support SLA (Datacentrix)	2 632	877	947	1 023	1 105	1 194	1 289	1 392	1 504	1 624	1 754	1 894	17 235
PABX rental (Datacentrix)	5 212	2 833	2 974	3 123	3 279	3 509	3 754	4 017	4 298	4 599	4 921	5 266	47 786
Payroll & HR license (PAYDAY SOFTWARE SYSTEMS)	884	320	336	363	–	–	–	–	–	–	–	–	1 903
Printing/ printers - Altron Bytes	2 605	1 416	1 487	1 561	1 639	1 754	1 877	2 008	2 149	2 299	2 460	2 632	23 887
Printing/ printers - Bidvest Konica	1 192	648	680	714	750	803	859	919	983	1 052	1 126	1 205	10 931
Mariswe RuralRoad Projects 8/2/1/umh89	3 900	2 500	3 000	1 600	2 500	–	–	–	–	–	–	–	13 500
Ilifa Empangeni A Rank8/2/1/490	300	300	10 000	6 300	7 000	5 000	4 500	–	–	–	–	–	33 400
Total Parent Expenditure Implication	76 896	82 095	82 384	53 882	53 830	28 059	27 237	23 821	25 519	27 337	29 285	31 373	541 719

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

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	373 507	216 324	171 510	386 977	387 847	387 847	528 322	448 125	427 749
Roads Infrastructure	128 057	14 504	6 260	132 208	140 795	140 795	151 026	100 608	90 357
<i>Roads</i>	128 057	12 552	1 823	128 208	130 852	130 852	145 026	93 108	85 857
<i>Road Structures</i>	–	1 952	1 141	2 000	9 943	9 943	6 000	7 500	4 500
<i>Road Furniture</i>	–	–	3 295	2 000	–	–	–	–	–
Storm water Infrastructure	–	–	8 137	–	–	–	–	–	–
<i>Drainage Collection</i>	–	–	314	–	–	–	–	–	–
<i>Storm water Conveyance</i>	–	–	7 822	–	–	–	–	–	–
Electrical Infrastructure	69 444	19 188	44 196	72 124	39 185	39 185	71 937	65 040	54 777
<i>HV Substations</i>	–	–	–	500	437	437	–	–	–
<i>HV Transmission Conductors</i>	–	11 005	–	–	–	–	–	–	–
<i>MV Networks</i>	–	–	–	38 224	15 901	15 901	54 751	45 348	29 714
<i>LV Networks</i>	69 444	8 183	44 196	33 400	22 847	22 847	17 186	19 692	25 063

Table MBRR SA34a - Capital expenditure on new assets by asset class (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	373 507	216 324	171 510	386 977	387 847	387 847	528 322	448 125	427 749
Water Supply Infrastructure	91 257	69 794	45 725	136 940	139 395	139 395	247 093	208 118	211 246
Boreholes	–	–	178	–	–	–	–	–	–
Reservoirs	–	619	356	–	1 000	1 000	2 500	–	–
Pump Stations	–	–	58	–	–	–	–	–	–
Water Treatment Works	–	–	–	–	–	–	2 000	–	–
Bulk Mains	–	–	–	–	138	138	–	–	–
Distribution	91 257	61 926	41 258	133 940	134 257	134 257	239 593	205 118	208 246
Distribution Points	–	7 249	3 874	3 000	4 000	4 000	3 000	3 000	3 000
Sanitation Infrastructure	59 354	80 259	61 649	42 941	61 233	61 233	44 605	68 587	60 482
Pump Station	–	–	54	–	–	–	–	–	–
Reticulation	59 354	27 525	61 595	36 941	9 421	9 421	21 955	45 937	41 889
Waste Water Treatment Works	–	52 734	–	6 000	–	–	–	–	–
Outfall Sewers	–	–	–	–	51 812	51 812	22 650	22 650	18 594
Solid Waste Infrastructure	1 526	267	149	–	–	–	1 104	396	–
Waste Transfer Stations	1 526	267	149	–	–	–	1 104	396	–
Coastal Infrastructure	–	–	–	–	5 075	5 075	7 000	–	5 000
Sand Pumps	–	–	–	–	400	400	4 000	–	5 000
Piers	–	–	–	–	4 675	4 675	3 000	–	–
Information and Communication Infrastructure	23 869	32 312	5 395	2 764	2 164	2 164	5 558	5 376	5 888
Data Centres	23 869	32 312	5 395	2 264	2 164	2 164	5 558	5 376	5 888
Core Layers	–	–	–	500	–	–	–	–	–

Table MBRR SA34a - Capital expenditure on new assets by asset class (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class									
Community Assets	34 455	40 192	18 578	41 082	42 910	42 910	3 048	22 535	16 391
Community Facilities	14 254	32 778	10 830	13 019	18 735	18 735	3 048	2 975	7 391
Halls	4 542	206	4 174	–	11 319	11 319	–	–	1 071
Crèches	–	–	4 609	–	–	–	–	–	–
Clinics/Care Centres	464	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	5 910	6 688	–	–	–	–	–	–	150
Libraries	43	84	–	700	430	430	–	–	2 710
Cemeteries/Crematoria	219	–	–	–	–	–	–	–	–
Parks	–	–	1 697	1 000	–	–	–	–	200
Markets	3 074	–	–	11 319	1 595	1 595	–	–	–
Stalls	–	7 227	350	–	–	–	3 048	2 975	3 260
Taxi Ranks/Bus Terminals	–	18 573	–	–	5 391	5 391	–	–	–
Sport and Recreation Facilities	20 202	7 413	7 749	28 063	24 175	24 175	–	19 560	9 000
Indoor Facilities	–	–	–	–	8 243	8 243	–	–	–
Outdoor Facilities	20 202	7 413	7 749	28 063	15 932	15 932	–	19 560	9 000
Investment properties	–	–	239	–	–	–	–	–	–
Revenue Generating	–	–	239	–	–	–	–	–	–
Improved Property	–	–	239	–	–	–	–	–	–
Other assets	9 417	14 622	7 396	545	2 140	2 140	7 633	193	–
Operational Buildings	9 417	14 622	2 956	545	2 102	2 102	7 633	193	–
Municipal Offices	9 417	14 622	2 956	545	2 102	2 102	7 633	193	–
Housing	–	–	4 440	–	38	38	–	–	–
Staff Housing	–	–	4 440	–	38	38	–	–	–

Table MBRR SA34a - Capital expenditure on new assets by asset class (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>									
<u>Intangible Assets</u>	26 613	35 509	54 746	5 074	9 449	9 449	–	–	–
Servitudes	–	3 552	–	–	–	–	–	–	–
Licences and Rights	26 613	31 956	54 746	5 074	9 449	9 449	–	–	–
<i>Computer Software and Applications</i>	26 613	31 956	54 746	5 074	9 449	9 449	–	–	–
<u>Computer Equipment</u>	1 244	1 242	142	–	62	62	465	500	550
Computer Equipment	1 244	1 242	142	–	62	62	465	500	550
<u>Furniture and Office Equipment</u>	566	2 058	2 308	540	988	988	659	145	434
Furniture and Office Equipment	566	2 058	2 308	540	988	988	659	145	434
<u>Machinery and Equipment</u>	19 275	34 986	23 587	11 360	10 453	10 453	7 293	16 392	19 388
Machinery and Equipment	19 275	34 986	23 587	11 360	10 453	10 453	7 293	16 392	19 388
<u>Transport Assets</u>	12 277	22 638	12 251	15 383	24 961	24 961	500	–	–
Transport Assets	12 277	22 638	12 251	15 383	24 961	24 961	500	–	–
Total Capital Expenditure on new assets	477 354	367 571	290 756	460 960	478 810	478 810	547 920	487 890	464 512

Table 64 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	12 067	94 686	41 711	52 176	51 520	51 520	27 874	33 850	113 793
Roads Infrastructure	–	39 734	–	6 000	8 768	8 768	10 300	15 500	33 000
Roads	–	39 305	–	500	5 500	5 500	800	1 500	1 000
Road Structures	–	415	–	5 000	3 268	3 268	9 500	14 000	32 000
Road Furniture	–	14	–	500	–	–	–	–	–
Electrical Infrastructure	1 168	36 406	18 665	20 600	20 125	20 125	11 050	11 800	33 987
HV Substations	–	–	467	1 000	1 000	1 000	3 000	2 000	3 000
HV Switching Station	–	–	–	–	–	–	1 500	2 000	5 987
HV Transmission Conductors	–	9 713	938	12 500	9 827	9 827	1 500	3 000	10 000
MV Networks	–	8 108	310	2 500	2 728	2 728	4 477	2 000	12 000
LV Networks	1 168	18 585	16 950	4 600	6 570	6 570	573	2 800	3 000
Water Supply Infrastructure	10 899	12 383	22 347	10 000	9 700	9 700	4 000	4 000	45 806
Boreholes	–	–	192	–	–	–	–	–	–
Reservoirs	–	–	948	–	–	–	–	–	–
Bulk Mains	–	–	–	–	1 000	1 000	–	–	–
Distribution	10 899	12 129	7 797	10 000	8 700	8 700	–	–	41 806
Distribution Points	–	254	13 410	–	–	–	4 000	4 000	4 000
Sanitation Infrastructure	–	6 163	–	15 576	9 627	9 627	–	–	–
Pump Station	–	2 687	–	14 576	3 327	3 327	–	–	–
Reticulation	–	3 476	–	1 000	6 300	6 300	–	–	–

Table SA34b - Capital expenditure on the renewal of existing assets by asset class (continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	12 067	94 686	41 711	52 176	51 520	51 520	27 874	33 850	113 793
Coastal Infrastructure	–	–	–	–	–	–	1 600	1 600	–
Piers	–	–	–	–	–	–	1 600	1 600	–
Information and Communication Infrastructure	–	–	700	–	3 300	3 300	925	950	1 000
Data Centres	–	–	700	–	3 300	3 300	925	950	1 000
Community Assets	412	1 820	2 895	3 500	13 622	13 622	27 847	14 189	17 228
Community Facilities	412	1 432	2 690	2 300	12 422	12 422	–	2 429	3 457
Halls	412	1 140	2 282	2 000	9 408	9 408	–	2 429	1 000
Libraries	–	–	408	–	–	–	–	–	595
Cemeteries/Crematoria	–	–	–	–	2 645	2 645	–	–	1 862
Taxi Ranks/Bus Terminals	–	293	–	300	369	369	–	–	–
Sport and Recreation Facilities	–	387	204	1 200	1 200	1 200	27 847	11 760	13 771
Outdoor Facilities	–	387	204	1 200	1 200	1 200	27 847	11 760	13 771
Other assets	14 393	5 976	1 361	7 714	27 327	27 327	9 127	3 800	–
Operational Buildings	4 817	5 976	1 361	7 714	20 987	20 987	9 127	3 800	–
Municipal Offices	4 817	5 976	1 361	7 514	20 987	20 987	9 127	3 800	–
Depots	–	–	–	200	–	–	–	–	–
Housing	9 576	–	–	–	6 340	6 340	–	–	–
Staff Housing	9 576	–	–	–	–	–	–	–	–
Social Housing	–	–	–	–	6 340	6 340	–	–	–
Intangible Assets	–	–	–	–	13 964	13 964	828	857	900
Licences and Rights	–	–	–	–	13 964	13 964	828	857	900
Computer Software and Applications	–	–	–	–	13 964	13 964	828	857	900

Table SA34b - Capital expenditure on the renewal of existing assets by asset class (continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Computer Equipment	237	–	6 022	242	158	158	–	–	–
Computer Equipment	237	–	6 022	242	158	158	–	–	–
Furniture and Office Equipment	–	–	–	–	237	237	717	693	765
Furniture and Office Equipment	–	–	–	–	237	237	717	693	765
Machinery and Equipment	2 735	13 549	22 109	11 850	4 942	4 942	10 728	11 355	14 498
Machinery and Equipment	2 735	13 549	22 109	11 850	4 942	4 942	10 728	11 355	14 498
Transport Assets	711	–	–	–	–	–	13 293	17 716	22 000
Transport Assets	711	–	–	–	–	–	13 293	17 716	22 000
Total Capital Expenditure on renewal of existing assets	30 555	116 031	74 098	75 482	111 770	111 770	90 414	82 459	169 184
<i>Renewal of Existing Assets as % of total capex</i>	0.0%	23.2%	14.3%	12.6%	17.9%	17.9%	13.5%	13.9%	25.9%
<i>Renewal of Existing Assets as % of deprecn"</i>	8.7%	33.3%	15.7%	18.5%	25.3%	25.3%	19.1%	16.3%	30.9%

Table 65 MBRR SA34e – Capital expenditure on the upgrading of existing assets by asset class

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	–	6 967	111 395	50 750	23 664	23 664	25 000	9 000	–
Roads Infrastructure	–	3 356	66 684	3 400	–	–	–	–	–
<i>Roads</i>	–	3 356	66 684	3 400	–	–	–	–	–
Electrical Infrastructure	–	1 701	17 920	2 850	12 708	12 708	–	–	–
<i>HV Transmission Conductors</i>	–	–	6 693	–	–	–	–	–	–
<i>MV Switching Stations</i>	–	1 701	–	–	–	–	–	–	–
<i>MV Networks</i>	–	–	8 736	2 850	12 708	12 708	–	–	–
<i>LV Networks</i>	–	–	2 492	–	–	–	–	–	–
Water Supply Infrastructure	–	(2 880)	7 872	22 100	5 056	5 056	23 000	–	–
<i>Pump Stations</i>	–	–	–	–	–	–	14 000	–	–
<i>Water Treatment Works</i>	–	–	–	–	–	–	9 000	–	–
<i>Distribution</i>	–	(2 880)	7 872	22 100	5 056	5 056	–	–	–
Sanitation Infrastructure	–	4 261	16 935	17 000	4 500	4 500	2 000	9 000	–
<i>Pump Station</i>	–	–	840	1 700	–	–	–	–	–
<i>Reticulation</i>	–	2 279	16 095	6 300	–	–	–	–	–
<i>Waste Water Treatment Works</i>	–	1 982	–	9 000	4 500	4 500	2 000	9 000	–
Solid Waste Infrastructure	–	–	1 405	1 400	1 400	1 400	–	–	–
<i>Waste Transfer Stations</i>	–	–	1 405	1 400	1 400	1 400	–	–	–
Information and Communication Infrastructure	–	529	579	4 000	–	–	–	–	–
<i>Data Centres</i>	–	529	579	4 000	–	–	–	–	–

Table SA34e – Capital expenditure on the upgrading of existing assets by asset class (continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Community Assets	–	2 117	12 928	4 342	2 012	2 012	200	–	700
Community Facilities	–	301	10 796	1 330	–	–	200	–	–
Halls	–	(4)	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	200	–	–
Libraries	–	–	–	430	–	–	–	–	–
Cemeteries/Crematoria	–	305	–	900	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	10 796	–	–	–	–	–	–
Sport and Recreation Facilities	–	1 817	2 132	3 012	2 012	2 012	–	–	700
Outdoor Facilities	–	1 817	2 132	3 012	2 012	2 012	–	–	700
Investment properties	–	114	155	–	–	–	–	–	–
Revenue Generating	–	–	155	–	–	–	–	–	–
Improved Property	–	–	155	–	–	–	–	–	–
Non-revenue Generating	–	114	–	–	–	–	–	–	–
Improved Property	–	114	–	–	–	–	–	–	–
Other assets	–	7 000	27 348	5 999	2 650	2 650	8 300	14 439	19 980
Operational Buildings	–	7 000	27 348	5 999	2 650	2 650	8 300	14 439	19 980
Municipal Offices	–	7 000	27 348	5 999	2 650	2 650	8 300	14 439	19 980
Intangible Assets	–	–	–	–	1 300	1 300	–	–	–
Licences and Rights	–	–	–	–	1 300	1 300	–	–	–
Computer Software and Applications	–	–	–	–	1 300	1 300	–	–	–
Machinery and Equipment	–	721	–	–	2 700	2 700	–	–	–
Machinery and Equipment	–	721	–	–	2 700	2 700	–	–	–
Total Capital Expenditure on upgrading of existing assets	–	16 919	151 826	61 091	32 326	32 326	33 500	23 439	20 680
Upgrading of Existing Assets as % of total capex	0.0%	3.4%	29.4%	10.2%	5.2%	5.2%	5.0%	3.9%	3.2%
Upgrading of Existing Assets as % of deprecn"	0.0%	4.9%	32.1%	15.0%	7.3%	7.3%	7.1%	4.6%	3.8%

Table 66 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	247 665	302 041	318 005	486 649	481 050	481 050	521 179	546 816	565 195
Roads Infrastructure	75 976	69 391	87 406	98 921	110 976	110 976	117 534	123 348	126 370
<i>Roads</i>	75 976	68 537	87 406	84 484	75 633	75 633	80 066	84 020	85 759
<i>Road Structures</i>	–	–	–	4 207	11 308	11 308	11 999	12 597	13 116
<i>Road Furniture</i>	–	854	–	10 230	24 035	24 035	25 469	26 731	27 495
Storm water Infrastructure	–	40 209	–	39 930	38 930	38 930	36 795	38 600	40 165
<i>Drainage Collection</i>	–	4 489	–	13 208	15 976	15 976	16 837	17 655	18 378
<i>Storm water Conveyance</i>	–	35 720	–	26 722	22 954	22 954	19 959	20 945	21 787
Electrical Infrastructure	53 744	65 780	70 774	170 117	154 117	154 117	165 828	174 030	180 027
<i>HV Switching Station</i>	–	–	44 191	–	–	–	–	–	–
<i>HV Transmission Conductors</i>	–	9 357	–	52 087	52 087	52 087	7 144	7 487	7 536
<i>MV Substations</i>	–	–	–	4 625	1 759	1 759	5 202	5 452	5 563
<i>MV Networks</i>	7 911	32 882	26 583	72 712	72 580	72 580	124 484	130 667	135 804
<i>LV Networks</i>	45 833	23 541	–	40 693	27 691	27 691	28 999	30 425	31 124
Water Supply Infrastructure	81 723	92 452	–	109 014	109 014	109 014	123 010	129 008	133 857
<i>Boreholes</i>	–	–	–	–	494	494	512	532	554
<i>Water Treatment Works</i>	–	–	–	1 000	1 000	1 000	1 856	1 943	2 020
<i>Distribution</i>	81 723	92 452	–	103 536	103 536	103 536	116 467	122 162	127 065
<i>Distribution Points</i>	–	–	–	4 478	3 984	3 984	4 175	4 371	4 218
Sanitation Infrastructure	34 816	29 989	159 825	63 219	61 719	61 719	75 660	79 366	82 213
<i>Pump Station</i>	–	16 756	–	33 915	32 415	32 415	34 320	36 002	37 430
<i>Reticulation</i>	34 816	13 233	159 825	29 304	29 304	29 304	31 032	32 559	33 515
<i>Waste Water Treatment Works</i>	–	–	–	–	–	–	10 308	10 805	11 268
Rail Infrastructure	1 385	853	–	1 211	1 211	1 211	1 270	1 331	1 385
<i>Rail Lines</i>	1 385	853	–	1 211	1 211	1 211	1 270	1 331	1 385

Table MBRR SA34c - Repairs and maintenance expenditure by asset class (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class									
Coastal Infrastructure	–	–	–	1 030	1 030	1 030	1 082	1 133	1 179
<i>Piers</i>	–	–	–	1 030	1 030	1 030	–	–	–
<i>Revetments</i>	–	–	–	–	–	–	1 082	1 133	1 179
Information and Communication Infrastructure	21	3 369	–	3 208	4 053	4 053	–	–	–
<i>Data Centres</i>	21	3 369	–	3 208	4 053	4 053	–	–	–
Community Assets	59 882	73 421	68 308	112 239	94 276	94 276	100 095	105 075	109 393
Community Facilities	6 028	68 532	4 227	102 021	84 058	84 058	89 228	93 673	97 582
<i>Halls</i>	3 507	13 634	1 632	21 117	3 652	3 652	3 876	4 066	4 239
<i>Fire/Ambulance Stations</i>	78	146	105	392	392	392	416	437	457
<i>Museums</i>	140	–	6	–	–	–	–	–	–
<i>Libraries</i>	656	949	466	948	948	948	1 002	1 052	1 096
<i>Cemeteries/Crematoria</i>	1 640	2 451	2 018	3 905	3 837	3 837	4 066	4 267	4 354
<i>Police</i>	7	–	–	–	–	–	–	–	–
<i>Parks</i>	–	51 295	–	74 863	74 433	74 433	79 023	82 964	86 508
<i>Public Ablution Facilities</i>	–	58	–	752	752	752	799	839	876
<i>Taxi Ranks/Bus Terminals</i>	–	–	–	44	44	44	47	49	52
Sport and Recreation Facilities	53 854	4 888	64 081	10 218	10 218	10 218	10 867	11 402	11 811
<i>Outdoor Facilities</i>	53 854	4 888	64 081	10 218	10 218	10 218	10 867	11 402	11 811
Heritage assets	–	103	–	113	113	113	120	126	131
Historic Buildings	–	103	–	113	113	113	120	126	131

Table MBRR SA34c - Repairs and maintenance expenditure by asset class (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>									
<u>Other assets</u>	25 097	250	9 387	5 355	22 952	22 952	24 314	25 520	26 573
Operational Buildings	24 940	188	9 298	4 732	22 328	22 328	23 651	24 824	25 845
Municipal Offices	24 940	188	9 298	4 732	22 328	22 328	23 651	24 824	25 845
Housing	157	62	89	624	624	624	663	696	728
Social Housing	157	62	89	624	624	624	663	696	728
<u>Computer Equipment</u>	–	–	–	1 010	142	142	10 374	10 872	10 851
Computer Equipment	–	–	–	1 010	142	142	10 374	10 872	10 851
<u>Furniture and Office Equipment</u>	–	527	–	27	27	27	28	29	30
Furniture and Office Equipment	–	527	–	27	27	27	28	29	30
<u>Machinery and Equipment</u>	17 225	1 308	4 664	21 413	23 054	23 054	25 589	26 813	27 737
Machinery and Equipment	17 225	1 308	4 664	21 413	23 054	23 054	25 589	26 813	27 737
<u>Transport Assets</u>	29 954	39 474	42 525	55 793	55 693	55 693	58 967	61 880	63 515
Transport Assets	29 954	39 474	42 525	55 793	55 693	55 693	58 967	61 880	63 515
Total Repairs and Maintenance Expenditure	379 822	417 124	442 889	682 598	677 307	677 307	740 665	777 131	803 425
R&M as a % of PPE	7.3%	6.7%	7.1%	11.9%	10.6%	10.6%	11.2%	11.6%	11.8%
R&M as % Operating Expenditure	13.4%	15.1%	14.1%	21.1%	20.6%	20.6%	21.3%	21.2%	20.9%

Table 67 MBRR SA34d – Depreciation by asset class

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Depreciation by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	272 546	267 628	363 256	310 551	336 949	336 949	371 901	397 832	432 573
Roads Infrastructure	67 032	61 085	88 721	72 125	77 920	77 920	90 362	95 284	101 802
Roads	58 903	57 273	73 381	63 392	68 529	68 529	74 738	78 808	84 200
Road Structures	695	–	1 094	536	576	576	1 114	1 175	1 255
Road Furniture	7 434	3 812	14 247	8 197	8 815	8 815	14 511	15 301	16 348
Storm water Infrastructure	17 433	17 432	20 409	17 661	17 836	17 836	20 786	21 919	23 418
Drainage Collection	17 433	1 610	3 616	–	–	–	3 683	3 884	4 149
Storm water Conveyance	–	15 823	16 785	17 661	17 836	17 836	17 095	18 026	19 260
Attenuation	–	–	8	–	–	–	8	9	9
Electrical Infrastructure	29 590	30 053	23 885	41 832	49 784	49 784	25 240	29 301	34 677
HV Substations	–	4 923	11 164	8 858	10 423	10 423	11 781	13 631	16 082
HV Transmission Conductors	217	1 864	588	24 497	28 825	28 825	620	718	847
MV Substations	–	–	3 043	–	–	–	3 211	3 715	4 383
MV Switching Stations	982	20 665	–	1 351	1 589	1 589	–	–	–
MV Networks	18 225	9	6 053	945	1 112	1 112	6 387	7 390	8 718
LV Networks	10 167	2 592	3 038	6 182	7 836	7 836	3 240	3 847	4 648
Water Supply Infrastructure	111 157	111 558	114 750	132 062	135 944	135 944	118 006	127 770	140 977
Boreholes	41	–	99	–	–	–	879	3 217	6 507
Reservoirs	11 233	2 779	13 924	3 209	3 293	3 293	14 016	14 289	14 645
Pump Stations	–	9 552	127	–	–	–	130	139	151
Water Treatment Works	–	–	7 813	114 263	117 932	117 932	7 995	8 540	9 269
Bulk Mains	–	60 606	12 427	–	–	–	12 716	13 583	14 743
Distribution	99 626	281	80 360	14 590	14 720	14 720	82 271	88 003	95 662
Distribution Points	258	38 340	–	–	–	–	–	–	–

Table MBRR SA34d – Depreciation by asset class (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Depreciation by Asset Class/Sub-class</u>									
Sanitation Infrastructure	44 888	44 561	111 743	37 446	45 259	45 259	113 652	119 378	127 098
<i>Pump Station</i>	5 329	22 613	3 858	7 996	8 672	8 672	3 907	4 051	4 239
<i>Reticulation</i>	18 511	21 948	100 729	29 372	36 508	36 508	102 467	107 678	114 710
<i>Waste Water Treatment Works</i>	21 048	–	4 004	78	78	78	4 073	4 281	4 560
<i>Outfall Sewers</i>	–	–	3 151	–	–	–	3 205	3 368	3 588
Solid Waste Infrastructure	87	528	513	2 343	2 774	2 774	587	807	1 092
<i>Waste Transfer Stations</i>	87	528	11	2 343	2 774	2 774	587	807	1 092
<i>Waste Separation Facilities</i>	–	–	503	–	–	–	–	–	–
Rail Infrastructure	–	162	109	175	175	175	111	117	125
<i>Rail Lines</i>	–	162	109	175	175	175	111	117	125
Coastal Infrastructure	–	–	809	–	–	–	818	845	880
<i>Promenades</i>	–	–	809	–	–	–	818	845	880
Information and Communication Infrastructure	2 359	2 249	2 317	6 907	7 258	7 258	2 341	2 411	2 504
<i>Data Centres</i>	2 359	2 249	–	6 907	7 258	7 258	–	–	–
<i>Core Layers</i>	–	–	2 317	–	–	–	2 341	2 411	2 504
<u>Community Assets</u>	16 344	18 116	27 275	20 125	21 828	21 828	27 262	28 274	29 590
Community Facilities	6 769	7 888	14 294	6 330	7 456	7 456	14 097	14 557	15 157
<i>Halls</i>	1 419	1 517	14 294	2 724	2 903	2 903	3 141	3 258	3 410
<i>Centres</i>	146	–	–	–	–	–	–	–	–
<i>Crèches</i>	229	422	–	–	–	–	742	784	839
<i>Clinics/Care Centres</i>	183	130	–	–	–	–	–	–	–
<i>Fire/Ambulance Stations</i>	280	673	–	609	629	629	1 516	1 553	1 600
<i>Libraries</i>	871	867	–	1 205	1 952	1 952	1 360	1 413	1 481

Table MBRR SA34d – Depreciation by asset class (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Depreciation by Asset Class/Sub-class</u>									
<i>Cemeteries/Crematoria</i>	765	734	–	930	1 006	1 006	1 029	1 073	1 129
<i>Parks</i>	–	1 958	–	799	881	881	2 815	2 903	3 016
<i>Public Open Space</i>	1 865	–	–	–	–	–	–	–	–
<i>Public Ablution Facilities</i>	825	741	–	–	–	–	–	–	–
<i>Markets</i>	–	149	–	–	–	–	–	–	–
<i>Airports</i>	–	–	–	–	–	–	128	128	128
<i>Taxi Ranks/Bus Terminals</i>	186	697	–	64	84	84	3 366	3 447	3 553
Sport and Recreation Facilities	9 574	10 228	12 981	13 795	14 372	14 372	13 165	13 716	14 433
<i>Indoor Facilities</i>	13	–	–	–	–	–	–	–	–
<i>Outdoor Facilities</i>	9 562	10 228	12 981	13 795	14 372	14 372	13 165	13 716	14 433
<u>Investment properties</u>	746	746	534	168	177	177	539	552	568
Revenue Generating	–	–	534	–	–	–	–	–	–
<i>Improved Property</i>	–	–	534	–	–	–	–	–	–
Non-revenue Generating	746	746	–	168	177	177	539	552	568
<i>Improved Property</i>	746	746	–	168	177	177	539	552	568
<u>Other assets</u>	14 796	16 623	24 383	27 443	32 165	32 165	25 013	25 846	26 931
<i>Laboratories</i>	–	71	–	0	0	0	–	–	–
<i>Depots</i>	–	–	1 289	–	–	–	–	–	–
Housing	1 896	2 172	10 684	1 907	1 907	1 907	10 684	10 684	10 684
<i>Staff Housing</i>	–	–	1 504	–	–	–	1 504	1 504	1 504
<i>Social Housing</i>	1 896	2 172	9 180	1 907	1 907	1 907	9 180	9 180	9 180

Table MBRR SA34d – Depreciation by asset class (continued)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Depreciation by Asset Class/Sub-class</u>									
<u>Intangible Assets</u>	2 431	2 335	10 593	4 716	4 996	4 996	2 198	2 285	2 399
Licences and Rights	2 431	2 335	10 593	4 716	4 996	4 996	2 198	2 285	2 399
Computer Software and Applications	2 431	2 335	10 593	4 716	4 996	4 996	2 198	2 285	2 399
<u>Computer Equipment</u>	5 838	4 564	4 138	4 454	4 774	4 774	4 181	4 307	4 470
Computer Equipment	5 838	4 564	4 138	4 454	4 774	4 774	4 181	4 307	4 470
<u>Furniture and Office Equipment</u>	3 963	3 101	2 620	3 120	2 101	2 101	2 772	3 217	3 817
Furniture and Office Equipment	3 963	3 101	2 620	3 120	2 101	2 101	2 772	3 217	3 817
<u>Machinery and Equipment</u>	23 595	23 937	27 167	17 758	21 420	21 420	27 898	30 081	32 949
Machinery and Equipment	23 595	23 937	27 167	17 758	21 420	21 420	27 898	30 081	32 949
<u>Transport Assets</u>	12 130	11 510	12 691	20 196	16 969	16 969	12 810	13 166	13 629
Transport Assets	12 130	11 510	12 691	20 196	16 969	16 969	12 810	13 166	13 629
Total Depreciation	352 390	348 561	472 658	408 532	441 379	441 379	474 573	505 559	546 925

Table 68 MBRR SA35 - Future financial implications of the capital budget

Vote Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
Capital expenditure							
Vote 1 - CITY DEVELOPMENT	3 000	–	–	20 000	129 000	129 000	–
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	4 724	3 780	3 619	18 525	18 600	18 600	–
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	305	297	326	326	326	326	–
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	27 847	35 166	36 167	24 842	24 767	24 767	–
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	26 541	21 637	23 704	464	464	464	–
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	6 023	5 876	6 438	40 000	73 000	73 000	–
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	258	252	276	276	276	276	–
Vote 8 - FINANCIAL SERVICES	254	248	272	–	–	–	–
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	113 118	116 982	135 532	86 533	88 533	88 533	–
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	322 698	291 706	319 534	76 987	57 500	57 500	–
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	166 926	117 708	128 357	85 000	117 500	117 500	–
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	90	88	96	128 138	134 017	134 017	–
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	51	50	55	55	55	55	–
Total Capital Expenditure	671 834	593 789	654 376	481 146	644 038	644 038	–

Table MBRR SA35 - Future financial implications of the capital budget (continued)

Vote Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
Future operational costs by vote							
Vote 1 - CITY DEVELOPMENT	115 108	120 397	124 050	129 642	135 917	135 917	–
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	268 098	282 397	292 555	305 909	320 876	320 876	–
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	95 144	100 152	104 062	108 887	114 273	114 273	–
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	278 923	293 951	305 566	318 888	334 384	334 384	–
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	15 039	28 767	29 637	32 195	33 867	33 867	–
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	8 037	8 385	8 701	8 855	9 241	9 241	–
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	7 027	7 389	7 636	7 874	8 239	8 239	–
Vote 8 - FINANCIAL SERVICES	28 885	30 806	31 320	32 175	33 537	33 537	–
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	1 435 043	1 506 787	1 590 892	1 658 581	1 740 193	1 740 193	–
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	840 792	887 839	936 083	972 985	1 015 782	1 015 782	–
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	310 291	324 420	336 003	348 653	366 710	366 710	–
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	35 000	32 373	33 556	35 104	36 786	36 786	–
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	47 887	50 199	52 084	54 523	56 986	56 986	–
Total future operational costs	3 485 274	3 673 862	3 852 144	4 014 270	4 206 790	4 206 790	–

Table MBRR SA35 - Future financial implications of the capital budget (continued)

Vote Description R thousand	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
<u>Future revenue by source</u>							
Property rates	540 840	572 209	608 108	633 263	669 760	669 760	–
Service charges - electricity revenue	1 666 177	1 762 757	1 877 909	1 980 792	2 068 598	2 068 598	–
Service charges - water revenue	411 574	435 424	463 924	481 865	513 556	513 556	–
Service charges - sanitation revenue	111 886	118 360	124 742	130 976	136 875	136 875	–
Service charges - refuse revenue	117 414	124 224	130 933	137 479	143 666	143 666	–
Rental of facilities and equipment	11 164	11 699	12 261	12 850	13 466	13 466	–
Interest earned - external investments	63 000	65 000	67 000	69 000	71 000	71 000	–
Interest earned - outstanding debtors	114	120	125	131	138	138	–
Fines, penalties and forfeits	10 597	11 143	11 702	12 272	12 848	12 848	–
Licences and permits	3 407	3 570	3 742	3 921	4 109	4 109	–
Agency services	5 970	6 257	6 557	6 872	7 202	7 202	–
Transfers and subsidies	424 643	456 492	496 649	496 162	494 649	494 649	–
Other revenue	64 008	69 529	74 249	79 298	84 701	84 701	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	183 857	154 789	173 376	140 486	143 016	143 016	–
Total future revenue	3 614 651	3 791 573	4 051 276	4 185 368	4 363 583	4 363 583	–
Net Financial Implications	542 457	476 077	455 244	310 049	487 244	487 244	–

Table 69 MBRR SA36 - Detailed capital budget per municipal vote

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2020/21 Medium Term Revenue & Expenditure Framework		
									Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Community and Social Services	DESIGN AND CONSTRUCTION OF SMME RETAIL PARKS (ESIKHALENI) - PHASE 1	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	STALLS	WHOLE OF MUNICIPALITY	3 048	2 975	3 260
	Community and Social Services	CONSTRUCTION PLANS FOR EMPANGENI BUSINESS HUB CONCEPT	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	2 863	–	–
	Community and Social Services	DISASTER MANAGEMENT BUILDING FURNITURE	New	Protect and enhance our environmental assets and natural resources	Spatial integration	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	220	–	–
	Community and Social Services	21 X 9MM PISTOLS (OVER MTREF YEARS)	New	Create a better South Africa and contribute to a better Africa and a better world	Growth	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	47	45	50
	Community and Social Services	EQUIPMENT FOR TRAFFIC	New	Create a better South Africa and contribute to a better Africa and a better world	Growth	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	155	–	–
	Community and Social Services	EQUIPMENT FOR TRAFFIC LICENSING	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	59	62
	Community and Social Services	DIGITAL RADIOS: TRAFFIC PATROL VEHICLES	New	Create a better South Africa and contribute to a better Africa and a better world	Growth	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	103	–	214
	Community and Social Services	DRAGER ALCO SHADOW CENTRE	New	Create a better South Africa and contribute to a better Africa and a better world	Growth	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	–	193	–
	Community and Social Services	COMPACTION : RICHARDS BAY AND ESIKHALENI CEMETERY	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	CEMETERIES/CREMETORIA	WHOLE OF MUNICIPALITY	–	–	900
	Community and Social Services	DEVELOPMENT: CREMATORIUM	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	CEMETERIES/CREMETORIA	WHOLE OF MUNICIPALITY	–	–	962
	Community and Social Services	LIGHTNING PROTECTION - ALL HALLS AND THUSONG CENTRES	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	HALLS	WHOLE OF MUNICIPALITY	–	–	700
	Community and Social Services	REPLACEMENT OF AIRCONS - ALL HALLS AND THUSONG CENTRES	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	HALLS	WHOLE OF MUNICIPALITY	–	–	371
	Community and Social Services	CONSTRUCTION OF DUMISANE MAKHAYE VILLAGE (WARD 9)- PHASE 1 - HALL	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	HALLS	9	–	1 429	–
	Community and Social Services	REFURBISHMENT OF AQUADENE HALL (WARD 26)	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	HALLS	26	–	1 000	1 000
	Community and Social Services	UPGRADE AND REFURBISHMENT OF ABULUTION FACILITIES - ALL HALLS AND THUSONG CENTRES	Upgrading	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	HALLS	WHOLE OF MUNICIPALITY	–	–	–
	Community and Social Services	ENSELENI LIBRARY - BUILDING EXTENSION	New	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	5	–	–	1 700
	Community and Social Services	AQUADENE LIBRARY - SLIDING DOOR	New	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	4	–	–	30
	Community and Social Services	AQUADENE LIBRARY - EMERGENCY EXIT DOOR	New	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	4	–	–	80
	Community and Social Services	7 LIBRARIES-DISABLED TOILETS	New	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	WHOLE OF MUNICIPALITY	–	–	300
	Community and Social Services	LIGHTNING PROTECTION - ALL LIBRARIES	New	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	WHOLE OF MUNICIPALITY	–	–	600
	Community and Social Services	NGWELEZANE LIBRARY -AIRCONDITIONERS	Renewal	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	28	–	–	100
	Community and Social Services	EMPANGENI LIBRARY -AIRCONDITIONERS	Renewal	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	9	–	–	200
	Community and Social Services	ESIKHALENI LIBRARY -AIRCONDITIONERS	Renewal	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	17	–	–	100
	Community and Social Services	BRACKENHAM LIBRARY -AIRCONDITIONERS	Renewal	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	4	–	–	65
	Community and Social Services	RICHARDS BAY LIBRARY -AIRCONDITIONERS	Renewal	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	3	–	–	65
	Community and Social Services	NTAMBANANA LIBRARY -AIRCONDITIONERS	Renewal	A diverse, socially cohesive society with a common national identity	Growth	COMMUNITY FACILITIES	LIBRARIES	33	–	–	65

Table SA36 - Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2020/21 Medium Term Revenue & Expenditure Framework		
									Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Community and Social Services	BUILDING & STRUCTURE REPAIR WORK	New	A diverse, socially cohesive society with a common national identity	Growth	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	WHOLE OF MUNICIPALITY	–	–	1 000
	Community and Social Services	ENSELENI LIBRARY - ISSUE DESK	New	A diverse, socially cohesive society with a common national identity	Growth	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	5	–	–	150
	Community and Social Services	ALL LIBRARIES- STAFF CHAIRS	New	A diverse, socially cohesive society with a common national identity	Growth	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	50
	Community and Social Services	EMPANGENI LIBRARY NOTICEBOARD	New	A diverse, socially cohesive society with a common national identity	Growth	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	9	–	–	15
	Community and Social Services	DIGITAL CAMERA	New	A diverse, socially cohesive society with a common national identity	Growth	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	10
	Community and Social Services	CASH REGISTERS - ALL LIBRARIES	New	A diverse, socially cohesive society with a common national identity	Growth	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	35
	Community and Social Services	AQUADENE LIBRARY COUCHES	New	A diverse, socially cohesive society with a common national identity	Growth	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	4	–	–	20
	Community and Social Services	RESCUE EQUIPMENT	Renewal	A diverse, socially cohesive society with a common national identity	Growth	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	681
	Community and Social Services	HIGH PRESSURE HOSE	Renewal	A diverse, socially cohesive society with a common national identity	Growth	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	592
	Community and Social Services	RICHARDS BAY CIVIC - AIRCON NEW INSTALLATIONS	New	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	2 000	–	–
	Community and Social Services	ALTON DEPOT - GENERATORS (SOLAR PANELS)	New	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	270	–	–
	Community and Social Services	ALTON DEPOT - CAR PORTS	New	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	300	–	–
	Community and Social Services	HLANGANANI OFFICES - FENCING	New	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	500	–	–
	Community and Social Services	EMPANGENI CIVIC 1 - LIGHTNING PROTECTION	New	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	100	–	–
	Community and Social Services	EMPANGENI CIVIC 2 - LIGHTNING PROTECTION	New	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	100	–	–
	Community and Social Services	RICHARDS BAY CIVIC - AIRCON COOLING TOWERS	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	650	–	–
	Community and Social Services	RICHARDS BAY CIVIC - FIRE EXTRACTION SYSTEM	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	2 227	–	–
	Community and Social Services	RICHARDS BAY CIVIC - REPLACEMENT OF FIRE DETECTION SYSTEM	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	500	–	–
	Community and Social Services	RICHARDS BAY CIVIC - REPLACEMENT OF LIFTS	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	1 300	1 300	–
	Community and Social Services	RICHARDS BAY CIVIC - REMOVE PARTITIONING	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	500	–	–
	Community and Social Services	RICHARDS BAY CIVIC - LIGHTNING PROTECTION	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	250	–	–
	Community and Social Services	EMPANGENI CIVIC - AIRCON	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	400	–	–
	Community and Social Services	EMPANGENI CIVIC 2 - REPLACEMENT OF LIFTS	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	1 300	–	–
	Community and Social Services	WESTERN DEPOT - FENCING	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	–	2 500	–
	Community and Social Services	RENOVATIONS TO RICHARDS BAY CIVIC CENTRE	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	–	–	–

Table SA36 - Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2020/21 Medium Term Revenue & Expenditure Framework		
									Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Community and Social Services	RENOVATIONS TO NGWELEZANE MULTI-PURPOSE CENTRE	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	–	14 439	1 561
	Community and Social Services	RENOVATIONS TO VULINDLELA MULTI-PURPOSE CENTRE	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	–	–	3 419
	Community and Social Services	RENOVATIONS TO NSELENI MULTI-PURPOSE CENTRE	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	–	–	15 000
	Community and Social Services	DESIGN & DRAWINGS - RENOVATIONS TO EMPANGENI CIVIC 1 & 2	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	2 500	–	–
	Community and Social Services	RENOVATIONS TO EMPANGENI CIVIC 1 & 2	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	–	–	–
	Community and Social Services	RICHARDS BAY CIVIC - STRUCTURAL REPAIRS	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	2 500	–	–
	Community and Social Services	ALTON DEPOT - FENCING	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	3 300	–	–
	Community and Social Services	RURAL ROADS OFFICES	New	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	WHOLE OF MUNICIPALITY	1 500	–	–
	Community and Social Services	UPGRADE OF PUBLIC ABUTMENT FACILITIES	Upgrading	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COMMUNITY FACILITIES	PUBLIC ABUTMENT FACILITIES	WHOLE OF MUNICIPALITY	–	–	–
	Administration and Corporate support	FURNITURE: 9 X SWIVEL AND TILT CHAIRS	New	A skilled and capable workforce to support an inclusive growth path	Governance	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	32	34	35
	Administration and Corporate support	REPLACEMENT OF OFFICE EQUIPMENT	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	322	307	342
	Energy Sources	INSTALLATION OF APN CONNECTIVITY SYSTEM	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	LICENCES AND RIGHTS	COMPUTER SOFTWARE AND APPLICATIONS	WHOLE OF MUNICIPALITY	828	857	900
	Energy Sources	FURNITURE FOR ELECTRICAL SERVICES	New	A skilled and capable workforce to support an inclusive growth path	Governance	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	298	–	–
	Energy Sources	132 kV STATION REFURBISHMENT	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	HV SUBSTATIONS	WHOLE OF MUNICIPALITY	1 000	–	–
	Energy Sources	132/11KV POLARIS SUBSTATION REFURBISHMENT	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	HV SUBSTATIONS	WHOLE OF MUNICIPALITY	1 000	2 000	–
	Energy Sources	132/11KV POLARIS SUBSTATION REFURBISHMENT	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	HV SUBSTATIONS	WHOLE OF MUNICIPALITY	–	–	3 000
	Energy Sources	132/11KV SCORPIO SUBSTATION REFURBISHMENT	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	HV SUBSTATIONS	WHOLE OF MUNICIPALITY	1 000	–	–
	Energy Sources	132/11KV 30MVA CYGNUS TRANSFORMER INSTALLATION	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	HV SWITCHING STATION	WHOLE OF MUNICIPALITY	–	–	5 987
	Energy Sources	132/11KV 30MVA CYGNUS TRANSFORMER INSTALLATION	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	HV SWITCHING STATION	WHOLE OF MUNICIPALITY	1 500	2 000	–
	Energy Sources	132KV OIL FILLED CABLES IN THE SOUTH DUNES BETWEEN HYDRA AND CAPELLA SUBSTATIONS	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	HV TRANSMISSION CONDUCTORS	WHOLE OF MUNICIPALITY	–	–	10 000
	Energy Sources	132KV OIL FILLED CABLES IN THE SOUTH DUNES BETWEEN HYDRA AND CAPELLA SUBSTATIONS	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	HV TRANSMISSION CONDUCTORS	WHOLE OF MUNICIPALITY	1 500	3 000	–
	Energy Sources	REPLACEMENT OF NON-ENERGY EFFICIENT ELECTRICAL EQUIPMENT (EEDS)	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	LV NETWORKS	WHOLE OF MUNICIPALITY	5 000	7 000	6 000
	Energy Sources	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	LV NETWORKS	15-19,30	6 000	7 000	–
	Energy Sources	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	LV NETWORKS	15-19,30	–	–	8 000
	Energy Sources	INSTALLATION OF STREETLIGHTING IN VARIOUS AREAS	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	LV NETWORKS	WHOLE OF MUNICIPALITY	1 186	692	–

Table SA36 - Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2020/21 Medium Term Revenue & Expenditure Framework		
									Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Energy Sources		INSTALLATION OF STREETLIGHTING IN VARIOUS AREAS	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	LV NETWORKS	WHOLE OF MUNICIPALITY	–	–	1 052
Energy Sources		ENERGY SAVING INITIATIVE	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	LV NETWORKS	WHOLE OF MUNICIPALITY	5 000	5 000	10 011
Energy Sources		AQUADENE DEVELOPMENT	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	MV NETWORKS	WHOLE OF MUNICIPALITY	6 429	7 003	7 423
Energy Sources		NEW HOUSING DEVELOPMENTS ELECTRIFICATION (INEP)	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	MV NETWORKS	WHOLE OF MUNICIPALITY	–	–	8 000
Energy Sources		ELECTRIFICATION OF EMPANGENI MEGA HOUSE PROJECT PHASE 1	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	MV NETWORKS	WHOLE OF MUNICIPALITY	10 407	38 345	14 291
Energy Sources		ELECTRIFICATION OF EMPANGENI MEGA HOUSE PROJECT PHASE 1	New	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	MV NETWORKS	WHOLE OF MUNICIPALITY	37 915	–	–
Energy Sources		MV ELECTRICAL NETWORK REFUBISHMENT	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	MV NETWORKS	WHOLE OF MUNICIPALITY	–	36	12 000
Energy Sources		MV ELECTRICAL NETWORK REFUBISHMENT	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	MV NETWORKS	WHOLE OF MUNICIPALITY	4 477	1 964	–
Energy Sources		TOOLS FOR ELECTRICAL SERVICES	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	500	–	–
Energy Sources		JOHN ROSS/EMPANGENI MAIN ROAD STREETLIGHTING INSTALLATION	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	ELECTRICAL INFRASTRUCTURE	LV NETWORKS	WHOLE OF MUNICIPALITY	573	2 800	3 000
Energy Sources		INSTALLATION OF TELECOMMUNICATION NETWORK FOR ENTIRE COU	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	DATA CENTRES	WHOLE OF MUNICIPALITY	925	950	1 000
Executive and Council		FURNITURE - OFFICE OF MUNICIPAL MANAGER	Renewal	Responsive, accountable, effective and efficient local government	Governance	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	51	50	55
Mayor and Council		OFFICE FURNITURE FOR WARD COUNCILLORS	New	A skilled and capable workforce to support an inclusive growth path	Governance	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	79	83	87
Finance and Administration		REFUSE TRUCKS	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	8 000	8 632	9 981
Finance and Administration		HUMAN RESOURCES TRAINING AND INDUSTRIAL RELATIONS OFFICE FURNITURE	New	Quality basic education	Governance	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	30	29	32
Finance and Administration		OCCUPATIONAL HEALTH CLINIC EQUIPMENT	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	228	223	244
Finance and Administration		NEW & REPLACEMENT OF IT RELATED EQUIPMENT	New	Responsive, accountable, effective and efficient local government	Governance	COMPUTER EQUIPMENT	COMPUTER EQUIPMENT	WHOLE OF MUNICIPALITY	465	500	550
Finance and Administration		RADIO NETWORK UPGRADE	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	CORE LAYERS	WHOLE OF MUNICIPALITY	–	–	–
Finance and Administration		FIBRE INTRUSION DETECTION AND PROTECTION	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	CORE LAYERS	WHOLE OF MUNICIPALITY	–	–	–
Finance and Administration		FIBRE REDUNDANCY: NTAMBANANA	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	CORE LAYERS	WHOLE OF MUNICIPALITY	–	–	–
Finance and Administration		FIBRE REDUNDANCY: eSIKHALENI	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	CORE LAYERS	WHOLE OF MUNICIPALITY	–	–	–
Finance and Administration		FIBRE REDUNDANCY: RBAY TO EMPANGENI	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	CORE LAYERS	WHOLE OF MUNICIPALITY	–	–	–
Finance and Administration		FIBRE REDUNDANCY: RBAY TO ALKANTSTRAND	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	CORE LAYERS	WHOLE OF MUNICIPALITY	–	–	–
Finance and Administration		FIBRE: IDZ - ICT HUB	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	CORE LAYERS	WHOLE OF MUNICIPALITY	–	–	–
Finance and Administration		DATA POINTS NEW / ADDITIONAL	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	DATA CENTRES	WHOLE OF MUNICIPALITY	58	37	39

Table SA36 - Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2020/21 Medium Term Revenue & Expenditure Framework		
									Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Finance and Administration	NETWORK INFRASTRUCTURE UPGRADE	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	DATA CENTRES	WHOLE OF MUNICIPALITY	5 500	876	2 849
	Finance and Administration	PUBLIC WIFI	New	Responsive, accountable, effective and efficient local government	Governance	INFORMATION AND COMMUNICATION INFRASTRUCTURE	DATA CENTRES	WHOLE OF MUNICIPALITY	–	4 463	3 000
	Finance and Administration	REPLACEMENT VEHICLES	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	TRANSPORT ASSETS	TRANSPORT ASSETS	WHOLE OF MUNICIPALITY	13 293	17 716	–
	Finance and Administration	REPLACEMENT VEHICLES	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	TRANSPORT ASSETS	TRANSPORT ASSETS	WHOLE OF MUNICIPALITY	–	–	21 000
	Finance and Administration	REPLACEMENT EQUIPMENT ALL FS SECTIONS	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	254	248	272
	Finance and Administration	REPLACEMENT OF FURNITURE FOR ENGINEERING SERVICES	Renewal	Decent employment through inclusive growth	Growth	FURNITURE AND OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	WHOLE OF MUNICIPALITY	90	88	96
	Finance and Administration	ASSET MANAGEMENT SOFTWARE	New	Responsive, accountable, effective and efficient local government	Governance	LICENCES AND RIGHTS	COMPUTER SOFTWARE AND APPLICATIONS	WHOLE OF MUNICIPALITY	–	–	–
	Finance and Administration	3 x 10 TON TIPPER TRUCK (1 PER YEAR)	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	1 500	1 500	1 500
	Finance and Administration	3 X TLB 4 X 4 (URBAN WATER & SANITATION) PER YEAR	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	4 288	4 288	4 288
	Finance and Administration	1 X 10 TON TRUCK 4X4 JETTING MACHINE PER YEAR	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	1 500	1 500
	Finance and Administration	1 X 3TON 4X4 HONEYSUCKER PER YEAR	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	2 000	2 000
	Finance and Administration	1 X 10TON 4X4 SUPERSUCKER PER YEAR	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	2 699	3 000
	Finance and Administration	1 X DOUBLE CAB 4X4 WITH CANOPY AND EXTRA'S	New	A skilled and capable workforce to support an inclusive growth path	Governance	TRANSPORT ASSETS	TRANSPORT ASSETS	WHOLE OF MUNICIPALITY	500	–	–
	Planning and Development	DESIGNS AND PLANS FOR NEWARK BEACH AREA	New	Decent employment through inclusive growth	Growth	COASTAL INFRASTRUCTURE	PIERS	WHOLE OF MUNICIPALITY	3 000	–	–
	Planning and Development	ALLIENATION OF PROPERTIES	New	Decent employment through inclusive growth	Growth	LAND	LAND	WHOLE OF MUNICIPALITY	–	–	–
	Public Safety	LIGHTNING PROTECTION - FIRE STATIONS	New	Create a better South Africa and contribute to a better Africa and a better world	Growth	COMMUNITY FACILITIES	FIRE/AMBULANCE STATIONS	WHOLE OF MUNICIPALITY	–	–	150
	Public Safety	FIRE STATION :UPGRADING AND TILING OF CONTROL ROOM	Upgrading	Create a better South Africa and contribute to a better Africa and a better world	Growth	COMMUNITY FACILITIES	FIRE/AMBULANCE STATIONS	WHOLE OF MUNICIPALITY	200	–	–
	Public Safety	FIRE FIGHTING EQUIPMENT	New	Create a better South Africa and contribute to a better Africa and a better world	Growth	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	700	884	969
	Road Transport	MANDLAZINI - PHASE 1B	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY	13 100	–	–
	Road Transport	ENSELENI KWAKHOZA - PHASE 1	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY	6 361	18 332	–
	Road Transport	ESIKHALENI MKHWANAZI SOUTH - PHASE 1	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY	–	2 867	22 071
	Road Transport	NGWELEZANE MADLEBE PHASE 1	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY	–	–	400
	Road Transport	VULINDLELA MKHWANAZI NORTH PHASE 1	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY	–	–	–
	Road Transport	COASTAL EROSION PROTECTION	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	COASTAL INFRASTRUCTURE	SAND PUMPS	WHOLE OF MUNICIPALITY	4 000	–	5 000
	Road Transport	BUS SHELTERS & LAYBYES - ALL AREAS	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROAD STRUCTURES	4,5,7,8,18,23,27	1 000	1 000	1 000

Table SA36 - Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2020/21 Medium Term Revenue & Expenditure Framework		
									Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Road Transport	PEDESTRIAN BRIDGES	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROAD STRUCTURES	WHOLE OF MUNICIPALITY		4 000	5 000	2 000
Road Transport	TRAFFIC CALMING	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROAD STRUCTURES	3,7,16,19,23,26,27,28		500	500	500
Road Transport	WALKWAYS	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROAD STRUCTURES	WHOLE OF MUNICIPALITY		500	1 000	1 000
Road Transport	ANNUAL KERB REPLACEMENT CONTRACT	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROAD STRUCTURES	WHOLE OF MUNICIPALITY		500	2 000	1 000
Road Transport	ANNUAL WALKWAY REHABILITATION	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROAD STRUCTURES	WHOLE OF MUNICIPALITY		1 500	2 000	1 000
Road Transport	MZINGAZI/TUZI GAZI STEEL BRIDGE	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROAD STRUCTURES	WHOLE OF MUNICIPALITY		7 500	10 000	30 000
Road Transport	AQUADENE BULK SERVICES (ROADS & STORMWATER)	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY		28 000	1 300	–
Road Transport	ESIKHALENI INTERSECTION	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	14,16,21		3 285	11 109	24 886
Road Transport	ROADS RESEALING	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	1, 2, 3, 4, 6, 7, 8,9, 14,15,16, 17,18,19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 31		19 280	–	20 000
Road Transport	UPGRADE & NEW BULK SERVICES FOR DMV HOUSING	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY		7 000	–	–
Road Transport	UPGRADE & NEW BULK SERVICES FOR AQUADENE HOUSING	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY		7 000	–	–
Road Transport	UPGRADE & NEW BULK SERVICES FOR MEGA HOUSING	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY		1 500	–	–
Road Transport	DESIGN AND CONSTRUCTION OF CENTRAL INDUSTRIAL AREA LINK ROAD	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY		50 000	–	–
Road Transport	DESIGN AND CONSTRUCTION OF CENTRAL INDUSTRIAL AREA LINK ROAD	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY		–	57 000	–
Road Transport	DUNE ROAD CAPACITY INCREASE	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY		–	2 500	9 000
Road Transport	UPGRADE & SIGNALISE OF INTERSECTION WITHIN THE CITY OF UMHLATHUZE TASSELBERRY AND LIRA LINK	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	1		800	1 500	1 000
Coastal Protection	DETAIL DESIGN OF ALKANTSTRAND STAIRCASE	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	COASTAL INFRASTRUCTURE	PIERS	1		1 600	1 600	–
Roads - Rural Roads	SUSTAINABLE RURAL ROADS	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	ROADS INFRASTRUCTURE	ROADS	WHOLE OF MUNICIPALITY		9 500	–	9 500
Sport and Recreation	CONSTRUCTION OF NURSERY	New	A skilled and capable workforce to support an inclusive growth path	Governance	COMMUNITY FACILITIES	PARKS	WHOLE OF MUNICIPALITY		–	–	200
Sport and Recreation	NEW/UPGRD/RENOV TO RECREATION FACILITIES	New	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	WHOLE OF MUNICIPALITY		–	8 000	8 000
Sport and Recreation	IMPROVEMENTS / RENOVATIONS TO ESKHALENI POOL	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	WHOLE OF MUNICIPALITY		–	–	2 371
Sport and Recreation	NEW/UPGRD/RENOV TO RECREATION FACILITIES	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	WHOLE OF MUNICIPALITY		–	–	6 000
Sport and Recreation	KWADLANGEZWA SWIMMING POOL	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	30		27 847	11 760	–
Sport and Recreation	ENSELENI OUTDOOR GYM	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	5		–	–	3 400
Sport and Recreation	BRACKENHAM SPORTSFIELD UPGRADE	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	4		–	–	1 500

Table SA36 - Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2020/21 Medium Term Revenue & Expenditure Framework		
									Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Sport and Recreation	SPORT & RECREATION : OFFICE FURNITURE	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	WHOLE OF MUNICIPALITY	–	–	500
	Sport and Recreation	MADLEBE SPORT FIELD UPGRADE	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	6	–	–	700
	Sport and Recreation	CANOPIES FOR TRACTORS	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	400
	Sport and Recreation	RIDE ON MOWERS	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	1 217	3 000
	Sport and Recreation	VARIOUS SMALL MACHINERY (HORTICULTURE)	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	200	–
	Sport and Recreation	MACHINERY FOR SPORT FACILITIES MAINTENANCE	New	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	405
	Sport and Recreation	REPLACEMENT TRAILERS X 2	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	200
	Sport and Recreation	REPLACEMENT OF SLASHERS	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	–	–	300
	Sport and Recreation	PASSENGER CARRIER VEHICLES	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	TRANSPORT ASSETS	TRANSPORT ASSETS	WHOLE OF MUNICIPALITY	–	–	1 000
	Sport and Recreation	STADIUM MASTER PLAN AND CANVAS ROOFING	New	A skilled and capable workforce to support an inclusive growth path	Governance	RECREATIONAL FACILITIES	OUTDOOR FACILITIES	WHOLE OF MUNICIPALITY	–	11 560	–
	Waste Management	UPGRADING OF ALTON TRANSFER STATIONS	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	SOLID WASTE INFRASTRUCTURE	WASTE TRANSFER STATION	WHOLE OF MUNICIPALITY	1 104	396	–
	Waste Management	SKIPS	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	WHOLE OF MUNICIPALITY	2 500	2 500	2 500
	Waste Water Management	MANDLAZINI AGRI VILLAGE SEWER	New	A skilled and capable workforce to support an inclusive growth path	Governance	SANITATION INFRASTRUCTURE	OUTFALL SEWERS	WHOLE OF MUNICIPALITY	10 000	21 000	–
	Waste Water Management	EMPANGENI OUTFALL SEWER	New	A skilled and capable workforce to support an inclusive growth path	Governance	SANITATION INFRASTRUCTURE	OUTFALL SEWERS	WHOLE OF MUNICIPALITY	12 500	1 500	–
	Waste Water Management	MZINGAZI SEWER	New	A skilled and capable workforce to support an inclusive growth path	Governance	SANITATION INFRASTRUCTURE	OUTFALL SEWERS	WHOLE OF MUNICIPALITY	150	150	18 594
	Waste Water Management	RURAL SANITATION - VIP	New	A skilled and capable workforce to support an inclusive growth path	Governance	SANITATION INFRASTRUCTURE	RETICULATION	WHOLE OF MUNICIPALITY	21 955	45 937	41 889
	Waste Water Management	EMPANGENI UPGRADE OF WASTE WATER TREATMENT PLANT	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	SANITATION INFRASTRUCTURE	WASTE WATER TREATMENT WORKS	WHOLE OF MUNICIPALITY	–	–	–
	Waste Water Management	ARBORETUM UPGRADE OF WASTE WATER WORKS IN ELECTRICAL INFRASTRUCTURE	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	SANITATION INFRASTRUCTURE	WASTE WATER TREATMENT WORKS	WHOLE OF MUNICIPALITY	–	9 000	–
	Waste Water Management	SECURITY FENCE FOR WASTE WATER TREATMENT WORKS	Upgrading	A skilled and capable workforce to support an inclusive growth path	Governance	SANITATION INFRASTRUCTURE	WASTE WATER TREATMENT WORKS	WHOLE OF MUNICIPALITY	2 000	–	–
	Waste Water Management	SECURITY FENCE FOR PUMPSTATIONS	Renewal	A skilled and capable workforce to support an inclusive growth path	Governance	OPERATIONAL BUILDINGS	MUNICIPAL BUILDINGS	1, 2, 3, 4	2 000	–	–
	Water Management	MKHWANAZI NORTH - ZONE U	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	11 500	1 000	–
	Water Management	MKHWANAZI NORTH - ZONE R	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	15 000	12 000	1 000
	Water Management	MKHWANAZI NORTH - ZONE B	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	500	–	15 000
	Water Management	MKHWANAZI NORTH - ZONE C	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	500	–	10 000
	Water Management	MKHWANAZI NORTH - ZONE S	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	–	–	–

Table SA36 - Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2020/21 Medium Term Revenue & Expenditure Framework		
									Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Water Management	MKHWANAZI NORTH - ZONE G	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	–	–	–
	Water Management	MKHWANAZI NORTH - ZONE J	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	–	–	–
	Water Management	MKHWANAZI NORTH - ZONE Z	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	–	–	–
	Water Management	MKHWANAZI NORTH - ZONE S	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	–	–	–
	Water Management	NTAMBANANA WATER RETICULATION	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	31, 32, 33, 34	146 593	104 618	69 746
	Water Management	REDUCTION OF NON-REVENUE (WSIG)	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	10 000	15 000	15 000
	Water Management	MEERENSEEPIPE REPLACEMENT (WSIG) (PHASE I)	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	1, 2, 3, 4	5 000	–	–
	Water Management	VELDENVEI PIPE REPLACEMENT (WSIG) (PHASE I)	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	2, 3, 4, 5	10 000	15 000	20 000
	Water Management	EMPEMBENI BULK AND RETICULATION	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	13,14	40 000	57 000	77 000
	Water Management	200 STATIC TANKS	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	500	500	500
	Water Management	REPLACEMENT OF KHOZA PUMPING LINE	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	–	–	21 075
	Water Management	REPLACEMENT OF KHOZA PUMPING LINE	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	–	–	8 925
	Water Management	REPLACEMENT OF LINE MANDLAZINI RESERVOIR TO NSELENI PUMPSTATION	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION	WHOLE OF MUNICIPALITY	–	–	11 806
	Water Management	NEW WATER METERS	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION POINTS	WHOLE OF MUNICIPALITY	3 000	3 000	3 000
	Water Management	REPLACEMENT BULK WATER METERS	Renewal	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	DISTRIBUTION POINTS	WHOLE OF MUNICIPALITY	4 000	4 000	4 000
	Water Management	PIERCE CRESCENT UPGRADE OF WATER PUMPSTATION ELECTRICAL INFRASTRUCTURE	Upgrading	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	PUMP STATION	WHOLE OF MUNICIPALITY	7 500	–	–
	Water Management	NSELENI UPGRADE OF WATER PUMPSTATION ELECTRICAL INFRASTRUCTURE	Upgrading	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	PUMP STATION	WHOLE OF MUNICIPALITY	6 500	–	–
	Water Management	EMPEMBENI RESERVOIR	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	RESERVOIRS	13,14,15	2 500	–	–
	Water Management	SECURITY FENCE FOR WATER TREATMENT WORKS	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	WATER TREATMENT WORKS	23	2 000	–	–
	Water Management	NGWELEZANE MADLEBE RESERVOIR UPGRADE OF WATER WORKS ELECTRICAL INFRASTRUCTURE	Upgrading	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	WATER TREATMENT WORKS	WHOLE OF MUNICIPALITY	5 000	–	–
	Water Management	VULINDLELA UPGRADE OF WATER WORKS IN ELECTRICAL INFRASTRUCTURE	Upgrading	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	WATER SUPPLY INFRASTRUCTURE	WATER TREATMENT WORKS	WHOLE OF MUNICIPALITY	4 000	–	–
	Water Management	TOOLS FOR WATER AND SANITATION	New	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	MACHINERY AND EQUIPMENT	MACHINERY AND EQUIPMENT	23	–	2 000	2 000
Total Capital expenditure									671 834	593 789	654 376

Table 70 MBRR SA37 - Projects delayed from previous financial year

R thousand Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Previous target year to complete	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework		
											Original Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality: None															

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 five 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 2020/21 MTREF in May 2020 directly aligned and informed by the 2020/21 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 71 MBRR SA1 - Supporting detail to budgeted financial performance

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
REVENUE ITEMS:									
<u>Property rates</u>									
Total Property Rates	400 906	494 790	549 790	590 872	580 719	580 719	615 561	651 264	651 264
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	3 212	52 129	72 652	70 492	70 492	70 492	74 721	79 055	43 156
Net Property Rates	397 694	442 661	477 138	520 380	510 227	510 227	540 840	572 209	608 108
<u>Service charges - electricity revenue</u>									
Total Service charges - electricity revenue	1 517 070	1 294 708	1 452 467	1 582 687	1 581 287	1 581 287	1 676 058	1 773 130	1 888 798
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>	267	4 776	144 736	8 084	8 084	8 084	8 489	8 913	9 359
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	921	921	1 173	1 278	1 278	1 278	1 393	1 460	1 530
Net Service charges - electricity revenue	1 515 882	1 289 012	1 306 558	1 573 324	1 571 924	1 571 924	1 666 177	1 762 757	1 877 909
<u>Service charges - water revenue</u>									
Total Service charges - water revenue	410 226	588 411	678 657	662 352	662 352	662 352	712 612	751 208	795 176
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>	3 071	121 226	131 997	141 237	141 237	141 237	148 299	155 714	163 499
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	69 858	89 055	128 948	132 816	132 816	132 816	152 739	160 070	167 753
Net Service charges - water revenue	337 297	378 129	417 712	388 299	388 299	388 299	411 574	435 424	463 924

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
REVENUE ITEMS:									
<u>Service charges - sanitation revenue</u>									
Total Service charges - sanitation revenue	102 751	97 684	119 582	128 656	133 156	133 156	142 009	149 939	157 846
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>	2 306	700	5 633	4 473	4 473	4 473	4 697	4 931	5 178
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	18 698	21 537	20 039	23 115	23 115	23 115	25 427	26 647	27 926
Net Service charges - sanitation revenue	81 747	75 447	93 910	101 068	105 568	105 568	111 886	118 360	124 742
<u>Service charges - refuse revenue</u>									
Total refuse removal revenue	91 826	119 452	109 829	138 847	136 347	136 347	145 467	153 628	161 752
Total landfill revenue	–	16	17	18	18	18	19	19	19
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>	1 671	1 192	1 612	1 710	1 710	1 710	1 796	1 885	1 980
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	16 271	20 182	23 192	23 887	23 887	23 887	26 276	27 537	28 859
Net Service charges - refuse revenue	73 883	98 095	85 042	113 268	110 768	110 768	117 414	124 224	130 933
<u>Other Revenue by source</u>									
<i>Fuel Levy</i>	–	–	–	–	–	–	–	–	–
<i>Insurance Refunds</i>	7 578	102	3 074	3 431	4 000	4 000	4 240	4 494	4 765
<i>Building Plan Approval/Clause Levy/Enroachment Fees</i>	1 141	699	1 299	1 008	858	858	858	899	943
<i>Cemetery And Burial</i>	465	433	462	483	483	483	507	531	556
<i>Clearance Certificates</i>	350	364	408	457	457	457	479	502	526
<i>Development Charges</i>	18 699	12 370	19 528	13 175	13 175	13 175	13 820	14 483	15 179
<i>Entrance Fees</i>	638	590	820	495	495	495	519	544	571
<i>Escort Fees</i>	417	287	435	328	328	328	344	361	378
<i>Fire Services</i>	461	443	532	564	364	364	381	400	419
<i>Housing Staff/Private</i>	1 488	1 470	1 294	1 352	1 352	1 352	1 418	1 486	1 557
<i>Photocopies and Faxes</i>	215	216	253	255	255	255	268	280	294
<i>Other Revenue</i>	82 148	182 370	34 245	13 938	13 935	13 935	41 173	45 548	49 062
Total 'Other' Revenue	113 599	199 346	62 351	35 484	35 700	35 700	64 008	69 529	74 249

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
EXPENDITURE ITEMS:									
<u>Employee related costs</u>									
Basic Salaries and Wages	384 809	420 996	449 379	482 711	499 226	499 226	536 078	558 826	586 692
Pension and UIF Contributions	65 171	83 174	76 943	95 731	88 936	88 936	109 102	114 491	120 222
Medical Aid Contributions	33 778	36 322	38 461	44 090	42 595	42 595	48 193	50 607	53 141
Overtime	44 375	45 654	50 992	66 803	62 182	62 182	70 917	74 465	78 192
Performance Bonus	1 660	1 301	1 944	2 822	2 916	2 916	2 259	2 416	2 537
Motor Vehicle Allowance	40 972	44 064	47 538	51 403	52 553	52 553	56 834	59 299	62 267
Cellphone Allowance	2 873	3 600	3 865	5 302	4 322	4 322	5 831	6 127	6 437
Housing Allowances	4 414	4 316	4 239	4 378	4 280	4 280	5 065	5 324	5 594
Other benefits and allowances	45 737	39 517	60 452	68 198	69 424	69 424	78 594	82 490	86 622
Payments in lieu of leave	14 954	16 232	18 167	31 402	26 653	26 653	39 569	41 629	43 715
Long service awards	194	156	430	161	391	391	950	998	1 047
Post-retirement benefit obligations	5 291	50 826	30 026	6 549	6 088	6 088	33 388	37 402	40 539
sub-total	644 228	746 160	782 436	859 550	859 564	859 564	986 781	1 034 073	1 087 004
<u>Less: Employees costs capitalised to PPE</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Employee related costs	644 228	746 160	782 436	859 550	859 564	859 564	986 781	1 034 073	1 087 004
<u>Contributions Recognised - Capital</u>									
List Contributions by contract	-	1 814	1 566	-	-	-	-	-	-
National Lotto - Sport Development	1 512	2 434	-	-	-	-	-	-	-
Business Against Crime Zululand CCTV Project	174	-	-	-	-	-	-	-	-
Total Contributions recognised - capital	1 686	4 248	1 566	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>									
Depreciation of Property, Plant & Equipment	352 389	348 561	472 658	408 532	441 379	441 379	474 573	505 559	546 925
Total Depreciation & asset impairment	352 389	348 561	472 658	408 532	441 379	441 379	474 573	505 559	546 925

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
EXPENDITURE ITEMS:									
<u>Bulk purchases</u>									
Electricity Bulk Purchases	1 075 471	828 444	855 160	990 263	990 263	990 263	1 028 596	1 082 083	1 147 008
Water Bulk Purchases	97 879	98 829	118 022	106 686	103 686	103 686	110 420	114 836	120 349
Total bulk purchases	1 173 350	927 274	973 182	1 096 949	1 093 949	1 093 949	1 139 016	1 196 920	1 267 357
<u>Transfers and grants</u>									
Cash transfers and grants	8 593	10 989	15 485	11 581	13 256	13 256	13 263	13 794	14 456
Non-cash transfers and grants	726	528	297	507	499	499	515	536	552
Total transfers and grants	9 319	11 517	15 782	12 087	13 755	13 755	13 778	14 329	15 007
<u>Contracted services</u>									
Artists and Performers	1 007	–	61	185	396	396	414	429	425
Catering Services	5 172	5 194	5 760	6 181	6 255	6 255	6 603	6 799	6 927
Fire Protection	175	–	314	357	327	327	343	357	349
Safeguard And Security	47 803	59 946	60 558	38 546	48 577	48 577	52 038	53 859	55 744
Stage And Sound Crew	167	255	426	364	498	498	510	530	537
Alien Vegetation Control	–	2 052	1 901	2 149	1 949	1 949	1 974	2 069	1 974
Burial Services	692	866	750	700	700	700	735	761	788
Occupational Health And Safety	–	–	563	557	557	557	577	600	624
Quality Control	–	–	488	456	306	306	322	337	322
Cleaning Services	2 805	3 582	3 701	3 671	5 348	5 348	5 903	6 186	6 126
Connections/Disconnections Electricity	2 864	173	326	473	473	473	473	492	507
Connections/Disconnections Water	4 809	6 976	6 144	9 522	9 645	9 645	10 055	10 107	10 410

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
EXPENDITURE ITEMS:									
<u>Contracted services</u>									
<i>Internal Auditors</i>	3 543	10 352	8 320	3 762	3 762	3 762	3 762	3 942	4 132
<i>Meter Management</i>	4 893	6 325	7 323	7 723	8 671	8 671	9 775	10 069	10 093
<i>Sewerage Services</i>	93 739	57 975	74 560	90 057	69 888	69 888	1 035	1 076	1 116
<i>Traffic Fine Management</i>	373	51	1 344	415	415	415	436	451	436
<i>Business And Advisory Project Management</i>	5 126	18 395	22 568	6 509	27 225	27 225	21 885	22 017	22 898
<i>Consultants And Professional Services Town Planner</i>	1 854	3 002	1 827	3 373	3 009	3 009	3 159	3 311	3 028
<i>Consultants And Professional Services Laboratory Services Water</i>	6 540	7 476	4 001	5 821	4 996	4 996	9 397	9 678	9 657
<i>Consultants and Professional Services Research and Advisory</i>	3 212	3 065	2 426	13 315	14 278	14 278	9 649	10 035	9 759
<i>Consultants and Professional Services Valuer and Assessors</i>	1 445	2 077	2 394	1 936	4 803	4 803	644	698	493
<i>Consultants and Professional Services Legal Advice and Litigation</i>	2 414	8 384	13 501	6 299	21 199	21 199	6 614	6 746	6 864
<i>Contractors: Maintenance of Buildings and Facilities</i>	–	134 906	12 920	13 360	13 018	13 018	14 730	15 414	15 943
<i>Contractors:Maintenance of Equipment</i>	–	–	20 626	21 039	21 815	21 815	25 991	27 236	28 320
<i>Contractors:Maintenance of Unspecified Assets</i>	–	–	102 899	69 241	71 492	71 492	82 455	86 309	89 305
<i>Business and Advisory Human Resources</i>	–	2 787	3 362	4 100	8 289	8 289	4 122	4 228	4 187
<i>Consultants and Professional Services Legal Cost Collection</i>	2 091	2 143	1 998	4 383	4 383	4 383	4 646	4 593	4 685
<i>Outsourced Services:Professional Staff</i>	–	–	593	4 277	3 583	3 583	3 762	3 912	3 762
<i>Other Contracted Services</i>	112 366	3 573	7 561	4 366	7 577	7 577	7 821	8 150	8 396
Total contracted services	303 088	339 556	369 218	323 135	363 432	363 432	289 827	300 388	307 803
<u>Other Expenditure By Type</u>									
<i>General expenses</i>	23 864	18 500	20 810	36 199	34 941	34 941	39 114	40 421	41 784
<i>Transport Assets</i>	35 660	32 250	–	–	–	–	–	–	–
<i>Commission Prepaid Electricity</i>	6 399	6 182	6 549	6 729	6 729	6 729	7 334	7 052	7 334
<i>Postage/Stamps</i>	1 706	2 178	2 211	6 570	6 570	6 570	8 417	8 669	8 430

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
EXPENDITURE ITEMS:									
<u>Other Expenditure By Type</u>									
Dumping Fees (District Council)	6 550	9 214	9 130	8 816	8 816	8 816	9 256	9 701	10 089
External Computer Services: Internet Charge	3 359	1 881	707	4 317	4 306	4 306	4 526	4 570	4 789
External Computer Services: Software License	12 799	8 649	10 551	16 913	18 548	18 548	17 496	18 196	18 888
Insurance	3 883	4 199	6 790	6 950	9 500	9 500	12 000	10 500	11 000
Professional Bodies: Membership And Subscription	7 341	7 545	8 343	8 781	8 863	8 863	10 139	10 554	11 139
Remuneration to Ward Committees	3 209	4 960	5 239	5 819	5 819	5 819	6 022	6 311	6 022
Skills Development Fund Levy	5 436	5 892	6 387	6 943	7 085	7 085	7 685	8 014	8 415
Bank Charges	5 966	7 008	9 512	9 047	9 047	9 047	13 794	14 346	14 891
Workmen's Compensation Fund	3 259	4 175	3 325	4 728	4 731	4 731	5 300	10 659	5 851
Uniform And Protective Clothing	4 293	5 552	5 793	9 078	9 536	9 536	10 942	11 380	11 698
Telephone	1 965	1 469	3 089	2 229	2 119	2 119	3 878	4 033	4 194
Advertising, Publicity and Marketing:Corporate and Municipal Activities	2 812	2 536	2 719	1 748	2 319	2 319	2 351	2 445	2 431
External Audit Fees	3 333	5 079	5 292	5 793	5 793	5 793	5 996	6 236	6 454
Water Resource Management Charges	16 436	22 566	27 225	23 712	23 712	23 712	20 442	21 394	22 036
Motor Vehicle Licence and Registrations	1 554	2 487	2 841	2 611	3 626	3 626	3 739	3 918	3 739
Hire Charges	–	–	19 662	7 088	13 541	13 541	13 005	13 525	13 931
Municipal Services	–	12 548	10 448	104 112	83 897	83 897	87 054	104 824	108 597
Total 'Other' Expenditure	149 823	164 869	166 623	278 181	269 497	269 497	288 491	316 747	321 709
Repairs and Maintenance by Expenditure Item									
Employee related costs	208 536	209 087	231 581	494 275	494 275	494 275	525 167	551 426	576 914
Other materials	50 483	73 130	74 844	84 738	83 822	83 822	92 378	96 805	93 002
Contracted Services	120 804	134 906	136 464	103 585	99 211	99 211	123 119	128 900	133 508
Total Repairs and Maintenance Expenditure	379 822	417 124	442 889	682 598	677 307	677 307	740 665	777 131	803 425

Table 72 MBRR SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - CITY DEVELOPM ENT	Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTA L SERVICES	Vote 5 - CORPORA TE SERVICES - ADMINIST RATION	Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATI ON TECHNOLOGY	Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	Vote 8 - FINANCIAL SERVICES	Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	Vote 10 - INFRASTRUCT URE SERVICES - WATER AND SANITATION	Vote 11 - INFRASTRUCT URE SERVICES - TRANSPORT, ROADS AND STORMWATER	Vote 12 - INFRASTRUCT URE SERVICES - ENGINEERING SUPPORT SERVICES	Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	Total
R thousand														
Revenue By Source														
Property rates	-	-	-	-	-	-	-	540 840	-	-	-	-	-	540 840
Service charges - electricity revenue	-	-	-	-	-	-	-	162	1 666 015	-	-	-	-	1 666 177
Service charges - water revenue	-	-	-	-	-	-	-	-	-	411 574	-	-	-	411 574
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	111 886	-	-	-	111 886
Service charges - refuse revenue	-	117 414	-	-	-	-	-	-	-	-	-	-	-	117 414
Rental of facilities and equipment	3	-	-	6 813	3 148	-	-	-	-	-	1 200	-	-	11 164
Interest earned - external investments	-	-	-	-	-	-	-	63 000	-	-	-	-	-	63 000
Interest earned - outstanding debtors	-	-	-	-	-	-	-	114	-	-	-	-	-	114
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	0	0	4 004	22	-	-	-	4 845	1 100	597	-	-	29	10 597
Licences and permits	-	-	3 407	-	-	-	-	-	-	-	-	-	-	3 407
Agency services	-	-	5 970	-	-	-	-	-	-	-	-	-	-	5 970
Other revenue	8 320	5 434	2 726	4 971	1 731	800	790	6 203	5 559	21 588	2 005	900	2 981	64 008
Transfers and subsidies	1 206	79 374	-	11 591	-	-	-	2 600	7 937	309 559	-	12 376	-	424 643
Total Revenue (excluding capital transfers and contributions)	9 529	202 223	16 107	23 397	4 878	800	790	617 764	1 680 611	855 204	3 206	13 276	3 010	3 430 794
Expenditure By Type														
Employee related costs	56 716	150 334	63 753	131 908	51 809	13 336	25 323	101 849	96 611	146 184	70 431	38 925	39 603	986 781
Remuneration of councillors	-	-	-	-	34 026	-	-	-	-	-	-	-	-	34 026
Debt impairment	-	1 650	-	-	-	-	-	7 206	17 646	8 498	-	-	-	35 000
Depreciation & asset impairment	11 014	6 826	391	25 245	17 401	9 949	499	335	56 720	234 268	111 631	186	107	474 573
Finance charges	136	641	204	2 246	1 474	1 116	68	1	27 391	36 276	10 389	0	1	79 943
Bulk purchases	-	-	-	-	-	-	-	-	1 028 596	110 420	-	-	-	1 139 016
Other materials	439	11 718	1 457	8 591	2 573	2 167	856	1 431	46 123	36 823	29 917	1 522	223	143 840
Contracted services	14 044	4 559	2 213	29 645	21 262	28 544	5 252	40 052	47 422	58 523	28 038	5 342	4 932	289 827
Transfers and subsidies	945	515	450	8 145	3 723	-	-	-	-	-	-	-	-	13 778
Other expenditure	31 814	91 855	26 677	73 143	(117 228)	(47 074)	(24 972)	(121 990)	114 534	209 801	59 886	(10 976)	3 022	288 491
Total Expenditure	115 108	268 098	95 144	278 923	15 039	8 037	7 027	28 885	1 435 043	840 792	310 291	35 000	47 887	3 485 274
Surplus/(Deficit)	(105 579)	(65 876)	(79 037)	(255 526)	(10 161)	(7 237)	(6 237)	588 879	245 568	14 412	(307 085)	(21 724)	(44 878)	(54 480)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	3 000	-	-	-	2 863	-	-	-	11 429	97 105	69 461	-	-	183 857
Surplus/(Deficit) after capital transfers & contributions	(102 579)	(65 876)	(79 037)	(255 526)	(7 298)	(7 237)	(6 237)	588 879	256 997	111 517	(237 625)	(21 724)	(44 878)	129 377

Table 73 MBRR SA3 – Supporting detail to Statement of Financial Position

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
ASSETS									
<u>Call investment deposits</u>									
Call deposits	645 000	415 000	390 000	300 000	250 000	250 000	270 000	270 000	280 000
Total Call investment deposits	645 000	415 000	390 000	300 000	250 000	250 000	270 000	270 000	280 000
<u>Consumer debtors</u>									
Consumer debtors	433 536	471 771	466 600	408 128	419 899	419 899	487 601	512 872	540 127
Less: Provision for debt impairment	(82 554)	(59 600)	(104 872)	(73 239)	(68 173)	(68 173)	(73 443)	(75 193)	(77 030)
Total Consumer debtors	350 981	412 171	361 728	334 889	351 726	351 726	414 158	437 679	463 097
<u>Debt impairment provision</u>									
Balance at the beginning of the year	71 030	51 800	59 600	71 515	71 515	71 515	68 173	73 443	75 193
Contributions to the provision	8 891	18 596	78 939	31 454	26 388	26 388	35 000	36 750	38 587
Bad debts written off	(28 121)	(10 796)	(33 667)	(29 730)	(29 730)	(29 730)	(29 730)	(35 000)	(36 750)
Balance at end of year	51 800	59 600	104 872	73 239	68 173	68 173	73 443	75 193	77 030
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	12 602 747	13 930 015	14 774 811	14 175 803	14 899 183	14 899 183	15 578 614	16 171 546	16 825 022
Less: Accumulated depreciation	7 372 139	7 704 369	8 569 336	8 428 899	8 513 426	8 513 426	8 993 686	9 496 409	10 040 366
Total Property, plant and equipment (PPE)	5 230 609	6 225 646	6 205 475	5 746 904	6 385 757	6 385 757	6 584 928	6 675 137	6 784 656

Table MBRR SA3 – Supporting detail to Statement of Financial Position (Continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Current portion of long-term liabilities	155 996	145 259	87 793	84 692	60 394	60 394	100 080	105 719	121 057
Total Current liabilities - Borrowing	155 996	145 259	87 793	84 692	60 394	60 394	100 080	105 719	121 057
<u>Trade and other payables</u>									
Trade Payables	433 411	331 360	256 164	243 618	258 576	258 576	215 516	219 414	230 310
Other creditors	170 931	112 190	148 964	124 279	131 736	131 736	137 664	143 996	150 620
Unspent conditional transfers	10 596	15 676	10 801	20 232	20 232	20 232	12 699	12 699	12 699
VAT	–	10 602	14 328	4 845	4 845	4 845	1 020	11 082	19 347
Total Trade and other payables	614 938	469 828	430 256	392 973	415 388	415 388	366 899	387 192	412 976
<u>Non current liabilities - Borrowing</u>									
Borrowing	539 613	394 166	614 841	528 708	592 112	592 112	657 641	690 786	651 355
Total Non current liabilities - Borrowing	539 613	394 166	614 841	528 708	592 112	592 112	657 641	690 786	651 355
<u>Provisions - non-current</u>									
Retirement benefits	332 532	220 079	224 236	270 495	224 236	224 236	247 429	274 268	304 793
Total Provisions - non-current	332 532	220 079	224 236	270 495	224 236	224 236	247 429	274 268	304 793

Table MBRR SA3 – Supporting detail to Statement of Financial Position (Continued)

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	4 420 396	4 958 862	5 902 354	5 053 467	5 053 467	5 053 467	5 990 265	6 041 734	6 025 930
Restated balance	4 420 396	4 958 862	5 902 354	5 053 467	5 053 467	5 053 467	5 990 265	6 041 734	6 025 930
Surplus/(Deficit)	213 235	290 254	(113 386)	165 753	87 014	87 014	129 377	117 712	199 132
Transfers to/from Reserves	–	–	–	–	118 139	118 139	–	–	–
Depreciation offsets	–	–	–	–	3 063	3 063	–	–	–
Other adjustments	325 230	653 238	177 962	166 506	728 582	728 582	(77 908)	(133 516)	(102 339)
Accumulated Surplus/(Deficit)	4 958 862	5 902 354	5 966 930	5 385 726	5 990 265	5 990 265	6 041 734	6 025 930	6 122 724
<u>Reserves</u>									
Housing Development Fund	2 750	3 062	–	–	–	–	–	–	–
Capital replacement	–	190 324	–	118 139	110 258	110 258	296 000	327 000	342 042
Total Reserves	2 750	193 386	–	118 139	110 258	110 258	296 000	327 000	342 042
TOTAL COMMUNITY WEALTH/EQUITY	4 961 612	6 095 740	5 966 930	5 503 865	6 100 523	6 100 523	6 337 734	6 352 930	6 464 766

Table 74 MBRR SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<u>Demographics</u>											
Population	2011 Census	289	332	334	334	334	410	410	410	410	410
Females aged 5 - 14	2011 Census	32	37	31	31	31	47	47	47	47	47
Males aged 5 - 14	2011 Census	32	35	31	31	31	45	45	45	45	45
Females aged 15 - 34	2011 Census	61	38	74	74	74	84	84	84	84	84
Males aged 15 - 34	2011 Census	56	70	69	70	70	79	79	79	79	79
Unemployment	2011 Census	46	46	39	39	39	39	39	39	39	39
<u>Monthly household income (no. of households)</u>											
No income	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	18 231	4 806	136 821	136 821	136 821	136 821	136 821	136 821	136 821	136 821
R1 - R1 600	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	5 310	14 200	93 085	93 085	93 085	93 085	93 085	93 085	93 085	93 085
R1 601 - R3 200	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	10 370	4 597	16 998	16 998	16 998	16 998	16 998	16 998	16 998	16 998
R3 201 - R6 400	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	13 948	13 948	13 948	13 948	13 948	13 948	13 948	13 948
R6 401 - R12 800	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	15 364	15 364	15 364	15 364	15 364	15 364	15 364	15 364
R12 801 - R25 600	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	12 373	12 373	12 373	12 373	12 373	12 373	12 373	12 373
R25 601 - R51 200	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659
R52 201 - R102 400	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	864	864	864	864	864	864	864	864
R102 401 - R204 800	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	388	388	388	388	388	388	388	388
R204 801 - R409 600	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	253	253	253	253	253	253	253	253
R409 601 - R819 200	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	–	–	–	–	–	–	–	–
> R819 200	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	–	–	–	–	–	–	–	–	–	–

Table MBRR SA9 – Social, economic and demographic statistics and assumptions (continued)

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Poverty profiles (no. of households)											
< R2 060 per household per month	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Household/demographics (000)											
Number of people in municipal area		289 000	332 000	334 000	334	334	410	410	410	410	410
Number of poor people in municipal area	Individual with no income and income below R800pm counted. Increase annually of 1.45% projected	250 709	267 418	267 418	202	202	211	211	211	211	211
Number of households in municipal area	Increase of 1.45% projected	67 127	81 005	81 005	87	87	91	91	91	91	91
Number of poor households in municipal area		-	-	-	52	52	54	54	54	54	54
Definition of poor household (R per month)		>R1100/pmmt	>R1000/pmmt	>R1000/pmmt	>R1000/pmmt	>R1000/pmmt	>R1000/pmmt	>R1000/pmmt	>R1000/pmmt	>R1000/pmmt	>R1000/pmmt
Housing statistics											
Formal	Included census figure not mentioned under informal hereunder. Annual increase of 1.45% applied	51 605	63 803	63 803	76 477	76 477	79 930	79 930	79 930	79 930	79 930
Informal	Included census figure for traditional dwellings, informal dwellings, caravan/tent and other as a possible indication of need/demand. Annual increase of 1.45% applied	5 500	3 082	3 082	10 132	10 132	10 589	10 589	10 589	10 589	10 589
Total number of households		57 105	66 885	66 885	86 609	86 609	90 519	90 519	90 519	90 519	90 519
Economic											
Inflation/inflation outlook (CPIX)					6.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%
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					6.0%	7.4%	7.0%	6.5%	6.5%	6.5%	6.5%
Consumption growth (electricity)					1.0%	1.0%	1.5%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)					1.0%	1.0%	1.5%	1.0%	1.0%	1.0%	1.0%
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%	9.0%	10.5%	10.5%	10.5%	10.5%	10.5%
Revenue from agency services					98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%

Table 75 MBRR SA32 – List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Mnatho Trading Enterprise 145 cc	Yrs	3	Hiring of Portable Toilets and Cleaning Services	31 January 2022	196
Wes Railway Construction	Yrs	3	Maintenance and Reinstatement of Private Sidings	31 May 2021	1 078
Isigubhu Civils cc	Yrs	3	Rehabilitation of Walkways as and when required	30 June 2021	3 500
Liwa Construction and Community Development	Yrs	3	Kerb Replacement as and when required	30 June 2021	3 500
Megaphase Trading	Yrs	3	Provision of Road Marking, Road Studs and Sand Blasting as and when required	31 August 2021	1 070
SNA Civil and Structural Engineers	Yrs	3	Quality Testing of Road Construction and Maintenance as and when required	31 January 2022	417
Aqua Transport and Plant Hire	Yrs	3	Supply and Construction of Selected Layer Works on Rural Roads as and when required	30 June 2021	7 500
Zai Consulting	Yrs	2	Esikhaleni Intersection	30 December 2023	4 000
Leomat	Yrs	2	Esikhaleni Intersection	30 December 2023	30 500
Ilifa	Yrs	1	Aquadene Stormwater	30 June 2020	2 300
Ilifa Engineering	Yrs	3	Empangeni A Rank upgrade	31 July 2025	33 148
Ettwini	Yrs	3	NCA Doubling	30 April 2023	85 000
STM JV Qajana	Yrs	3	Traffic Calming	As and when	755
Zalopath	Yrs	3	Walkways	As and when	1 130
Zalopath	Yrs	3	Anglers Rod/ knorhaanbaai Intersection project	31 March 2020	2 100
Skyv Consulting	Yrs	3	New Design Pedestrian Bridges	14 January 2022	4 365
Ilifa Africa Consulting	Yrs	3	Alkanstrand Staircase	14 January 2022	4 725
Gendu Consulting Engineers	Yrs	3	Structural Assessment of Road Bridges	31 March 2022	3 684
LIMS	Yrs	3	Laboratory Information Management System	30 June 2020	140
Altron Bytes	Yrs	3	Printing/ printer rental	31 March 2022	4 248
Articpoint t/a Civil Designer	Yrs	1	CAD software maintenance	30 June 2020	323
AviPRO	Yrs	1	Audio-visual SLA	31 March 2019	18
Bidvest Konica	Yrs	3	Printing/ printer rental	31 March 2022	1 944
Datacentrix	Yrs	3	PABX and IP telephony rental	31 March 2020	3 258
Datacentrix	Yrs	3	Network Infrastructure Support (SLA)	31 March 2019	2 632
EOH	Yrs	1	SAP ERP annual License / software maintenance fee	30 June 2020	3 799
ESRI	Yrs	3	GIS (ArcGIS) software Enterprise Agreement	01 October 2020	3 549
Fujitsu	Yrs	1	Financial Services - Revenue module	30 June 2020	801
IMQS	Yrs	3	Management of maintenance of fixed assets	30 June 2020	1 285
Intellisec	Yrs	3	CCTV	30 June 2020	16
Intenda	Yrs	1	Financial Services - expenditure module	30 June 2020	404
Internet solutions	Yrs	1	ADSL - internet services	31 January 2020	50
KPMG	Yrs	1	Auditing software (internal audit)	30 June 2020	9
Leipzig / Advisory IT	Yrs	3	SAP ERP Project Management	30 June 2020	46 800
Liquid Telecommunications	Yrs	3	Fibre to Richards Bay - Internet Services	30 June 2020	210
Liquid Telecommunications	Yrs	3	Fibre to Empangeni - Internet Services	30 June 2020	121
Liquid Telecommunications	Yrs	3	Least Cost Routing	30 June 2020	323
Magnum Megawatts	Yrs	3	UPS SLA	30 June 2020	73
Microsoft Ireland	Yrs	3	Microsoft Enterprise Agreement - suite of products	31 May 2020	2 400
Ontec	Yrs	1	Vending of pre-paid electricity	30 June 2020	864
Panel of 5, as per Tender	Yrs	3	Fibre & UTP network infrastructure maintenance	30 June 2020	1 000
PayDay SOFTWARE SYSTEMS	Yrs	1	Payroll and Human Resource software licenses and support	30 June 2020	320
SARYX	Yrs	3	Health and Safety system	29 February 2020	77
Secure Data	Yrs	1	Anti-Virus license annual renewal	30 June 2020	72
SITA - Micro Focus	Yrs	1	Micro Focus & SUSE software/ product suite maintenance (MLA)	31 March 2020	3 089
SolarWinds network monitoring	Yrs	3	Network (switch) monitoring	30 June 2020	120
Sysman	Yrs	1	Emergency Services System for Fire & Rescue	30 June 2020	118
Ttech	Yrs	3	Hosting and maintenance of official websites	30 June 2020	420
Vital Link	Yrs	1	Database with all hazardous chemicals	30 June 2020	26
WiFi Towers	Yrs	3	Wi-Fi/ Radio network support	30 June 2020	305

Table 76 MBRR SA38 - Consolidated detailed operational projects

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Prior year outcomes		2020/21 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Community Assets:Community Facilities:Halls:Buildings	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Community Facilities	Halls	Whole of the Municipality	0	79	83	84	85
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Community Assets:Community Facilities:Libraries:Buildings	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Community Facilities	Libraries	Whole of the Municipality	–	18	19	19	19
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Heritage Assets:Historic Buildings	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Heritage assets	Historic Buildings	Whole of the Municipality	–	3	3	4	3
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment	Unspecified	Whole of the Municipality	69	105	110	116	113
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Other Assets:Operational Buildings:Municipal Offices:Buildings	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Operational Buildings	Municipal Offices	Whole of the Municipality	1 407	1 554	1 627	1 705	1 753
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Community Assets:Community Facilities:Cemeteries/Crematoria:Buildings	Preventative Maintenance	A diverse, socially cohesive society with a common national identity	Growth	3.3 Safe and Healthy Living Environment	Community Facilities	Cemeteries/Crematoria	Whole of the Municipality	784	930	977	1 024	977
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Community Assets:Community Facilities:Halls:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Community Facilities	Halls	Whole of the Municipality	140	316	332	348	352
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Community Assets:Community Facilities:Libraries:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Community Facilities	Libraries	Whole of the Municipality	20	45	43	45	45
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Heritage Assets:Historic Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Heritage assets	Historic Buildings	Whole of the Municipality	–	1	2	2	2
	Community and Social Services	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Other Assets:Operational Buildings:Municipal Offices:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Operational Buildings	Municipal Offices	Whole of the Municipality	1 489	858	901	944	933
	Community and Social Services	Operational:Municipal Running Cost		An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services			Whole of the Municipality	96 971	111 156	123 260	142 789	148 946
	Energy Sources	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:HV Transmission Conductors:HV Cables	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	HV Transmission Conductors	Whole of the Municipality	848	1 733	1 819	1 906	1 898
	Energy Sources	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:LV Networks:LV Conductors	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	LV Networks	Whole of the Municipality	–	1 162	1 220	1 279	1 220
	Energy Sources	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:LV Networks:Public Lighting	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	LV Networks	Whole of the Municipality	2 110	2 771	2 910	3 050	3 249
	Energy Sources	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:MV Networks:MV Mini-substations	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	MV Networks	Whole of the Municipality	9 573	10 773	11 306	11 849	11 750
	Energy Sources	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:MV Substations:MV Mini-substations	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	MV Substations	Whole of the Municipality	2 117	4 625	4 713	4 939	5 024
	Energy Sources	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Roads Infrastructure:Road Furniture:Traffic Signs	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Roads Infrastructure	Road Furniture	Whole of the Municipality	–	325	342	358	372
	Energy Sources	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Electrical Infrastructure:HV Transmission Conductors:HV Cables	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	HV Transmission Conductors	Whole of the Municipality	2 279	5 075	5 325	5 581	5 637

Table MBRR SA38 - Consolidated detailed operational projects (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Prior year outcomes		2020/21 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Energy Sources		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Electrical Infrastructure:LV Networks:Electricity Meters	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	LV Networks	Whole of the Municipality	414	500	525	550	544
Energy Sources		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Electrical Infrastructure:LV Networks:LV Conductors	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	LV Networks	Whole of the Municipality	818	2 440	2 562	2 685	2 571
Energy Sources		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Electrical Infrastructure:LV Networks:Public Lighting	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	LV Networks	Whole of the Municipality	2 311	4 796	4 730	4 957	4 807
Energy Sources		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Electrical Infrastructure:MV Networks:MV Mini-substations	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	MV Networks	Whole of the Municipality	4 520	8 064	8 463	8 870	8 866
Energy Sources		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Electrical Infrastructure:MV Networks:MV Network Equipment	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Electrical Infrastructure	MV Networks	Whole of the Municipality	513	761	799	837	799
Energy Sources		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Roads Infrastructure:Road Furniture:Traffic Signs	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Roads Infrastructure	Road Furniture	Whole of the Municipality	512	730	767	804	800
Energy Sources		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment	Unspecified	Whole of the Municipality	18	132	138	145	151
Energy Sources		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Other Assets:Operational Buildings:Municipal Offices:Buildings	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Operational Buildings	Municipal Offices	Whole of the Municipality	–	–	–	–	–
Energy Sources		Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Machinery and Equipment	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment	Unspecified	Whole of the Municipality	17 468	17 530	18 407	19 290	20 062
Energy Sources		Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Other Assets:Operational Buildings:Municipal Offices:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Operational Buildings	Municipal Offices	Whole of the Municipality	318	795	834	874	893
Energy Sources		Operational:Municipal Running Cost		An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services			Whole of the Municipality	989 176	1 178 562	1 216 386	1 281 425	1 357 353
Environmental Protection		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	A diverse, socially cohesive society with a common national identity	Growth	3.3 Safe and Healthy Living Environment	Machinery and Equipment	Unspecified	Whole of the Municipality	–	150	158	165	158
Environmental Protection		Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Other Assets:Operational Buildings:Municipal Offices:Buildings	Preventative Maintenance	A diverse, socially cohesive society with a common national identity	Growth	3.3 Safe and Healthy Living Environment	Operational Buildings	Municipal Offices	Whole of the Municipality	830	1 033	1 085	1 137	1 182
Environmental Protection		Operational:Municipal Running Cost		A diverse, socially cohesive society with a common national identity	Growth	3.3 Safe and Healthy Living Environment			Whole of the Municipality	7 348	7 626	6 220	6 532	6 784
Executive and Council		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Rail Infrastructure:Rail Lines:Rail Lines and Ballast	Preventative Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Rail Infrastructure	Rail Lines	Whole of the Municipality	21	53	55	57	59
Executive and Council		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Machinery and Equipment	Unspecified	Whole of the Municipality	3	4	4	4	4
Executive and Council		Operational:Municipal Running Cost		Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance			Whole of the Municipality	121 050	138 304	137 749	144 492	150 078

Table MBRR SA38 - Consolidated detailed operational projects (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Prior year outcomes		2020/21 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Finance and Administration	Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Information and Communication Infrastructure:Data Centres:Buildings	Corrective Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Information and Communication Infrastructure	Core Layers	Whole of the Municipality	3 511	–	–	–	–
	Finance and Administration	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Furniture and Office Equipment	Corrective Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Furniture and Office Equipment	Unspecified	Whole of the Municipality	–	12	12	12	13
	Finance and Administration	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Machinery and Equipment	Unspecified	Whole of the Municipality	3	33	33	35	36
	Finance and Administration	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Other Assets:Operational Buildings:Municipal Offices:Buildings	Corrective Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Operational Buildings	Municipal Offices	Whole of the Municipality	306	12	12	12	13
	Finance and Administration	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Transport Assets	Corrective Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Transport Assets	Unspecified	Whole of the Municipality	5 905	12 285	12 899	13 518	13 094
	Finance and Administration	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Computer Equipment	Corrective Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Computer Equipment	Unspecified	Whole of the Municipality	3	4 053	4 255	4 460	4 638
	Finance and Administration	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Computer Equipment	Preventative Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Computer Equipment	Unspecified	Whole of the Municipality	749	4 218	6 119	6 412	6 213
	Finance and Administration	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Other Assets:Operational Buildings:Municipal Offices:Buildings	Preventative Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Operational Buildings	Municipal Offices	Whole of the Municipality	–	37	38	40	38
	Finance and Administration	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Transport Assets	Preventative Maintenance	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Transport Assets	Unspecified	Whole of the Municipality	11 982	4 254	4 467	4 680	4 556
	Finance and Administration	Operational:Municipal Running Cost		Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance			Whole of the Municipality	413 301	374 518	410 684	425 677	440 066
	Finance and Administration	Operational:Typical Work Streams:Financial Management Grant:Interns Compensation	Work streams	Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance			Whole of the Municipality	2 695	2 753	2 600	2 600	2 650
	Health	Operational:Municipal Running Cost		Create a better South Africa and contribute to a better Africa and a better world	Growth	3.3 Safe and Healthy Living Environment			Whole of the Municipality	–	–	1 951	2 060	2 152
	Housing	Operational:Municipal Running Cost		An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services			Whole of the Municipality	22 516	20 131	25 801	26 598	27 378
	Internal Audit	Operational:Municipal Running Cost		Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance			Whole of the Municipality	10 463	6 927	7 428	7 802	8 176

Table MBRR SA38 - Consolidated detailed operational projects (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Prior year outcomes		2020/21 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Other		Operational:Municipal Running Cost		Responsive, accountable, effective and efficient local government	Governance	1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance			Whole of the Municipality	4 549	4 240	5 094	5 335	5 480
Planning and Development		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Furniture and Office Equipment	Corrective Maintenance	Decent employment through inclusive growth	Growth	3.1 Viable Economic Growth And Development	Furniture and Office Equipment	Unspecified	Whole of the Municipality	–	6	7	7	7
Planning and Development		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	Decent employment through inclusive growth	Growth	3.1 Viable Economic Growth And Development	Machinery and Equipment	Unspecified	Whole of the Municipality	–	1	1	1	1
Planning and Development		Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Other Assets:Operational Buildings:Municipal Offices:Buildings	Preventative Maintenance	Decent employment through inclusive growth	Growth	3.1 Viable Economic Growth And Development	Operational Buildings	Municipal Offices	Whole of the Municipality	–	44	44	46	48
Planning and Development		Operational:Municipal Running Cost		Decent employment through inclusive growth	Growth	3.1 Viable Economic Growth And Development			Whole of the Municipality	70 674	79 679	80 545	85 270	88 002
Planning and Development		Operational:Typical Work Streams:Expanded Public Works Programme:Project	Work streams	Decent employment through inclusive growth	Growth	3.1 Viable Economic Growth And Development			Whole of the Municipality	5 189	4 492	4 278	–	–
Public Safety		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Community Assets:Community Facilities:Fire/Ambulance Stations:Buildings	Corrective Maintenance	Create a better South Africa and contribute to a better Africa and a better world	Growth	3.2 Public Safety and Security	Community Facilities	Fire/Ambulance Stations	Whole of the Municipality	–	5	5	5	5
Public Safety		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Furniture and Office Equipment	Corrective Maintenance	Create a better South Africa and contribute to a better Africa and a better world	Growth	3.2 Public Safety and Security	Furniture and Office Equipment	Unspecified	Whole of the Municipality	–	5	6	6	6
Public Safety		Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	Create a better South Africa and contribute to a better Africa and a better world	Growth	3.2 Public Safety and Security	Machinery and Equipment	Unspecified	Whole of the Municipality	27	73	76	79	82
Public Safety		Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Community Assets:Community Facilities:Fire/Ambulance Stations:Buildings	Preventative Maintenance	Create a better South Africa and contribute to a better Africa and a better world	Growth	3.2 Public Safety and Security	Community Facilities	Fire/Ambulance Stations	Whole of the Municipality	1	7	7	7	7
Public Safety		Operational:Municipal Running Cost		Create a better South Africa and contribute to a better Africa and a better world	Growth	3.2 Public Safety and Security			Whole of the Municipality	91 261	99 545	107 646	113 419	118 350
Road Transport		Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Roads Infrastructure:Road Structures:Pedestrian Bridges	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Roads Infrastructure	Road Structures	Whole of the Municipality	56	180	189	198	189
Road Transport		Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Roads Infrastructure:Roads:Land	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Roads Infrastructure	Road Structures	Whole of the Municipality	1 176	1 117	1 173	1 229	1 257
Road Transport		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Rail Infrastructure:Rail Lines:Rail Lines and Ballast	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Roads Infrastructure	Rail Lines	Whole of the Municipality	1 479	1 158	1 216	1 274	1 325
Road Transport		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Roads Infrastructure:Road Furniture:Traffic Signs	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Roads Infrastructure	Road Furniture	Whole of the Municipality	2 962	4 434	4 656	4 880	4 797
Road Transport		Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Roads Infrastructure:Road Structures:Pedestrian Bridges	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Roads Infrastructure	Roads	Whole of the Municipality	1 112	1 013	1 063	1 114	1 097

Table MBRR SA38 - Consolidated detailed operational projects (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Prior year outcomes		2020/21 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Road Transport	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Roads Infrastructure:Roads:Land	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Roads Infrastructure	Road Structures	Whole of the Municipality	23 721	22 378	23 497	24 625	23 772
	Road Transport	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Furniture and Office Equipment	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Furniture and Office Equipment	Unspecified	Whole of the Municipality	–	3	4	4	4
	Road Transport	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment	Unspecified	Whole of the Municipality	–	19	20	21	22
	Road Transport	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Community Assets:Community Facilities:Taxi Ranks/Bus Terminals:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Community Facilities	Taxi Ranks/Bus Terminals	Whole of the Municipality	–	2	2	2	2
	Road Transport	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Machinery and Equipment	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment	Unspecified	Whole of the Municipality	–	1	1	1	1
	Road Transport	Operational:Municipal Running Cost		An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services			Whole of the Municipality	206 255	181 844	217 834	227 826	238 485
	Sport and Recreation	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Buildings	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Sport and Recreation Facilities	Outdoor Facilities	Whole of the Municipality	36	335	351	368	355
	Sport and Recreation	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment	Unspecified	Whole of the Municipality	1 270	1 389	1 458	1 528	1 459
	Sport and Recreation	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Community Assets:Community Facilities:Parks:Land	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Community Facilities		Whole of the Municipality	5 309	4 954	5 202	5 452	5 580
	Sport and Recreation	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Sport and Recreation Facilities	Outdoor Facilities	Whole of the Municipality	2 727	3 570	3 701	3 879	4 001
	Sport and Recreation	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Machinery and Equipment	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment	Unspecified	Whole of the Municipality	10	–	–	–	–
	Sport and Recreation	Operational:Municipal Running Cost		An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services			Whole of the Municipality	118 874	131 357	145 258	153 600	160 535
	Waste Management	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment		Whole of the Municipality	118	11	12	12	13
	Waste Management	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Other Assets:Operational Buildings:Municipal Offices:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Operational Buildings	Municipal Offices	Whole of the Municipality	–	20	20	21	22
	Waste Management	Operational:Municipal Running Cost		An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services			Whole of the Municipality	94 470	107 859	118 286	124 959	130 570

Table MBRR SA38 - Consolidated detailed operational projects (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Prior year outcomes		2020/21 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Waste Water Management	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Sanitation Infrastructure:Pump Station:Buildings	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Sanitation Infrastructure	Pump Stations	Whole of the Municipality	2 923	2 670	2 793	2 922	2 849
	Waste Water Management	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Sanitation Infrastructure:Reticulation:Pipe Work	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Sanitation Infrastructure	Reticulation	Whole of the Municipality	6 292	5 334	5 594	5 859	5 632
	Waste Water Management	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Storm water Infrastructure:Drainage Collection:Drainage	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Storm water Infrastructure	Drainage Collection	Whole of the Municipality	3 661	3 852	4 044	4 239	4 408
	Waste Water Management	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Storm water Infrastructure:Storm water Conveyance:Pipe Work	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Storm water Infrastructure	Storm water Conveyance	Whole of the Municipality	10 338	1 921	2 017	2 114	2 188
	Waste Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Coastal Infrastructure:Revetments:Earthworks	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Coastal Infrastructure	Revetments	Whole of the Municipality	865	1 030	1 082	1 133	1 179
	Waste Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Sanitation Infrastructure:Pump Station:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Sanitation Infrastructure	Pump Stations	Whole of the Municipality	2 141	1 779	2 331	2 428	2 524
	Waste Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Sanitation Infrastructure:Pump Station:Electrical Equipment	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Sanitation Infrastructure	Pump Stations	Whole of the Municipality	3 488	2 335	2 452	2 570	2 672
	Waste Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Sanitation Infrastructure:Reticulation:Pipe Work	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Sanitation Infrastructure	Reticulation	Whole of the Municipality	2 226	1 453	4 453	4 661	4 808
	Waste Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Storm water Infrastructure:Drainage Collection:Drainage	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Storm water Infrastructure	Drainage Collection	Whole of the Municipality	8 248	7 177	7 536	7 897	8 183
	Waste Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Storm water Infrastructure:Storm water Conveyance:Pipe Work	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Storm water Infrastructure	Storm water Conveyance	Whole of the Municipality	15 150	7 816	9 967	10 446	10 781
	Waste Water Management	Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Emergency:Community Assets:Community Facilities:Public Ablution Facilities:Buildings	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Community Facilities	Public Ablution Facilities	Whole of the Municipality	–	6	6	6	6
	Waste Water Management	Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment		Whole of the Municipality	260	1 639	1 639	1 718	1 786
	Waste Water Management	Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Community Assets:Community Facilities:Public Ablution Facilities:Buildings	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Community Facilities	Public Ablution Facilities	Whole of the Municipality	–	11	11	12	11
	Waste Water Management	Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Machinery and Equipment	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment		Whole of the Municipality	–	–	810	851	891
	Waste Water Management	Operational:Municipal Running Cost		An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services			Whole of the Municipality	219 313	226 975	229 444	240 217	252 366

Table MBRR SA38 - Consolidated detailed operational projects (continued)

R thousand	Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Prior year outcomes		2020/21 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Water Management	Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Water Supply Infrastructure:Distribution:Pipe Work	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Water Supply Infrastructure	Distribution Points	Whole of the Municipality	15 730	6 316	6 214	6 472	6 512
	Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Water Supply Infrastructure:Boreholes:Mechanical Equipment	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Water Supply Infrastructure	Boreholes	Whole of the Municipality	–	494	512	532	554
	Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Water Supply Infrastructure:Distribution Points:Pipe Work	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Water Supply Infrastructure	Distribution Points	Whole of the Municipality	3 255	3 984	4 175	4 371	4 218
	Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Water Supply Infrastructure:Distribution:Pipe Work	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Water Supply Infrastructure	Distribution Points	Whole of the Municipality	23 716	6 322	13 674	14 281	14 459
	Water Management	Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Water Supply Infrastructure:Water Treatment:Land	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Water Supply Infrastructure	Distribution Points	Whole of the Municipality	–	1 000	1 856	1 943	2 020
	Water Management	Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	Corrective Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment		Whole of the Municipality	313	223	231	240	250
	Water Management	Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Machinery and Equipment	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services	Machinery and Equipment		Whole of the Municipality	1 628	1 745	3 303	3 459	3 601
	Water Management	Operational:Municipal Running Cost		An efficient, competitive and responsive economic infrastructure network	Inclusion and access	2.1 Integrated infrastructure and efficient services			Whole of the Municipality	461 349	426 335	429 314	457 555	488 264
	Operational expenditure									3 146 732	3 292 395	3 485 274	3 673 862	3 852 144

2.14 Municipal manager's quality certificate



**CITY OF
uMHLATHUZE**
VISION INTO ACTION

2 Plak & Scazzie Club Courts
Banyana Stadium
Durban 401 004
Western Bay 4013
E-mail: info@umhlathuze.gov.za
T: 031 381 1000
F: 031 381 0000/1001
Tel/Fax No: 031 381 0000

www.umhlathuze.gov.za

Your ref: KZN 282

Contact: Municipal Manager

Our file ref: 5/1/1 - 2020/21

In response to DMS No: DMS 1401013

Date: 14/05/2020

QUALITY CERTIFICATE

I, Nkosinathi Mthethwa, Acting Municipal Manager of the City of uMhlathuze, 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.

MR N MTHETHWA

ACTING MUNICIPAL MANAGER OF CITY OF uMHLATHUZE KZN282

SIGNATURE: 

DATE: 14/05/2020



ALL CORRESPONDENCE MUST BE ADDRESSED TO THE MUNICIPAL MANAGER